

Intellectual Property Insights Summer 2019

Description

USPTO Requires Non-US Trademark Applicants to Retain US-Licensed Attorneys

The U.S. Patent and Trademark Office (USPTO) has announced new rules that went into effect 3 August 2019. Under the new rules, *all* filings, including new applications and renewal applications, filed by a person or entity not domiciled in the U.S. *must* be filed by an attorney licensed to practice before the USPTO.

The proposed requirement is like the requirement that currently exists in many other countries, such as Brazil, Chile, the People's Republic of China, Israel, Japan, Jordan, Republic of Korea, Morocco, and South Africa, as well as the European Union.

The rules are intended to enforce compliance with U.S. requirements that an applicant have, and be able to demonstrate, *a bona fide intent to use* the mark in the United States at the time of filing, and to enforce compliance with U.S. requirements that a mark be in use for all goods and services recited in the application prior to registration for all Section 1(a) and Section 1(b) applications, and within 6 years following registration for all registrations.

The new rules affect *all* applicants for registration of trademarks who are not domiciled in the U.S., and those submitting declarations of use or renewal applications in the U.S. who are not domiciled in the U.S. This includes applicants attempting to extend international registrations to the U.S. via the Madrid Protocol, although for now such applicants will only be required to appoint a U.S. licensed attorney if the USPTO issues a provisional refusal or office action. The rules also apply to parties in opposition and cancellation proceedings before the Trademark Trial and Appeal Board.

At the current time, the USPTO is reviewing all applications for on procedural and substantive grounds as before. However, if a filing has been made by a non-US applicant or registrant without appointing a U.S. licensed attorney, the USPTO has said it will issue an Office Action requiring that an attorney be appointed before the filing can be considered further.

For more information about the new rules, [visit our blog post](#), or contact us at trademark@psh.com.

U.S. Supreme Court Opens the Door to Registering “Immoral” And “Scandalous” Trademarks

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In June in *Iancu v. Brunetti*, the U.S. Supreme Court declared a provision of the federal trademark law unconstitutional and in violation of the First Amendment protection of free speech. The provision in question permits the U.S. Patent and Trademark Office (USPTO) to refuse to register trademarks that consist of or comprise “immoral” or “scandalous” matter.

The case involves a trademark application by Erik Brunetti, an artist and entrepreneur, who founded a clothing line that uses the trademark “FUCT”. The USPTO and the Trademark Trial and Appeal Board refused to register the mark because the mark was “highly offensive” and “vulgar,” and because the mark had “decidedly negative sexual connotations.”

In striking down the federal trademark ban, the Supreme Court relied on its 2017 decision in *Matal v. Tam*, which struck down a similar restriction on the registration of “disparaging” trademarks. In that decision, the Supreme Court determined that if a provision prohibiting trademark registration is “viewpoint based,” it violates the First Amendment and is unconstitutional.

The *Brunetti* decision opens the door for other “scandalous” and “immoral” trademarks to be registered. In recent months, the USPTO has reported an upsurge in such applications, perhaps anticipating the result in *Brunetti*. For example, as of June 24, 2019, there are over 200 pending applications in the USPTO for trademarks containing the “F-word.”

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New USPTO Guidelines Provide Little Relief for Trademark Applications for Cannabis-Related Products and Services

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In May 2019, the U.S. Patent and Trademark Office (USPTO) issued new guidelines as to how the agency will handle trademark applications for marijuana-related, hemp-related and CBD-related goods and services. Unfortunately, the new Guidelines raise as many questions for applicants as they purport to address and provide little relief for most applicants.

For years, the USPTO has refused to register trademarks for marijuana-related products. The federal trademark law requires that a company use its mark in commerce before the mark can be registered. To date, however, the courts and the USPTO have interpreted “use in commerce” to require *lawful* use in commerce. Marijuana use is legal for medical uses in at least 33 states, but buying, selling or possessing marijuana is still illegal (whether for medicinal or recreational use) under the federal Controlled Substances Act (CSA). As a result, the USPTO has refused consistently to register trademarks for marijuana and related products that federal law prohibits.

Under the new Guidelines, the USPTO has taken the following positions:

- For applications filed *on or after* December 20, 2018, the USPTO will not refuse to register marks for goods and services because the goods violate the CSA, but will require that the identification of goods specify that the goods contain less than 0.3% THC.
- For applications filed *before* December 20, 2018 for goods and services derived from “hemp,” the USPTO will permit the applicant either: (i) to abandon the application and file a new application, or (ii) to amend the filing date of the application to December 20, 2018, and to amend the identification of goods to specify that the goods contain less than 0.3% THC. This creates a dilemma for the applicant, as amending the filing date means that any applications filed by third parties prior to that date would get priority.
- The USPTO maintains its controversial position that it can refuse to register marks for certain products (including beverages, supplements, and pet treats) consumable by humans and pets unless these products comply with the federal Food Drug and Cosmetic Act (FDCA). Currently, the FDA has approved only one product (Epidiolex) containing an active ingredient (CBD) derived from a marijuana plant. In effect, the USPTO’s position means that applicants still will not be able to register trademarks for CBD-related products or services for human or animal consumption.

The new Guidelines do not provide any relief for those applying to register trademarks for traditional marijuana-related products and services. The Guidelines also do not provide any comfort for businesses and individuals who are providing marijuana-related goods and services that are legal under state laws, but not federal laws. We continue to suggest that these businesses and applicants apply to register their marks in states where the products and services are legal, and to apply to register marks for related products and services that federal

law does not prohibit.

For more information, [visit our blog post](#), or contact us at trademark@psh.com.

Tom Brady's "Tom Terrific" U.S. Trademark Applications Thrown For A Loss

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Tom Brady may be the greatest NFL quarterback of all time. But his efforts to register a TOM TERRIFIC trademark for T-shirts and posters and sporting cards have been thrown for a loss at the hands of the U.S. Patent and Trademark Office (USPTO). The applications serve as a reminder that U.S. trademark law does not permit marks to be registered if they create a false association with someone else.

Earlier this Summer, news of Brady's trademark applications drew ire from baseball fans, particularly those of the New York Mets team. Hall of Fame pitcher Tom Seaver bore the nickname TOM TERRIFIC during his 20-year major league career, most of which pitching for the Mets, and won baseball's World Championship for the Mets in 1969. One Mets fan (who is also a trademark attorney) went so far as to submit 84 pages to the USPTO of printouts from news articles, encyclopedias and columns referring to Tom Seaver by the nickname "Tom Terrific."

The USPTO took notice of this evidence and rejected the applications because the mark TOM TERRIFIC falsely suggests a connection between Brady and Tom Seaver. Under U.S. trademark law, a mark cannot be registered if the following criteria are satisfied:

1. The mark sought to be registered is the same as or similar to a name, nickname or identity previously used by another person or institution;
2. The mark would be recognized as such, in that it points uniquely and unmistakably to that person or institution;
3. The person or institution identified in the mark is not connected to the products or services identified in the application; and
4. The fame or reputation of the named person is such that a connection with such person would be presumed when the applicant's mark is used on the products.

Here, the USPTO Examining Attorney concluded that Tom Seaver is so well-known by the nickname TOM TERRIFIC that consumers would presume a connection between him and the T-shirts and posters marketed under the TOM TERRIFIC brand. "[T]he mark TOM TERRIFIC points uniquely and unmistakably to Tom Seaver and the fame or reputation of Tom Seaver as "Tom Terrific" is such that a connection between Mr. Seaver and the applied for goods would be presumed." The USPTO has used similar arguments in the past to reject applications to register nicknames of famous people, such as ROYAL KATE for fashion products (based on the fame of Kate Middleton as the Duchess of Cambridge) and TWIGGY for clothing (based on the fame of Leslie Hornby a/k/a Twiggy, the internationally known fashion model and actress).

Brady has 6 months in which to respond to the USPTO and argue his case. Fans of his New England Patriots football team hope he will leave the arguments to his trademark attorneys and focus his efforts on leading the team to another league championship. But the case serves as a reminder that, unless his attorneys can somehow demonstrate that there is a connection between Brady's business endeavors and Tom Seaver, some applications are better off not being filed in the first place.

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