Intent to Use: A Failed Experiment?

By AMY B. COHEN*

WHEN CONGRESS ENACTED the Trademark Law Revision Act of 19881 ("TLRA"), it made the first truly radical change in trademark law since the passage of the Lanham Act in 1946. By adding Section 1(b) to the Lanham Act allowing applications for federal trademark registration to be based on an intent to use the mark,2 Congress for the first time provided a way to apply for federal trademark registration before actual use of a trademark. Congress made this change to bring United States law into closer conformity with the practice elsewhere in the world where use is not a prerequisite to trademark protection.3 Congress, however, did not go so far as abandoning completely the long American legal tradition that bases trademark ownership and protection on actual use of the mark in connection with the goods or services the mark is intended to identify. The TLRA, while allowing one to file an application based on an intent to use ("ITU") a mark, makes registration itself contingent upon actual use within a set period of time after the issuance of a notice of allowance for the intent to use application. Thus, there is not complete protection until after actual use of the mark has occurred.4 The TLRA is Congress's attempt to straddle two positions: the American tradition requiring use for trademark protection and the emerging practice

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* Professor of Law, Western New England College School of Law. I would like to thank Pamela Chestek, Western New England College School of Law (2000), for her invaluable insights and assistance with this article. I also want to thank my husband and daughters for their continuing love and support.

2. 15 U.S.C. § 1051(b) (1994). This statute provides:
   A person who has a bona fide intention, under circumstances showing the good faith of such person, to use a trademark in commerce may apply to register the trademark under this chapter on the principal register hereby established . . . by paying the prescribed fee [and filing in the Patent and Trademark Office an application and a verified statement, in such form as may be prescribed by the Director].

   Id. at §1051 (b)(1).
3. See infra text accompanying notes 38–44.
4. See infra text accompanying notes 48–56.
elsewhere in the world that does not require such use prior to obtaining trademark protection.

This half-way position has created numerous problems and has in many ways failed to accomplish the goal of bringing American law into conformity with the rest of the world. While attempting to clarify the definition of the term "use," it has instead created a morass of varying definitions. Procedural issues have arisen as to the effect of an intent to use application vis-à-vis those who oppose such applications or those who use the applied for mark before a registration actually issues.\(^5\) The American position has also made it more difficult to determine who is entitled to use a mark and under what circumstances. Unfortunately, it is not clear whether there are sufficient benefits from this change in the law to outweigh the numerous problems it has created. It is therefore time to re-evaluate the experiment with the intent to use approach and consider whether Congress should either turn back the clock to pre-1988 law or move forward toward a system that is less based on use of trademark as the prerequisite to legal protection.

Part I of this article summarizes the pre-TLRA history of trademark use and the changes made by the TLRA. Part II will address the confusion that exists with respect to the meaning of "use" in a post-TLRA world. Part III identifies the procedural problems the TLRA has created. Part IV considers whether the ITU provisions of the TLRA have achieved the Congressional goals for enacting the statute. Finally, in Part V, an argument is made for serious re-examination of the intent to use regime created by the TLRA.

I. The Trademark Law Revision Act of 1988 and Its Historical Background

A. An American Tradition: Use of the Mark As a Prerequisite to Protection

American trademark law has its roots in the English common law, as the United States Supreme Court recognized in 1879 in the *Trademark Cases*:

The right to adopt and use a symbol or a device to distinguish the goods or property made or sold by the person whose mark it is, to the exclusion of use by all other persons, has been long recognized by the common law and the chancery courts of England and of this country, and by the statutes of some of the States . . . . This exclu-

\(^5\) See infra text accompanying notes 174–254.
sive right was not created by the act of Congress, and does not now depend upon it for its enforcement. The whole system of trademark property and the civil remedies for its protection existed long anterior to that act, and have remained in full force since its passage.\textsuperscript{6}

The Court further observed, in distinguishing trademarks from copyrights and patents, that, "[t]he trade-mark may be, and generally is, the adoption of something already in existence as the distinctive symbol of the party using it. \textit{At common law the exclusive right to it grows out of its use, and not its mere adoption.}\textsuperscript{7}

In \textit{Columbia Mill Co. v. Alcorn},\textsuperscript{8} the Supreme Court recognized as a general proposition established by case law "[t]hat the exclusive right to the use of the mark or device claimed as a trade-mark is founded on priority of appropriation; that is to say, the claimant of the trade-mark must have been the first to use or employ the same on like articles of production . . . ."\textsuperscript{9} In \textit{Hanover Star Milling Co. v. Metcalf},\textsuperscript{10} the Supreme Court again reaffirmed the common law requirement of use as a prerequisite to trademark rights and recognized that the requirement was based on a view that a trademark exists only to protect a person's "right to the continued enjoyment of his trade reputation and the good-will that flows from it, free from unwarranted interference by others . . . ."\textsuperscript{11} Reviewing English common law precedent, the Court reasoned that since trademarks are intended to help identify the source of particular goods and services, the English courts had denied the existence of any property right in a trademark "except as appurtenant to an established business or trade in connection with which the mark is used."\textsuperscript{12} The Court concluded that the same rule applied in the United States as well.\textsuperscript{13}

In \textit{United Drug Co. v. Theodore Rectanus Co.},\textsuperscript{14} the Supreme Court continued to adhere to the view that the common law based trademark rights on the use of a mark to identify the source of goods and services; the Court concluded that a later user of a mark could con-

\textsuperscript{7} \textit{Trade-mark Cases}, 100 U.S. at 94 (emphasis added).
\textsuperscript{8} 150 U.S. 460 (1893).
\textsuperscript{9} Id. at 463–64.
\textsuperscript{10} 240 U.S. 403 (1916).
\textsuperscript{11} Id. at 413.
\textsuperscript{12} Id. at 414.
\textsuperscript{13} See id.
\textsuperscript{14} 248 U.S. 90 (1918).
continue to use the mark based on its priority in a geographically remote market because the later use would not be confused with the original use of the mark. In other words, common law trademark rights only extended to the area where a user had achieved good will and public recognition of its trademark as the symbol of that good will.

Thus, under the common law, it was important to determine the first date and the geographic extent of a particular claimant’s use of a mark. Case law developed to define “first use” for purposes of such common law rights. That determination was heavily based on specific facts and circumstances, therefore creating inconsistencies and confusion with respect to such determinations. For example, there were distinctions made in defining the necessary quantum of use between marks that were inherently distinctive, or “technical trademarks,” and marks that had to acquire secondary meaning before they could receive trademark protection.

15. See id. at 103.
16. See id.
17. For example, in Kathreiner’s Maltkaffee Fabriken Mit Beschraenkter Haftung v. Pastor Kneipp Medicine Co., 82 F. 321 (7th Cir. 1897), the court found that a party’s limited sales over a three year period in the United States were sufficient to establish trademark ownership. See id. at 327. The court observed that it is not necessary:

[T]hat a trade in an article should be fully established, in the sense that the article be widely known . . . . It is enough, we think, if the article with the adopted brand upon it is actually a vendible article in the market, with intent by the proprietor to continue its production and sale. It is not essential that its use has been long continued, or that the article should be widely known, or should have attained great reputation.

Id. at 326.

In contrast, in Levy v. Waitt, 61 F. 1008 (1st Cir. 1894), the court considered a party’s claim to trademark ownership unsuccessful where the party’s claim to priority was based on sales considered too limited and the other party had engaged in more extensive use of the mark after those initial sales by the claimant. See id. at 1012. The court reasoned,

[W]e believe no case can be found where, with intermittent offers of merchandise bearing a certain name, with such long lapses on the one side, and on the other the uninterrupted and innocent use of the same name for five years without question, and a consequent growth of an extensive and valuable business, the equity courts have interfered in favor of the former against the latter.

Id. at 1010. The court thus denied the first party relief, concluding that they “had neither made any appropriation, nor fixed in the market any conviction on the party of the public . . . , not to such an extent that there was any possibility of the public being defrauded by others’ use of the name.” Id. at 1012.

In Jenney Mfg. Co. v. Leader Filling Stations Corp., 196 N.E. 852 (1935), the Massachusetts Supreme Judicial Court distinguished between the extent of use required to establish ownership of a “technical trademark,” i.e., one that is neither generic or descriptive, and that required to establish ownership of a non-technical trademark:

In the case of a technical trademark there must be a use in such circumstances as to publicity and length of time as to show an intention to adopt the word or symbol as a trade-mark . . . . In the case of a word not subject to exclusive appro-
To provide more predictability as well as broader geographic protection, Congress enacted the Lanham Act in 1946.\textsuperscript{18} Although the Lanham Act provided expanded rights to those who took advantage of its provisions for federal registration, it did not pre-empt state or common law protection.\textsuperscript{19} In fact, registration is not considered to be a means of obtaining trademark ownership itself, but rather a way of obtaining certain statutory advantages not granted to those who merely relied on common law trademark protection.\textsuperscript{20}

Although the Lanham Act did not itself explicitly require common law trademark ownership as a prerequisite to registration, it did require the applicant to own and use the mark in interstate commerce as a prerequisite to registration.\textsuperscript{21} The common law insistence on use

\textit{Id.} at 854. Because the defendant in this case had not proven such secondary meaning with respect to the mark at issue, a mark considered to be descriptive, the court ruled in favor of the plaintiff, even though the defendant had been the first use to use the mark in connection with actual sales of the goods. \textit{Id.}


The purpose of this bill is to place all matters relating to trademarks in one statute and to eliminate judicial obscurity, to simplify registration and to make it stronger and more liberal, to dispense with technical prohibitions and arbitrary provisions, to make procedure simple, and relief against infringement prompt and effective.


20. \textit{See} Zazu Designs v. L'Oreal, S.A., 979 F.2d 499, 503–04 (7th Cir. 1992) (registration without actual use is insufficient to create rights in a mark); S Indus., Inc. v. Stone Age Equip., Inc., 12 F. Supp. 2d 796, 804–05 (N.D. Ill. 1998) (trademark rights are not acquired by registration alone, but depend on use of the mark on goods); S Indus., Inc. v. Diamond Multimedia Sys., 991 F. Supp. 1012, 1018 (N.D. Ill. 1998) (trademark rights are not acquired by registration alone, but depend on use of the mark on goods). \textit{See also} Wise v. Bristol-Myers Co., 107 F. Supp. 800, 802 (S.D.N.Y. 1952) (invalidity of registration does not affect party's common law trademark rights); The Jim Dandy Co. v. Martha White Foods, Inc., 458 F.2d 1397, 1402 (C.C.P.A. 1972) (Lane, J., concurring) (“lack of capacity to register does not necessarily mean lack of prior ownership or lack of the right to oppose”). \textit{See also} Carter, \textit{supra} note 17, at 775–76.

as the prerequisite for trademark protection was thus not eliminated or overruled by Congress in 1946 when it enacted the Lanham Act.\(^{22}\) Instead, there was a dual system for protection: common law protection based on actual use, and federal protection based also on actual use as well as use "in commerce," i.e., in the commerce "which may lawfully be regulated by Congress."\(^{23}\) A party could oppose an application to register or seek to cancel a registration on the grounds that that party had used the mark prior to the applicant/registrant and that the applicant/registrant's use was likely to cause confusion with the other's use.\(^{24}\)

Questions arose with respect to what quantum of "use" would suffice to satisfy the federal requirements for registration as compared to the common law use requirement for trademark ownership. In *Blue Bell, Inc. v. Farah Manufacturing Co., Inc.*,\(^{25}\) the Fifth Circuit addressed this issue where two companies were contesting ownership of the mark TIME OUT for men's clothing.\(^{26}\) The case arose under common law since neither party had applied to register the mark pursuant to the Lanham Act.\(^{27}\) Farah argued that an internal shipment to its sales managers should suffice to establish use prior to Blue Bell. Farah relied on a Trademark Board decision, *Standard Pressed Steel Co. v. Midwest Chrome Process Co.*,\(^{28}\) where such internal shipments had been considered sufficient for purposes of establishing "use in commerce" for registration purposes.\(^{29}\) The Fifth Circuit considered that case inapposite, ruling that it did not affect the analysis of common law use in trade, but dealt only with what would suffice for "use in commerce" for purposes of federal registration.\(^{30}\) Thus, the Court recognized that there were two different contexts in which "first use" had to be defined—co-ownership and federal registration—and that the quantum

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\(^{22}\) See, e.g., New England Duplicating Co. v. Mendes, 190 F.2d 415, 417 (1st Cir. 1951) (ownership a condition precedent to registration). See also Macaulay v. Malt-Diastase Co., 4 F.2d 944, 944–45 (D.C. Cir. 1925) (only the owner of the trademark as determined by prior use and adoption, even if intrastate, can register the trademark pursuant to the Trademark Act of 1905; use in interstate commerce considered an additional requirement for registration, but not itself necessary to establish ownership). See 3 McCarthy, supra note 17, at § 19:55.


\(^{25}\) 508 F.2d 1260 (5th Cir. 1975).

\(^{26}\) See id. at 1262.

\(^{27}\) See id. at 1264.


\(^{29}\) See id. at 764–65.

\(^{30}\) See *Blue Bell*, 508 F.2d at 1266–67.
of use required for one was not necessarily the same as that required for the other.\textsuperscript{31}

This created some confusion. As described by Professor Michael Davis,\textsuperscript{32} in early applications of the Lanham Act a party could obtain federal registration based on a minimal use in commerce as long as there was some true commercial use, even if wholly intrastate. Professor Davis pointed out that over time the federal courts and the Trademark Trial and Appeal Board collapsed the minimal "use in commerce" requirement with the traditionally more demanding "use" requirement to allow applicants to apply for federal registration on the basis of minimal interstate activity alone, such as shipments across state lines of insignificant quantities of a given product.\textsuperscript{33} Professor Davis argued that this watering down of the prerequisites for federal registration resulted in part from pressure by companies and the trademark bar seeking to ensure a means to obtain trademark protection before entering the market with goods and services.\textsuperscript{34}

This watered down definition of "use" was coined "token use" and was the subject of a great deal of criticism because it seemed to favor larger companies at the expense of smaller companies and to make a sham of the traditional requirements of use for trademark protection.\textsuperscript{35} These complaints about the "token use" doctrine were

\textsuperscript{31.} See id. See also Davis, supra note 21, at 247–51. See also Zazu Designs v. L’Oreal, S.A., 979 F.2d 499, 503 (7th Cir. 1992) ("use sufficient to register a mark is not necessarily enough to acquire rights in the absence of registration"); Nat’l Cable Television Assoc., Inc. v. Am. Cinema Editors, Inc., 937 F.2d 1572, 1578 n.4 (Fed. Cir. 1991) (prior use in intrastate commerce is sufficient to oppose a mark, but not to register a mark). See generally 3 McCarthy, supra note 17, at § 19:116.

\textsuperscript{32.} See Davis, supra note 21, at 251-59.

\textsuperscript{33.} E.g., Societe de Developments Et D’Innovations Des Marche Agricoles Et Alimenfaires-Sodima-Union De Cooperatives Agricoles v. Int’l Yogurt Co., 662 F. Supp. 839, 847 (D. Ore. 1987) (doctrine of token use provides that "a single instance of use, if accompanied by circumstances showing an intention to continue use is sufficient to establish a right to use" (citing Ritz Cycle v. Priss-Seabury, 235 F. 125 (1916)); a 2 year period of no sales following a $2.52 token sale did not invalidate plaintiff’s trademark registration where product was allegedly under development). Compare Sharkskins Surf Gear v. San Jose Sharks, 1996 TTAB LEXIS 45, at *6–9 (1996) (where opposer’s post-TLRAs registrations were found to be based only on token use, i.e., a handful of products had been given to family and friends, registration was cancelled for failure to satisfy use requirements; TLRAs held to have eliminated token use as a basis for registration).

\textsuperscript{34.} Davis, supra note 21, at 265-78.

\textsuperscript{35.} Professor Davis was highly critical of the token use doctrine. He argued that trademark protection has an anti-competitive effect in that it distorts consumer preferences based on familiarity with a preferred trademark and the goods or services with which it is associated. Id. at 235–40. Thus, according to Davis:

[T]rademark use is important because, to the extent it imposes a substantive (rather than a token) burden upon the marketer, there is some assurance that
one of the contributing reasons for the enactment of the TLRA in 1988.36

In addition to the conflicting definitions of "use" for purposes of common law ownership and federal registration that arose after the enactment of the Lanham Act, there is yet another doctrine and definition of use: use analogous to trademark use. This doctrine allows businesses to oppose federal trademark applications by another when the opposer can establish that there has been sufficient publicity to create a public association with its mark even before any of their goods or services have entered the marketplace. The claim would be valid as long as the opposer can also show actual commercial use within a reasonable time. Case law established that opposers could assert such prior "use analogous to trademark use" to defeat an application to register a trademark by another, even if that applicant could show that it made commercial use of the mark before any actual commercial use by the opposer.37

the anticompetitive and monopolistic grant of trademark rights is justified . . . .
When trademark use is reduced to a procedural requirement, the trademark monopoly loses all social justification.

Id. at 242-43. Professor Davis saw the efforts to pass intent-to-use legislation as led by business groups and their lawyers seeking to lower the bar to trademark protection even further. See id. at 259–63. See also Carter, supra note 17, discussed infra note 44.


37. The earliest use of the phrase "use analogous to trademark use" appeared in a slightly different context. In John Wood Mfg. Co. v. Servel, Inc., 77 F.2d 946 (C.C.P.A 1935), a party opposing a trademark registration for the mark "hostess" claimed priority based on its use of the mark to designate a particular model of refrigerators it sold. Although the opposer admitted that it had not affixed that mark to such goods, the court concluded that its use of the mark in its literature and advertising materials as well as the fact that it received orders for goods under that name was "analogous to trademark use" and thus sufficient to establish priority. That rather narrow definition of "use analogous to trademark use" was expanded in Lever Bros. Co. v. Nobio Prods., 103 F.2d 917 (C.C.P.A. 1939), to cover an opposer's use of a slogan in advertising. More recently, the Court of Appeals for the Federal Circuit defined "[u]se 'analogous' to trademark use" to mean "use of a nature and extent such as to create an association of the term with the user's goods," Malcolm Nicol & Co. v. Witco Corp., 881 F.2d 1063, 1065 (Fed. Cir. 1989), as for example, in advertising brochures, catalogues, newspapers, press releases and trade publications. Such use is sufficient to defeat a trademark registration by a party who affixes the mark to the goods and uses it in commerce after the opposer's analogous use, "even though the opposer itself is not entitled to federal registration because it has never used the term as an affixed 'trademark.'" Id. Actord, Nat'l. Cable Television v. Am. Cinema Editors, 957 F.2d 1572, 1578 (Fed. Cir. 1991); The Jim Dandy Co. v. Martha White Foods, 458 F.2d 1397 (C.C.P.A. 1972); Geo. Washington Mint v. Washington Mint, 349 F. Supp. 255 (S.D.N.Y. 1972). Cf. Cullman Ventures v. Columbian Art Works, 717 F. Supp. 96 (S.D.N.Y. 1989) (court finds "use" analogous doctrine not relevant where relied on as defense to infringement as opposed to where relied on to establish priority to oppose the registration of a
By 1988, there were thus several different definitions of the term "use," and thus considerable confusion about what was necessary to ensure rights to a trademark.

B. The Trademark Law Revision Act of 1988 and the Requirement of Use As a Prerequisite Eliminated

In 1988, Congress made a radical change in American trademark law by allowing a party to apply for federal registration without having demonstrated use of the mark either in ordinary trade or in commerce, but rather on the basis of a bona fide intention to use the mark in commerce. The legislative history of the TLRA identified several purposes behind this change.

First, the change was considered necessary to prevent unfair treatment of American companies as compared to foreign companies. In the Senate Report on the bill that became the TLRA, it was stated that "the United States is the only developed country that requires use of a mark before an application for registration may be filed." Since foreign applicants could rely on their foreign registrations to establish priority over an American applicant and could obtain those foreign registrations without use in their home country, a foreign applicant could therefore establish priority over an American applicant without having to show use of the mark anywhere. The Senate Report also considered the use requirement troublesome because of the uncertainty it created for American businesses. The Report observed that it was as a result of this uncertainty that the courts had created and sanctioned the doctrine of "token use."

Token use is a contrived and commercially transparent practice—nothing more than a legal fiction. At the same time, token use is essential under current law because it recognizes present day marketing costs and realities; it reduces some of the legal and economic risks associated with entering the marketplace; and it nominally achieves the threshold "use" required to apply for federal registration and the creation of trademark rights in advance of commercial use.

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39. See id.
40. See id.
41. See id.
42. See id. at 6, 1988 U.S.C.C.A.N. at 5582.
The Report then identified some of the problems created by the token use doctrine: it was not available to all types of businesses, and it allowed companies to register based on minimal activity, thus potentially clogging the trademark register with unused marks.43

In order to reduce the uncertainty facing American trademark applicants and to eliminate the sham of token use, Congress passed the TLRA and its alternative basis for securing federal trademark registration: a bona fide intention to use the mark in commerce.44 However, before considering whether that Act has achieved these goals, it is necessary to first outline the essential steps of the ITU application process.


Under Section 1(b) of the Lanham Act as amended by the TLRA, a party can now file an application to register a trademark on the basis of that party's "bona fide intention, under circumstances showing the good faith of such person, to use the mark in commerce."45 The applicant must verify his or her belief that she or he is entitled to use the mark in commerce, that she or he has a bona fide intention to use the mark in commerce, and that no other person has the right to use the mark in circumstances where such is likely to cause confusion with the applicant's mark.46

Once filed, the mark is subject to examination by an examiner in the Patent and Trademark Office ("PTO") to determine whether the

43. See id.
44. Id. See also Allard Enters. v. Advanced Programming Res., 146 F.3d 350, 356-57 (6th Cir. 1998) (discussing purposes of the TLRA, including elimination of token use doctrine). See also Traci L. Jones, Remedy Holes and Bottomless Rights: A Critique of the Intent-to-Use System of Trademark Registration, 59 LAW AND CONTEMP. PROBLEMS 159, 160 (1996); 3 MCCARTHY, supra note 17, at § 19:110. See Carter, supra note 17, at 779-81. Professor Carter was critical of the law's elimination of "use" as a requirement for applying for trademark protection. He argued that to the extent the ITU system allows marks that do not serve to identify the good will associated with goods or services in the marketplace to be removed from the "available market language," id. at 763, it exacts an unmerited economic cost from potential competitors. Since the universe of words that can serve as effective trademarks is not infinite, making some words unavailable creates economic barriers, according to Professor Carter. See id. at 768-75. Since the TLRA makes it easier for parties to remove a word from the universe of available marks and to do so without establishing the marketplace significance of that word, it exacerbates this problem. Id. at 775-88. Professor Carter thus preferred the common law basis for determining trademark rights. Id. at 760. See also Davis, supra note 21, discussed at supra note 35.
mark is potentially eligible for registration, assuming that the applicant later satisfies the requirement of filing a statement of use, as described below. If the examiner so concludes, the mark is to be published in the Official Gazette of the PTO. Any party who believes that they would be damaged by the registration of that mark then has thirty days to file an opposition. If the opposition is not successful, then a notice of allowance is to be issued to the applicant.47

The applicant then has six months from the date of the notice of allowance to file a verified statement that the mark is in use in commerce, specifying the date of first use and the goods or services with which it is being used.48 The applicant must also submit the required number of specimens illustrating such use along with the requisite fee.49 The statute provides for extensions of time to file the statement of use for up to three years from the issuance of the notice of allowance, although extensions beyond one year from the notice of allowance are not to be granted absent a showing of good cause.50 All requests for extension must include a verified statement of the applicant’s continued bona fide intention to use the mark in commerce.51 Failure to file a statement of use before the expiration of the initial period or of any extensions to such period results in the abandonment of the application.52

Once the statement of use is received by the PTO, it is to be examined,53 including a review of the mark’s compliance with Section 2 (a) through (e) of the Lanham Act, the sections which outline the grounds for which registration of a mark may be refused.54 If the statement of use is accepted, a certificate of registration will be issued to the applicant, and notice of registration will be published in the Official Gazette.55

Therefore, the applicant’s right to registration is still contingent upon actual use of the mark. As the legislative history reveals, Congress included this prerequisite of actual use before registration “to emphasize the central role that use continues to play in U.S. trade-

49. See id.
51. See id.
mark law.” Congress also wanted to make it clear that “commercially transparent practice of ‘token use’” was to be eliminated by amending the definition of “use in commerce” to read “the bona fide use of the mark in the ordinary course of trade, and not made merely to reserve a right in the mark.” Thus, Congress lowered the threshold for filing an initial application, but tightened the ultimate standard for obtaining registration by eliminating token use and insisting on genuine commercial use before registration would issue.

Section 7(c) of the Act, as amended by the TLRA, also had great significance for ITU applicants as well as traditional use-based applicants. It provides in pertinent part that:

(c) Contingent on the registration of a mark on the principal register provided by this Act, the filing of the application to register such mark shall constitute constructive use of the mark, conferring a right of priority, nationwide in effect, on or in connection with the goods or services specified in the registration against any other person except for a person whose mark has not been abandoned and who, prior to such filing—

(1) has used the mark; [or]

(2) has filed an application to register the mark which is pending or has resulted in registration of the mark . . .

Thus, an ITU applicant has “constructive use” as of the date of its initial application, even though it may not in fact use the mark in the marketplace for as long as three years after the notice of allowance has issued for that application. It can thereby establish priority over those who use a mark in trade before the ITU applicant has done so.

These seemingly straightforward provisions have not reduced the uncertainty facing potential trademark registrants, but instead have added to it by creating new procedural and interpretive issues.

II. The Muddled Meaning of “Use”

As discussed above, even before the enactment of the TLRA there were multiple meanings of the word “use.” To establish ownership of a trademark, a party had to establish use of the mark in trade; ownership of an inherently distinctive mark would be established as of the time of that first actual use in trade whereas ownership of mark that was not inherently distinctive hinged on being the first party to estab-
lish secondary meaning of the mark, i.e., public association of the mark with the alleged owner's goods or services. On the other hand, to be eligible for federal registration a party also had to use the mark "in commerce." Such a use could be minimal to establish an entitlement to federal registration, but the applicant also had to have used the mark in trade, even if intrastate, to claim ownership of the mark. As the importance of trademark protection grew in the increasingly industrialized economy, courts created the doctrine of "token use" to ease the burdens on those seeking to obtain federal trademark protection and the doctrine of "use analogous to trademark use" to ease the burden on those seeking to oppose another's trademark registration.60

One of the goals of the TLRA, as discussed above, was to eliminate the doctrine of "token use" and to require "bona fide use of the mark in the ordinary course of trade" as the prerequisite to trademark ownership for federal purposes.62 At the same time, Congress recognized the need to ease the burden on applicants for federal registration that had led to the creation of the token use doctrine to begin with and to bring American law into conformity with the laws in other places in the world that did not require actual use as a prerequisite to trademark protection. Thus, Congress enacted the intent-to-use provisions to allow parties to apply for trademark registration before actual use of the mark, but made registration itself hinge upon a subsequent showing of actual use before a prescribed time period had elapsed. Although Congress wanted to eliminate the uncertainty caused in part by the conflicting and confusing definitions of use that the courts had generated under the pre-TLRA law, the TLRA has failed to accomplish that goal. There are still multiple and conflicting meanings of "use" which continue to confuse those attempting to determine trademark ownership.

A. What Is a Bona Fide Intent to Use?

The TLRA requires an ITU applicant to demonstrate a "bona fide intent to use as the basis of its application." As interpreted by the Trademark Trial and Appeal Board, this has led to a multifactored inquiry into the mindset of an applicant.

60. See supra note 17.
61. See supra notes 38–44.
In several opinions, the Trademark Board has addressed the question of what evidence an applicant must submit to demonstrate its bona fide intention to use the mark in commerce. First, in Commodore Electronics Limited v. CBM Kabushiki Kaisha, the Board addressed the question of “whether the absence of any documents evidencing applicant’s claimed intention to use its mark may be sufficient to constitute objective proof of a lack of a bona fide intention to use.” The Board explored the legislative history of the TLRA and found that Congress intended this requirement to focus on “an objective good-faith test to establish that an applicant’s intent is genuine.” The Board quoted from the Senate Judiciary Committee Report on the bill that became the TLRA, which stated that:

Although ‘bona fide’ is an accepted legal term, it can be read broadly or narrowly, subjectively or objectively, by a court or the Patent and Trademark Office. In connection with this bill, ‘bona fide’ should be read to mean a fair, objective determination of the applicant’s intent based on all the circumstances.

The Board then went on to hold that

[absent other facts which adequately explain or outweigh the failure of an applicant to have any documents supportive of or bearing on its claimed intent to use its mark in commerce, the absence of any documentary evidence on the part of an applicant regarding such intent is sufficient to prove that the applicant lacks a bona fide intention to use its mark in commerce as required by Section 1(b).]

The Board recognized, however, that an applicant could attempt to rebut this by introducing additional evidence regarding its bona fide intent to use. On the evidence before it, the Board concluded that sufficient evidence had been introduced to create questions of material fact. Specifically, the applicant had introduced evidence regarding its use of a mark (AJCBM) similar to the one in its ITU application (ACBM) on similar goods; the Board considered this evidence of the applicant’s capacity to produce the goods listed in its current application. On the other hand, it also considered it evidence supporting the opposer’s claim of applicant’s absence of a bona fide in-

64. Id. at 1506.
65. Id.
68. See id.
69. See id.
tention to use the mark CBM, since the only mark that applicant had
used on the relevant goods was JCBM. Observing that questions of
intent are largely factual and thus generally unsuited to disposition by
summary judgment, the Board denied both parties’ motions for sum-
mary judgment.

The applicant in Lane Limited v. Jackson International Trading Com-
pany Kurt D. Bruhl Gesellschaft m.b. H. & Co. KG had greater success
on its motion for summary judgment on the question of its bona fide
intention to use. Like the applicant in Commodore, the applicant in
Lane relied on evidence of its use of a similar mark on the same cate-
gory of goods as evidence of its bona fide intention to use the new
mark on such goods. The applicant also relied on evidence of its
efforts to license its mark outside of the United States and to obtain
non-U.S. licensees. The opposer relied on this same evidence to dis-
prove the applicant’s intention to use the mark in commerce, arguing
that it was irrelevant to the applicant’s intention to use the subject
mark in United States commerce. The opposer also argued that evi-
dence of the applicant’s attempts to secure an American licensee were
irrelevant since they occurred ten months after the date of the filing
of the ITU application.

In analyzing the evidence, the Board observed that although an
applicant’s “mere statement of subjective intention, without more,
would be insufficient to establish applicant’s bona fide intention to
use the mark in commerce,” the language and the legislative history
of the TLRA failed to specify “the particular type or quantum of objec-
tive evidence that an applicant must produce to corroborate or de-
fend its claimed bona fide intention to use the mark in commerce.”
The Board concluded that the applicant in this case, unlike the appli-
cant in Commodore, had submitted some documentary evidence and
that that evidence was sufficient to establish the applicant’s bona fide
intention to use. The Board considered the applicant’s efforts to se-
cure non-U.S. licensees relevant as it tended to prove the existence of

70. See id.
71. See id. at 1507–08.
73. See id. at 1354–55.
74. See id.
75. See id. at 1354.
76. See id.
77. Id. at 1355.
78. Id.
79. See id. at 1356.
a business plan and licensing program. The Board also considered probative the predecessor’s use of a similar mark on similar goods in that it demonstrated prior experience and success in the relevant industry. Further, the Board considered the evidence of applicant’s activities ten months after its application relevant, reasoning the neither the statute nor Commodore imposed any “specific requirement as to the contemporaneousness of an applicant’s documentary evidence corroboration of its claim of bona fide intention.”

In Salacuse v. Ginger Spirits a registrant defended itself against a petition to cancel on the grounds that the petitioner’s own registrations were invalid because the petitioner had lacked a bona fide intention to use the mark when it applied for registration. After discussing the procedural issues, the Board addressed the merits of the respondent’s arguments, citing both Lane and Commodore. The Board quoted from the legislative history of the TLRA with respect to what types of evidence might be relevant to disprove a bona fide intention to use the mark:

For example, the applicant may have filed numerous intent-to-use applications to register the same mark for many more new products than are contemplated, numerous intent-to-use applications for a variety of desirable trademarks intended to be used on [a] single new product, numerous intent-to-use applications to register marks consisting of or incorporating descriptive terms relating to a contemplated new product, numerous intent-to-use applications which have lapsed because no timely declaration of use has been filed, an excessive number of intent-to-use applications to register marks which ultimately were not actually used, an excessive number of intent-to-use applications in relation to the number of products the applicant is likely to introduce under the applied-for marks during the pendency of the applications, or applications unreasonably lacking in specificity in describing the proposed goods. Other circumstances may also indicate the absence of genuine bona fide intent to actually use the mark.

The Board found that a genuine issue of material fact existed as to the petitioner’s bona fide intent based on evidence of the numerous ITU applications it had filed for the mark for “a wide variety of

80. See id.
81. See id.
82. Id.
84. See id. at 1416–17.
85. See id. at 1420.
goods ranging from food and beverages to luggage to furniture to motor vehicles." Thus, petitioner's motion for summary judgment on the question of its bona fide intent was denied.

In Advertising to Women v. Gianni Versace S.p.A., the District Court for the Northern District of Illinois indicated its approval of the approach taken by the Board to determinations of a bona fide intent to use a mark. Citing the Lane decision and the legislative history of the TLRA, it called for a "fair, objective determination of all the circumstances," including the same factors reflecting on the applicant's intent mentioned in Lane. In the case before it, the court concluded that summary judgment on the issue of the applicant's bona fide intent was inappropriate, and that the issue was "best resolved at trial and upon a full exposition of the evidence."

These decisions indicate that although it may not be difficult for an ITU applicant to defeat an opposer's motion for summary judgment with respect to the issue of its bona fide intention to use a mark, it will be difficult in many cases for an ITU applicant to obtain summary judgment on this issue, meaning that most of such matters will necessitate a trial. This gives those who wish to oppose an ITU applica-

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87. Salacuse, 44 U.S.P.Q.2d at 1420.
88. See id. Other Board decisions reveal the difficulty of defining what quantity or quality of evidence will suffice to demonstrate bona fide intent to use or a lack thereof. In Discovery Communications, Inc. v. Cooper, 2000 TTAB LEXIS 185 (2000) (not citable as precedent), the Board considered an affidavit from the applicant describing "an informal analysis of the educational toy and educational printed materials markets," id. at *4, that he had engaged in prior to filing his ITU application and a trademark search he had requested prior to filing sufficient evidence of his bona fide intent to use to raise a genuine issue of material fact and to survive summary judgment. The applicant in Pixel Instruments Corp. v. Sweven Corp., 1999 TTAB LEXIS 715 (1999) (not citable as precedent), was granted summary judgment on this issue of its bona fide intention to use the mark on the basis of evidence of steps taken to create a graphic design/logo for the mark and preparation of a brochure two months after the filing the ITU application. Relying on the Lane decision, the Board concluded that these activities were "sufficiently contemporaneous to the application filing date to serve as corroboration of applicant's declaration in the application of a bona fide intention to use the mark in commerce." Id. at *6. See also Burroughs Wellcome Co. v. Nutrience, 1996 TTAB LEXIS 499 (1996) (not citable as precedent) (opposer's motion for summary judgment denied even though applicant had submitted no documentary evidence of its intent to use the mark other than a later submitted sworn statement of its continuing intention to use the mark). Cf. American Forests v. Sanders, 1999 TTAB LEXIS 529 (1999) (not citable as precedent) (no bona fide intention to use the mark found where individual applicant planned to use mark not individually, but as part of a partnership arrangement).
90. See id. at *12-13.
91. Id. at *12.
92. Id. at *5.
tion a rather simple method of delaying the notice of allowance and the ultimate registration of such marks. Such delays undermine the Congressional goal of simplifying the application process for those wishing to apply based on the intention to use the mark. The more evidence of intent these applicants need to produce, the more cumbersome the process and the less effective it will be as an alternative to the traditional use-based application process.

B. What Constitutes “Prior Use” Sufficient to Oppose Successfully an ITU Application?

Parties who believe they may be damaged by an ITU application can file an opposition to that application. One traditional basis for opposing a use-based application was prior use by the opposer of a mark that is likely to be confused with the applicant’s mark. Since “use” is not required for an ITU application itself, questions arose about the continuing validity of such an opposition and about how to determine “priority of use” between an ITU applicant and an opposer claiming prior use.

In Allard Enterprises v. Advanced Programming Resources, the Sixth Circuit ruled that the changes made by the TLRA did not alter the way courts should determine priority of use as between two parties claiming ownership of a trademark. Although the case did not involve ITU applications, it reaffirmed that a party can defend itself against a registrant’s claim of trademark infringement by demonstrating its “first actual use of a mark in a genuine commercial transaction” prior to the registrant’s first use. The court also noted that “ownership may be established even if the first uses are not extensive and do not result in deep market penetration or widespread recognition.” As applied to the case before it which involved a mark to be used in connection with employee placement services, the court concluded that the defendant had established its priority of use by using the mark “on at least one fax, on at least one resume, and in numerous other solicitations, as they offered [their] services to several employers . . . .” The court further found that the defendant’s use was sufficiently public, as several large companies identified the mark with defendant,

94. 146 F.3d 350 (6th Cir. 1998).
95. See id. at 357.
96. Id. at 358.
97. Id.
98. Id. at 359.
and that defendant's use was sufficiently consistent and continuous over several years to establish priority.\textsuperscript{99} The court reached this conclusion even though the defendant had not in fact placed one employee with an employer and had primarily been engaged in a word-of-mouth campaign to find employers with potential positions that might need filling.\textsuperscript{100} Thus, the court did not define the standard of use to establish priority very strictly and relied on established pre-TLRA law to define that standard.

The Sixth Circuit applied the same standard in \textit{Circuit City Stores, Inc. v. Carmax, Inc.},\textsuperscript{101} but in the context of an attempt to establish priority predating the filing date of plaintiff's ITU application. The court recognized that a party's use prior to the applicant's filing of an ITU application could trump the constructive use date.\textsuperscript{102} In \textit{Circuit City Stores}, however, the court concluded that the defendant's activities which predated the plaintiff's constructive use date were not sufficient to constitute actual use.\textsuperscript{103} Although the defendant had used the mark in radio advertisements that were aired extensively during that relevant time period, had used the mark on various business documents, and had established some recognition in the local trade, the court pointed to the defendant's failure to use the mark in other aspects of its business for example, in its phone listing or printed advertisements, and its failure to introduce evidence of consumer awareness of its mark.\textsuperscript{104} The court concluded that there had not been actual use of the mark by defendant to establish its priority over the plaintiff.\textsuperscript{105} The court distinguished its decision in \textit{Allard} by pointing to the evidence there of widespread public recognition.\textsuperscript{106} Although the mark at issue was found to be suggestive, thus not requiring secondary meaning to establish ownership,\textsuperscript{107} the court nevertheless placed great weight on the degree of public recognition:

Evidence of public recognition is only necessary in cases requiring proof of secondary meaning, but such evidence may be probative of a party's actual use of a mark in cases where secondary meaning is not required . . . . Public recognition is probative of a party's actual use of a mark for the obvious reason that the public cannot

\textsuperscript{99} See id. at 359–60.
\textsuperscript{100} See id.
\textsuperscript{101} 165 F.3d 1047 (6th Cir. 1999).
\textsuperscript{102} See id. at 1053.
\textsuperscript{103} See id. at 1055.
\textsuperscript{104} See id.
\textsuperscript{105} See id. at 1053.
\textsuperscript{106} See id. at 1055.
\textsuperscript{107} See id. at 1054.
be aware of a mark's association with a service or product unless the party has actually used the mark to create this association.\textsuperscript{108}

Thus, since the defendant in \textit{Allard} had been able to prove widespread public awareness of its mark whereas the defendant in \textit{Circuit City} had not, the court found reason to affirm the district court's ruling that the defendant in \textit{Circuit City} had not established use prior to the plaintiff's constructive use date. The Sixth Circuit thus has placed critical importance on the proof of public recognition of the mark and its association with the party claiming ownership for establishing priority over a later filed ITU applicant or a later user.

That emphasis on public recognition is also evident in the Seventh Circuit's decision in \textit{Johnny Blastoff, Inc. v. Los Angeles Rams Football Company}.\textsuperscript{109} In that case Blastoff had filed two ITU applications for the mark ST. LOUIS RAMS on March 10, 1995, two months after the owner of the Los Angeles Rams publicly announced at a press conference that the Los Angeles Rams football franchise would be relocating to St. Louis. The press conference was covered by the local and national media which reported the announcement in papers and other media nationwide.\textsuperscript{110} Even before that announcement, there had been reports beginning as early as December 1993 in newspapers of a possible move of the team to St. Louis, and shortly after the press conference the team began selling licenses for the right to acquire seasons tickets to Rams games in St. Louis.\textsuperscript{111} Officially licensed merchandise bearing the ST. LOUIS RAMS mark were not sold until April, 1995, after Blastoff's filing date, and Blastoff filed suit seeking a declaration of his rights to the trademark and other remedies.\textsuperscript{112} The district court granted the defendants, the owners of the team, summary judgment, and Blastoff appealed.\textsuperscript{113}

The Seventh Circuit agreed with the lower court's determination that the defendants had established priority of use of the ST. LOUIS RAMS mark because prior to Blastoff's filing of his ITU application, "a significant portion of the public associated the mark with the Rams football club"\textsuperscript{114} as a result of the publicity on and after the press con-

\textsuperscript{108} \textit{Id.} at 1055. \textit{Accord,} Brookfield Communications, Inc. v. West Coast Entm't Corp., 174 F.3d 1036, 1052 (9th Cir. 1999) (registration of domain name with intent to use it commercially is not sufficient to establish priority because not sufficiently public).

\textsuperscript{109} 188 F.3d 427 (7th Cir. 1999).

\textsuperscript{110} \textit{See id.} at 431.

\textsuperscript{111} \textit{See id.}

\textsuperscript{112} \textit{See id.} at 430–31.

\textsuperscript{113} \textit{See id.} at 431.

\textsuperscript{114} \textit{Id.} at 434.
ference and a result of the prior use of the very similar mark LOS ANGELES RAMS in connection with the same football club. Thus, although no games had been played and no licensed merchandise had been sold by defendant as of Blastoff's filing date, the public association of the mark with the defendant was sufficient to establish priority of use.

The Federal Circuit has also defined a fairly demanding standard of proof for establishing priority. In T.A.B. Systems v. Pactel Teletrac, the Federal Circuit vacated the Trademark Board's grant of summary judgment to Pactel opposing T.A.B.'s application to register the mark TELETRAC for automobile tracking services. The Board had concluded that Pactel had established priority by "use analogous to trademark use," based on evidence of use of the mark in press releases, press kits, slide show presentations to seven potential customers, presence at a trade show, marketing brochures, and newspaper articles covering Pactel's planned services. However, Pactel had not yet provided any actual services using the mark. The Federal Circuit disagreed with the Board, finding such evidence insufficient. The court noted that only one of the press releases had been widely distributed and that there was a lack of evidence as to widespread distribution of the other materials as well. The court concluded that Pactel's evidence failed to meet the standard necessary to establish use analogous to trademark use: "Advertising of sufficient clarity and repetition to create the required identification must have reached a substantial portion of the public that might be expected to purchase the service."

The Trademark Board has also been demanding in its definition of use analogous to trademark use. For example, in Universal Technologies v. Jillson and Roberts, Inc., Universal Technologies petitioned to cancel a registration owned by Jillson and Roberts on the basis of Universal's alleged priority based on pre-sales solicitation activities, including letters to potential customers, attendance at a trade show, and

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115. See id. at 434.
116. See id. at 434–35.
117. 77 F.3d 1372 (Fed. Cir. 1996).
118. See id. at 1378.
119. See id. at 1373.
120. See id. at 1375.
121. See id.
122. Id. at 1377. See also Windows User, Inc. v. Reed Bus. Publ'g. Ltd. 805 F. Supp. 103 (S.D.N.Y. 1992) (plaintiff's preparatory activities insufficient to establish likelihood of success of proving priority over defendant for purposes of request for preliminary injunction).
hiring a sales representative.\textsuperscript{124} The Board, relying on the court's ruling in \textit{T.A.B. v. Pactel}, ruled that such evidence was insufficient to establish priority.\textsuperscript{125} Similarly, in \textit{Rocin Laboratories, Inc. v. Surgijet, Inc.},\textsuperscript{126} use of the mark on a website to promote a medical device and making a prototype, carrying it across state lines, and using it on patients were considered insufficient to establish prior use in an opposition proceeding because such activities did not "in any way establish that the trademark was affixed thereto, or that relevant purchasers were aware of this use."\textsuperscript{127} The Board reasoned, "While it is well settled that an opposer may base its opposition on prior use of a term in a manner analogous to trademark use; it is also true that such an opposition can succeed only where the 'analogous use' is of such a nature and extent as to create public identification of the term with opposer's product."\textsuperscript{128}

The Third Circuit has taken an even more stringent approach to defining use for purposes of establishing priority over an ITU application. In \textit{Lucent Information Management v. Lucent Technologies},\textsuperscript{129} the court applied a four-part test to determine whether the plaintiff had proven actual use of the mark LUCENT prior to the date of the defendant's ITU application. Relying upon its earlier decision in \textit{Natural Footwear Ltd. v. Hart, Schaffner & Marx},\textsuperscript{130} the Court concluded that the plaintiff had to establish that the "market penetration of a trademark in an area is sufficient to warrant protection ..."\textsuperscript{131} by introducing evidence of the sales volume of the trademarked product, the growth trends of that product, the number of persons actually purchasing the product in relation to potential customers, and the extent of advertising.\textsuperscript{132} Based on these four factors, the court concluded that the plaintiff had not established prior use, given that it had made only one sale, had not invested in advertising, had not ex-

\begin{itemize}
\item \textsuperscript{124} \textit{See id. at *8.}
\item \textsuperscript{125} \textit{See id. at *22.}
\item \textsuperscript{126} \textit{1999 TTAB LEXIS 458 (1999) (not citable as precedent).}
\item \textsuperscript{127} \textit{Id. at *6.}
\item \textsuperscript{128} \textit{Id. at *7. \textit{See also Trimecyn, Inc. v. Myriadlase, Inc., 1997 TTAB LEXIS 391 (1997) (not citable as precedent) (promotional activities insufficient). Cf. Snake River Brewing Co. v. Lewis & Clark Snake River Beverage Co., 1997 TTAB LEXIS 155 (1997) (ITU applicant's use of mark to solicit investors and distributors of its product held to be insufficiently public to constitute "use analogous to trademark use" to defeat opposer's claim to priority based on actual commercial use of the mark).}
\item \textsuperscript{129} \textit{186 F.3d 311 (3d Cir. 1999).}
\item \textsuperscript{130} \textit{760 F.2d 1383 (3d Cir. 1985).}
\item \textsuperscript{131} \textit{186 F.3d at 317 (quoting Natural Footwear Ltd. V. Hart, Schaffner & Marx, 760 F.2d 1383, 1398 (3d Cir. 1985)).}
\item \textsuperscript{132} \textit{See Lucent, 186 F.3d at 317.}
\end{itemize}
panded beyond its initial set-up, and had made relatively few sales presentations.\textsuperscript{133}

Judge Ackerman dissented from the majority’s decision, arguing that the Court had applied the wrong standard.\textsuperscript{134} In the dissent’s view the majority had erroneously applied the standard for determining the extent of geographic penetration in conflicts between users in different geographic regions.\textsuperscript{135} Judge Ackerman concluded that under the \textit{Allard} test for prior use, the plaintiff had met its burden of demonstrating sufficient use to establish priority over the defendant.\textsuperscript{136} He argued that the majority’s stringent definition of use for purposes of determining priority would undermine the purposes of trademark law, especially in today’s economy:

In this global economy where goods are often sold over a wide area rather than in a neighborhood store, the majority’s rule penalizes small companies who attempt to take advantage of the national market. It is ironic that the majority sets forth such a high standard of use in this day and age when there is a technological revolution underway in which the internet permits small trademark users to sell their goods and services to broad geographic areas. The majority’s standard of use places a legal straitjacket on those companies and deprives them of all common law trademark rights.\textsuperscript{137}

In contrast to these strict standards, the District Court for the Southern District of New York took a seemingly quite lenient approach for defining the test to establish priority over an ITU application in \textit{Redisar Limited v. Virgin Enterprises Limited}.\textsuperscript{138} In that case the plaintiff had filed an ITU application for the mark VIRGIN to be used in connection with cola and argued that the defendant had not established prior use of the mark VIRGIN since the defendant had not used the mark on cola but only on unrelated products.\textsuperscript{139} The court, however, refused to vacate the temporary restraining order it had issued in the defendant’s favor, reasoning that the defendant might suffer hardship and irreparable harm if the plaintiff introduced its cola into the market under the trademark VIRGIN.\textsuperscript{140} Thus, without a full hearing on the factual issues regarding likelihood of confusion, the court impeded an ITU applicant’s ability to begin actual use of its

\textsuperscript{133} See \textit{id.} at 317–18.

\textsuperscript{134} See \textit{id.} at 318 (Ackerman, J., dissenting).

\textsuperscript{135} See \textit{id.} at 323–26.

\textsuperscript{136} See \textit{id.} at 320–23.

\textsuperscript{137} \textit{Id.} at 325 (Ackerman, J., dissenting).


\textsuperscript{139} See \textit{id.} at 2021.

\textsuperscript{140} See \textit{id.} at 2022–23.
mark because of another's prior use of the mark on unrelated products.\footnote{141}{See also Housing & Services, Inc. v. Minton, 1997 No. 97 Civ. 2725 (SHS), 1997 U.S. Dist. LEXIS 8883 (S.D.N.Y. 1997) (promotional and preparatory activities to restore and reopen a playhouse were sufficient "use analogous to trademark use" to defeat defendant’s claim to priority based in part on the date of filing of his ITU application).}

There is thus a conflict among the various Circuits with respect to defining the extent of activity necessary to establish priority over an ITU application. Whereas the Third Circuit in \textit{Lucent Information Management}, the Federal Circuit, and the Trademark Board have adopted a rather stringent standard in their determinations, other courts have continued to use a more lenient standard for determining "use analogous to trademark use" to protect those who have engaged in sufficient pre-sales activities to create public recognition. Thus, an ITU applicant cannot be assured of any rights even if it does file as early as possible and before any actual sales by another party.\footnote{142}{See also Jones, supra note 44, at 177–80 (arguing that if the standard for establishing priority over an ITU applicant is made too demanding, then ITU registrants may have rights that are unduly broad).}

C. What Constitutes Sufficient "Use" to Allow an ITU Applicant to "Tack" on Activities Prior to Its ITU Filing Date?

In \textit{Dyneer Corp. v. Automotive Products},\footnote{143}{37 U.S.P.Q.2d (BNA) 1251 (T.T.A.B. 1995).} the Trademark Board faced what it considered to be an issue of first impression: under what circumstances could an ITU applicant rely on use that \textit{predated} its filing of the ITU application in order to establish priority over an opposer who claimed to have used the mark before that filing date? In the case the applicant had filed its ITU application on November 8, 1991, but the opposer claimed that its activities prior to that date were sufficient to establish its priority.\footnote{144}{See id. at 1254–55.} In response, the applicant asserted that its predecessor in interest had in fact been engaged in "use analogous to trademark use" several years prior to the opposer's activities.\footnote{145}{See id. at 1256.} Applicant argued that it should be able to "tack" these earlier activities on to its ITU application to establish its priority over opposer.\footnote{146}{See id.} Opposer argued that applicant should not be able to take advantage of those activities, especially in light of the fact that there had been no activity during more than a two year period between the predecessor's activities and applicant's ITU application.\footnote{147}{See id. at 1257.}
The Board ruled that an applicant should be allowed to tack activities predating the filing of its ITU application in order to establish priority over an opposer. The Board recognized, however, that if an applicant relies on use analogous to trademark use for purposes of such tacking, it needed to demonstrate also that it had "engaged in a continuing effort to cultivate an association of the... mark with itself and its goods" up to the time of the filing of the ITU application. The Board thus modified the usual requirements for use analogous to trademark use. Whereas the traditional use of this doctrine for purposes of establishing priority over a use-based applicant requires a showing of actual trademark use by the opposer within a commercially reasonable period of time, the Board modified the test to require proof by the applicant only of a continuing effort to create the association between the mark and the applicant up until the applicant's filing of the ITU application. Since there were questions of fact that needed to be resolved with respect to that issue, the Board denied both parties' motions for summary judgment.

Thus, the creation of the ITU regime has led to new issues with respect to tacking and with respect to the meaning of "use analogous to trademark use" in the context of such tacking. By reducing the burden on ITU applicants who wish to establish priority by demonstrating "use analogous to trademark use," the Board has created two different standards: one for ITU applicants and another for opposers and use-based applicants. This double standard and the continuing confusion over what will constitute "use analogous to trademark use" will only serve to increase the uncertainty regarding ITU applications.

D. What Will Constitute "Use" for Purposes of the Statement of Use?

As discussed above, an ITU applicant has up to three years after the issuance of the notice of allowance to file a statement of use and thus complete the requirements for obtaining registration. Fail-

148. See id. at 1256.
149. Id.
150. See id. 
151. See id.
152. See id. at 1257.
153. See also Corporate Document Serv., Inc. v. I.C.E.D. Mgmt., Inc., 48 U.S.P.Q.2d (BNA) 1477, 1479 (T.T.A.B. 1998) (allowing applicant to tack on to its ITU application wholly intrastate activities in order to establish priority over an opposer which used the mark prior to the applicant's filing of the ITU application).
154. See supra text accompanying notes 48–50.
ure to file a satisfactory statement of use in a timely fashion will render
the application and the notice of allowance invalid, and the applicant
will lose its right to register that mark pursuant to that application.
The Trademark Board has taken a rather strict approach to determin-
ing the adequacy of statements of use, both in terms of technical re-
quirements\(^\text{155}\) and the substantive requirement that the applicant
actually use the mark in the ordinary course of trade before filing the
statement of use.

Thus, in yet another context, the definition of “use” becomes crit-
ical: What activities will suffice to satisfy the requirements for the state-
ment of use? Congress made it clear that token use would no longer
suffice for registration under the “use” based registration provision,\(^\text{156}\)
and the courts and the Board have recognized that “token use” has
been eliminated as a basis for filing a use-based application.\(^\text{157}\) In de-
termining the sufficiency of use for purposes of the statement of use
filed in connection with an ITU application, a similarly demanding
standard has been exacted. In Harker’s, Inc. v. Kelley,\(^\text{158}\) the petitioner
argued that respondent had not engaged in sufficient commercial ac-
tivities to support her statement of use filed in connection with an
ITU application.\(^\text{159}\) The respondent had filed an ITU application on
July 15, 1991, for the mark FOOD DUDES to be used in connection
with the production of educational television programs about nutri-
tion. Although the respondent had engaged in a great deal of prepar-
atory and promotional activities relating to these television programs,
the Board concluded that as of the date of the filing of her statement
of use on February 26, 1993, the respondent had not actually used the
mark in a way that satisfied the requirements for filing a statement of
use.\(^\text{160}\) The Board observed that:

\(^{155}\) For example, the applicant must include specimens demonstrating their use of
the mark in connection with the goods or services identified on the notice of allowance,
not other goods or services. See In re Goldencare, 1998 TTAB LEXIS 205 (1998) (not
citable as precedent).


LEXIS 3079 (Fed. Cir. 1997) (TLRA eliminated token use as basis for registration; appli-
cant’s use did not meet standard required for registration); Sharkskin Surf Gear, Inc. v.
San Jose Sharks, 1996 TTAB LEXIS 45, at *8 (distribution of a handful of the registrant’s
product was merely token use and not sufficient to survive a petition to cancel). See also
*14 (N.D. Ill. 2000) (TLRA eliminated token use as basis for registration).


\(^{159}\) See id. at *16.

\(^{160}\) See id.
[W]hile respondent began offering her production services associated with the mark FOOD DUDES for sale in May 1991, has continuously since that date been in a position to render these services, and has extensively promoted the services in conjunction with the mark, the services had not actually been rendered as of the filing date of respondent's statement of use, namely February 26, 1993.\textsuperscript{161}

The fact that the applicant had created a promotional video, audio cassette and booklet to be used in marketing her services was insufficient in light of her failure to perform production services for any customers prior to filing her statement of use. The Board held that promotional activities are not sufficient to serve as the basis of federal registration, distinguishing the registration context from the priority context where such activities may suffice as use analogous to trademark use to establish priority.\textsuperscript{162} The Board in fact recognized that respondent could rely on these very same promotional activities to establish priority over the petitioner in a later proceeding, but held that they were insufficient to support her statement of use and thus the registrations which had been issued in her favor.\textsuperscript{163}

Respondent later sought to revive her claim in a new proceeding, relying on new evidence of her actual use of the mark, FOOD DUDES, prior to her statement of use.\textsuperscript{164} She asserted that she had completed an installment of her proposed television program and had made actual sales of videotapes of that installment to out-of-state customers. The Board found the completion of an installment of the television show and out of state sales were insufficient to constitute use since she had not produced these videotapes at the request of, or for the benefit of, any customers and thus had not engaged in production services, the services recited as the subject of her trademark application. Thus, the Board entered final judgment granting the petition to cancel the respondent's mark.\textsuperscript{165}

This strict definition of "use" for purposes of the statement of use was applied and justified in Hilton Hotels Corp. \textit{v.} Station Casinos, Inc.\textsuperscript{166} Hilton Hotels had filed a petition to cancel Station's registration of the mark WILD WILD WEST for hotel services and casino and gambling services on the grounds that Station had not made sufficient use

\begin{footnotes}
\item 161. \textit{Id.}
\item 162. \textit{See id.}
\item 163. \textit{See id. at *16-17.}
\item 164. \textit{See id.}
\item 165. \textit{See id. at *2.}
\end{footnotes}
of the mark at the time it filed its statement of use.\textsuperscript{167} Although Station had used the mark on a sign outside a pre-existing facility when it faced delays in plans for a new facility, the Board denied Station's motion for summary judgment.\textsuperscript{168} The Board found that:

\begin{quote}
[W]hile [Station] made use of the mark prior to filing its statement of use, there remain genuine issues of material fact concerning (1) whether the scope and extent of [Station's] activities, prior to the filing of its statement of use in November, 1996, are sufficient to establish commercial scale use and (2) whether respondent made use of the mark prior to filing its statement of use sufficient to create an association with the offered hotel services.\textsuperscript{169}
\end{quote}

The Board justified this high standard by looking to the legislative history of the TLRA and Congress's desire to eliminate the abuses of token use and to institute instead a "higher hurdle for the quantum and nature of use of a mark in commerce to qualify for registration."\textsuperscript{170}

The Board is thus taking a fairly demanding approach to determining the adequacy of statements of use, at least where such statements are challenged by third parties. ITU applicants must therefore be careful to pass this examination or else find their applications or registrations invalidated.

\section*{III. Procedural Problems Created by the TLRA}

The structure of the TLRA has created several procedural and interpretive problems for the PTO and for the courts. In part, these problems stem from the two step process for obtaining an intent to use registration. Under Section 1(b), when a party applies for trademark registration based on a bona fide intent to use the mark in commerce, the application is filed and examined preliminarily by the PTO, and if accepted, a notice of allowance will be issued.\textsuperscript{171} The applicant then needs to file a timely statement of use as a prerequisite to registration itself.\textsuperscript{172} When a statement of use is filed, the PTO again engages in an evaluation process before issuing a registration.\textsuperscript{173}

This two step process and the time delay between the steps have led to two different questions. First, what is the effect of the filing of

\textsuperscript{167} See id. at *1.
\textsuperscript{168} See id. at *2.
\textsuperscript{169} Id. at *6–7.
\textsuperscript{170} Id. at *6.
the ITU application with respect to other parties before the registration itself issues? Second, what issues can be raised at the time of the filing of the application, and what issues can be raised when the statement of use is filed?

A. The Effect of Filing the Application and Receiving a Notice of Allowance

Within two years of the effective date of the TLRA, the Trademark Trial and Appeal Board had to resolve an important interpretive and procedural issue with respect to the effect on an applicant’s rights of the filing of the intent to use application. In *Zirco Corp. v. American Telephone & Telegraph Co.*, the applicant had filed an ITU application for the mark DATACEL on January 11, 1990. Shortly thereafter on April 15, 1990, the opposer allegedly made actual first use of the mark in commerce. The opposer filed a notice of opposition to the registration of the applicant’s mark on the basis of this first actual use, claiming priority of use. In response, the applicant relied on Section 7(c) of the Trademark Act, which confers a right of priority as of the date of the filing of an application to register a mark as against any other person who “prior to such filing (1) has used the mark; [or] (2) has filed an application to register the mark which is pending or has resulted in registration of the mark . . . .” Such right of priority is, however, contingent upon the registration of the mark. Thus, according to the applicant, since its filing date preceded the opposer’s alleged first use, the applicant had priority by virtue of the constructive use provision in Section 7(c).

Opposer argued in response that the constructive use date did not apply to the applicant because no registration had yet issued for the mark. Section 7(c) by its own terms said that its provisions for constructive use were “contingent upon registration.” Since applicant had not yet perfected its rights in its mark by use and then registration, opposer contended that applicant could not “prevent opposer from acquiring common law rights in its mark” superior to the contingent rights of applicant.

175. See id.
176. See id.
177. See id. at 1542.
179. See id.
180. See Zirco, 21 U.S.P.Q.2d (BNA) at 1543.
181. Id. at 1543.
The Board concluded otherwise; it reasoned that:

It is true that a reading of Section 7(c) alone . . . might be construed to limit an applicant’s right to rely upon the constructive use date as the first use date of its mark to post-registration actions. But the Board does not believe that such a literal interpretation of Section 7(c) can be adopted.\footnote{182} The Board examined the legislative history of the TLRA and found that the constructive use provision was "essential to the intent to use system. Without this provision, an intent-to-use applicant would be vulnerable to theft of its mark or to innocent use of the mark by anyone after filing of its application."\footnote{183} Such vulnerability would defeat the goals of encouraging early filing of applications to give notice to potential future users, giving ITU applicants superior rights over those who adopted a mark after the ITU application was filed, and preventing others from acquiring common law rights after that filing date.\footnote{184} Thus, the Board concluded,

With these being the aims of the constructive use provision, there can be no doubt but that the right to rely upon the constructive use date comes into existence with the filing of the intent-to-use application and that an intent-to-use applicant can rely upon this date in an opposition brought by a third party asserting common law rights.\footnote{185}

According to the Board, the "contingent upon registration" language in Section 7(c) only meant that no final judgment could be issued in favor of an ITU applicant until registration.\footnote{186} The Board recognized this interim state in the case before it by noting, after dismissing the opposition, that once the mark was registered, the applicant should inform the Board so that it could take steps to terminate the proceeding.\footnote{187} Thus, no final judgment was to be entered, leaving parties with unsettled rights until registration itself is obtained.\footnote{188}

\footnote{182}{Id. at 1544.}
\footnote{183}{Id.}
\footnote{184}{See id.}
\footnote{185}{Id.}
\footnote{186}{See id. at 1544.}
\footnote{187}{See id.}
\footnote{188}{See id. at 1544-45. See also 3 McCarthy, supra note 17, at § 19:29 (concluding that ITU applicant should not be precluded from completing ITU application process by opposer who first uses mark after ITU constructive use date). Professor McCarthy also concluded that the contingent nature of the rights provided to ITU applicants prior to registration could lead to considerable uncertainty. Although a party using a mark after the filing date of an ITU applicant could not be enjoined prior to registration of the ITU applicant’s mark, that party is "living on borrowed time," id. at §§ 19:30, 19:64, and would be acting irrationally if it invested resources in using a mark the use of which could be enjoined once the ITU applicant obtained registration. McCarthy concluded that "the vast
Although Zirco appeared to resolve for the Trademark Board the question of the effect of constructive use before registration where an opposer files a notice of opposition to an ITU application, federal courts have resolved the issue differently. In \textit{Talk to Me Products, Inc. v. Larami Corp.}, the plaintiff, Talk to Me Products ("TTMP"), filed suit against the defendant Larami for trademark infringement with respect to the mark TOTALLY RAD SUPER SOAKER to be used in connection with water guns. In part, TTMP claimed priority based on the ITU application it had filed on July 31, 1990, prior to Larami's alleged first actual use on August 24, 1990. Like the applicant in Zirco, TTMP claimed that it could rely on the constructive use provision even though its mark was not yet registered. The district court disagreed, concluding that until TTMP's mark was registered, it could not rely on Section 7(c) to establish priority of use over Larami. The court relied on the express language of Section 7(c) which made constructive use "contingent upon registration," finding that language unambiguous and observing that "[i]f Congress intended for constructive use to apply to a dispute like the case at bar, but drafted the statute carelessly, Congress can redraft it." Unlike the Board, the court was not persuaded by the legislative history or the argument that such an interpretation would defeat the goals of the TLRA with respect to ITU applications: "The central purpose of [Section 7(c)]—to foster intent-to-use applications—remains intact. An applicant obtains the advantages of constructive use. He just does not gain that advantage until his mark is registered."

The court recognized that the Board had reached a different result in Zirco, but found the two results reconcilable based on the different procedural contexts in which the issues had arisen: an opposition proceeding in Zirco and a summary judgment motion in a trademark majority of junior users, upon learning of a conflicting prior ITU application, will drop their activities under the disputed mark . . . ." \textit{Id.} at § 19:64. McCarthy, however, went on to note that since the ITU registrant will not be able to obtain injunctive relief without proving likelihood of confusion, a court might consider that post filing junior user's investment and use of a mark in weighing the factors for determining injunctive relief, thus adding to the ITU applicant's uncertainty. \textit{Id.} at §§ 19:65, 19:67. \textit{See also} Jones, \textit{supra} note 44, at 167-77 (ITU applicants are left with inadequate remedies against infringing conduct occurring after the filing date but prior to registration).

190. \textit{See id.} at 556.
191. \textit{See id.} at 557.
192. \textit{See id.} at 558.
193. \textit{See id.} at 561.
194. \textit{Id.} at 560.
195. \textit{Id.}
infringement action in the case before it.\textsuperscript{196} Whereas the party in \textit{Zirco} was relying on Section 7(c) to protect itself against one trying to defeat its application, the plaintiff in \textit{Larami} was relying on Section 7(c) to obtain affirmative relief against a purported infringer.\textsuperscript{197}

The Trademark Board itself had an opportunity to revisit this issue when it decided the case involving Larami's opposition to TTMP's trademark application,\textsuperscript{198} a case it did not decide until after the district court's decision described above. The Board affirmed the approach it had taken in \textit{Zirco}, allowing TTMP to rely on its constructive use date to establish priority of use and agreed with the district court that the procedural context made the two outcomes reconcilable.\textsuperscript{199} It stated:

In a proceeding before the Board, whose jurisdiction is limited solely to the registration of the party's mark, it would defeat the purpose of filing an intent-to-use application if an applicant were not able to rely upon its constructive use date in defending its right to registration . . . . On the other hand, in a civil action involving a party's right to use a mark, such as TTMP's infringement action, it would not be equitable for an intent-to-use applicant to be entitled to rely upon a constructive use date prior to registration of its mark, and thus potentially prior to any use whatsoever, to defeat the common law rights of a first actual user of its mark.\textsuperscript{200}

The Board further noted that it would also allow an opposer to rely on Section 7(c) to establish priority if it had the first filed application for registration. "[I]n proceedings before the Board the constructive use provisions of Section 7(c) may be used both defensively and offensively."\textsuperscript{201} Thus, Section 7(c) has different meanings depending on the procedural context in which its application arises.

To complicate the situation further, a third twist on this scenario was presented in \textit{Warnervision Entertainment v. Empire of Carolina}.\textsuperscript{202} In that case plaintiff Warnervision filed an action and obtained a preliminary injunction against Empire, claiming infringement of its trademark REAL WHEELS.\textsuperscript{203} Empire had relied on its predecessor-in-

\textsuperscript{196} See id.
\textsuperscript{199} See id. at 1845.
\textsuperscript{200} Id. at 1845.
\textsuperscript{201} Id. at 1845 n.7.
\textsuperscript{202} 101 F.3d 259 (2d Cir. 1996).
\textsuperscript{203} See id.
interest's filing of an ITU application on September 9, 1994, to establish priority and to protect itself against the preliminary injunction. The district court had granted the injunction in Warnervision's favor on the basis of its actual use of the mark and had refused to allow Empire to rely on Section 7(c) prior to registration of the mark.\textsuperscript{204} On appeal, the Second Circuit concluded that the district court had misapplied Section 7(c) and thus had abused its discretion in granting Warnervision injunctive relief.\textsuperscript{205} After observing that Empire was not seeking "affirmative or offensive relief" against Warnervision, but rather was simply asserting Section 7(c) as "a defense to Warnervision's efforts to prevent it from completing the ITU registration process,"\textsuperscript{206} the court, citing the Trademark Board's decisions in \textit{Zirco} and \textit{Larami}, concluded that to deny Empire the protection of Section 7(c) would defeat the purposes of the intent-to-use legislation. It stated:

The ITU provisions permit the holder of an ITU application to use the mark in commerce, obtain registration, and thereby secure priority retroactive to the date of filing the ITU application. Of course this right or privilege is not indefinite; it endures only for the time allotted by the statute. But as long as an ITU applicant's privilege has not expired, a court may not enjoin it from making the use necessary for registration on the grounds that another party has used the mark subsequent to the filing of the ITU application. To permit such an injunction would eviscerate the ITU provisions and defeat their very purpose.\textsuperscript{207}

Reading the \textit{Larami} court decision and \textit{Warnervision} together, it seems then that although an ITU applicant cannot use Section 7(c) affirmatively in its infringement action against an alleged infringer before registration, it can use it to defend against injunctive relief if sued by another for trademark infringement. Section 7(c) seems to have been interpreted by the courts as applying only defensively to ITU applicants and not offensively, even though there is nothing in its language or the legislative history to support such a distinction. The Trademark Board is not as restrictive in its application of Section 7(c), allowing it to be used both defensively and offensively in opposition proceedings. Even at the Trademark Board, however, no final judgment in favor of a party can be issued until its mark is registered.

\textsuperscript{204} See id. at 261.
\textsuperscript{205} See id. at 262.
\textsuperscript{206} Id. at 261.
\textsuperscript{207} Id. at 262. Cf. Windows User, Inc. v. Reed Bus. Publ'g. Ltd., 795 F. Supp. 103 (S.D.N.Y. 1992) (where notice of allowance refused based on descriptive nature of mark, ITU applicant could not use its filing date to establish priority over defendant).
Thus, a party filing an ITU application has rights that are somewhat unclear. Even at the Board, nothing is truly final until registration, and in the courts, the applicant may only be able to rely on constructive use defensively and not to assert rights against another. This patchwork of interpretations renders the value of Section 7(c) and constructive use somewhat questionable.

B. The Two-Step Process: When and How Issues Regarding Registrability Are Raised in the ITU Process

In addition to the unsettled value of constructive use, the ITU applicant faces a complex task of determining when and how issues regarding the registrability of the mark can be raised during the ITU process. As described above, the ITU application process follows several steps. The application is examined initially by the PTO, and a notice of allowance is issued unless the mark is found ineligible for protection or is successfully opposed. The applicant thereafter must file within the designated time period a statement of use demonstrating that the mark has actually been used in commerce. At this second stage, the PTO engages in a second examination of the mark's registrability before issuing a registration. Many questions have arisen about what issues can be raised at that second examination.

In *Eastman Kodak Co. v. Bell & Howell Document Management Products Co.*, the Federal Circuit Court of Appeals addressed this issue. Bell & Howell had filed an ITU application for the marks “6200,” “6800,” and “8100” for microfilm reader/printers. The marks were published for the opposition, and Kodak filed a notice of opposition against the marks, claiming that the marks would be used as model designators and thus would be merely descriptive and ineligible for protection without secondary meaning in accordance with Section 2(e) of the Trademark Act. The Board dismissed the opposition, ruling that since the marks had not yet been used, the issue of descriptiveness could not be determined at that time. A notice of allowance was thus issued in Bell & Howell’s favor. Kodak appealed the Board’s decision, arguing that the Board had improperly created an

208. See supra text accompanying notes 45–55.
209. See id.
210. See id.
211. See id.
212. 994 F.2d 1569 (Fed. Cir. 1993).
213. See id. at 1570.
214. See id. at 1571.
215. See id.
implied presumption that numerical marks were not merely descriptive and that the creation of that presumption was not a reasonable interpretation of the Board’s authority under the Trademark Act.216

The Federal Circuit reviewed the legislative history of the TLRA and concluded that “Congress intended most marks applied for in an intent-to-use application . . . [would] be reviewed for descriptiveness in the initial examination/pre-use stage of the intent-to-use application process.”217 It further found that Congress intended that the second examination at the statement of use stage would be for issues that “could not have been fully considered during the initial examination of the application . . . .”218 As the Senate Report on the TLRA described, the second examination was to be limited to issues such as:

Whether the person filing the statement of use is the applicant, whether the mark as used corresponds to the drawing submitted with the application, whether the goods or services were identified in the application and not subsequently deleted, and whether the mark, as displayed in the specimens or facsimiles, functions as a mark.219

Thus, Congress did foresee that some issues, including the ability of the mark to function as a mark, could not be fully evaluated at the initial, pre-use examination.

The court concluded that the Board was reasonable in deferring full consideration of the descriptiveness of Bell & Howell’s marks until the second, post-use examination.220 It reasoned that although the Board could find certain marks to be prima facie merely descriptive at the initial examination, for other marks it would not be so clear.221 Even in those cases, however, passing the initial examination did not mean that the mark would automatically be registered since it would be re-examined at the post-use stage.222

The court cited several PTO regulations regarding that post-use examination and the standard to be used for determining which issues could be raised at this second inquiry.223 The court also relied on Trademark Examination Guide 3-89, which provides that the PTO “will not issue any requirements or refusals . . . [when examining the state-

216. See id. at 1570–72.
217. Id. at 1572.
220. See Eastman Kodak Co., 994 F.2d at 1571.
221. See id. at 1572.
222. Id. at 1572–73.
223. See id. at 1573.
ment of use] which could have or should have been raised during the initial examination, unless the failure to do so in initial examination constitutes a clear error."

"Clear error" was defined as "an error which, if not corrected, would result in issuance of a registration in violation of the [Trademark] Act." Moreover, the Trademark Examination Guide provides a specific standard with respect to re-examination for alleged mere descriptiveness: "[T]he examining attorney may not issue a refusal [on the grounds of mere descriptiveness] . . . unless the refusal is dictated by changed circumstances from the time of the initial examination or the failure to issue such a refusal would constitute clear error."

In spite of this demanding standard limiting the bases for refusal at the second examination stage, the court concluded that the Board could re-examine Bell & Howell's marks for descriptiveness at the post-use stage, reasoning that such use itself might be considered "changed circumstances" and that without actual use, the PTO could not determine the descriptiveness of numerical marks. Kodak argued that this deferral of the determination of descriptiveness was prejudicial to its interests and that it created a different standard for ITU marks than that used for use-based applications. The Court rejected both arguments, resting in large part on the fact that this two-step process was what Congress had intended by enacting the TLRA.

In In re Parfums Schiaparelli, the Trademark Board shed more light on this issue. The applicant had filed an ITU application for the mark SCHIAPARELLI for fragrances; the applicant owned a registration for the same mark for related goods and claimed distinctiveness of the mark on the basis of this prior registration. No opposition was filed, the notice of allowance issued, and on January 24, 1994, the applicant submitted its statement of use and three specimens of use. At the post-use examination of this statement of use, the examining attorney refused registration, finding clear error in the earlier

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224. Eastman Kodak, 994 F.2d at 1573 (quoting Trademark Examination Guide 3–89 § A–9(b)).
225. Id.
226. Id. See also 3 McCarthy, supra note 17, at §§ 19:22–19:24.
227. See id.
228. See Eastman Kodak Co., 994 F.2d at 1573.
231. See id. at 1865.
232. See id.
approval on the grounds that applicant’s mark was likely to cause confusion with another previously registered mark owned by a third party.\textsuperscript{233} In response, the applicant argued that its use of the mark under its earlier registration had long co-existed with the other party’s use of its registered mark on different goods and that therefore there had been no clear error at the initial examination with respect to likelihood of confusion.\textsuperscript{234}

The Board reviewed the standard for clear error and the legislative history regarding the scope of the second examination described in \textit{Bell & Howell} as well as the additional history which indicated that the examinations of the statements of use could also include an examination of the factors set forth in Sections 2(a) through 2(e), which includes likelihood of confusion with a pre-existing mark.\textsuperscript{235} Re-examination on the basis of these provisions, however, was intended to be quite limited, that is, “for purposes of considering issues that could not have been addressed before the notice of allowance was issued and use was initiated.”\textsuperscript{236} Given the narrow scope allowed for the post-use review, the Board agreed with the applicant that the issuing of the notice of allowance was not clear error, even though there was conflicting evidence with respect to the likelihood of confusion. Therefore the Board reversed the second examiner’s refusal to register applicant’s mark.\textsuperscript{237}

Given the Board’s stringent interpretation of what will constitute “clear error,” Kodak’s concerns may not have been groundless. If the PTO and the Board are disinclined to re-examine for issues such as descriptiveness or likely confusion at the post-use examination, and initial examiners are willing to defer such issues to that later stage as in \textit{Kodak}, ITU applicants may be able to obtain registration without a thorough review of the issues at either stage.

The matter is further complicated by the Board’s treatment of analogous issues in the context of a cancellation petition. In \textit{Salacuse}

\begin{footnotesize}
\begin{enumerate}
\item See id. at 1865–66.
\item See id. at 1866.
\item See id. at 1868–69.
\item Id. at 1869 n.22 (quoting United States Trademark Association, The Trademark Law Revision Act of 1988, 344 (1989)). The Board recounted in detail the legislative history of these sections, pointing out that the House had amended the original Senate bill to expand the scope of the statement of use examination to include the factors set forth in Sections 2(a) through (e) of the Lanham Act. In the subsequent Senate debate on the change, Senator DeConcini expressed the Senate’s desire to provide applicants with sufficient certainty once they had received the notice of allowance and opined that the second examination should be very limited in its scope, even with the House amendments. \textit{Id.}
\item See id. at 1868.
\end{enumerate}
\end{footnotesize}
Salacuse petitioned to cancel Ginger Spirits's registration for the mark SOUTH BEACH BEER for use in connection with sales of beer. Ginger Spirits had filed an ITU application three months after Salacuse had filed two ITU applications for SOUTH BEACH in connection with various goods including beer. Although Salacuse's applications had been filed first, the PTO granted a notice of allowance to Ginger Spirits. After filing its statement of use, Ginger Spirits was awarded registration of the mark. While Salacuse's applications were still pending, Salacuse received a notice of allowance for one of its applications whereas the other was refused on the basis of Ginger Spirits's registration.

Salacuse based its petition to cancel Ginger Spirits's registrations on priority of use and likelihood of confusion, arguing that since his applications were filed first, he had the earlier constructive use date and thus priority. In response, Ginger Spirits argued in part that Salacuse's ITU applications were invalid because Salacuse had lacked a bona fide intention to use the marks. Salacuse moved for summary judgment, arguing that the validity of his ITU applications could not be raised in this proceeding where Ginger Spirits's registration was at issue and not Salacuse's trademark applications. Ginger Spirits responded that to deny it the opportunity to challenge Salacuse's applications would be inequitable, given that Salacuse was relying on those very applications to establish priority of use. The Board agreed with Ginger Spirits that Salacuse's applications were not immune to challenge where Salacuse was relying on their validity as the basis of his cancellation petition. The Board reasoned,

[Salacuse's] constructive use priority is contingent upon the matur-
ing of his prior-filed applications into registrations . . . . In view of
[Salacuse's] applications, and because . . . [Salacuse] bears the ulti-
mate burden of proof on the priority issue, it is not inequitable to
require [Salacuse] to go beyond the mere pendency of . . . [his]
applications and establish his entitlement to the registrations upon which his priority claim is based.\textsuperscript{248} Because the issue of Salacuse’s bona fide intention to use was a question of fact, the Board denied Salacuse’s motion for summary judgment.\textsuperscript{249} The Board recognized that this conclusion raised several procedural issues not specifically addressed in the statute.\textsuperscript{250} Ginger Spirits could not file a counterclaim against Salacuse to “cancel” his ITU applications because the Board did not have jurisdiction over those applications in the proceedings to cancel the Ginger Spirits’s registration.\textsuperscript{251} Ginger Spirits could only raise the issue by way of an affirmative defense. Thus, if after trial Salacuse was found to have lacked a bona fide intention to use the mark, that finding would be sufficient to protect Ginger Spirits against the priority claim, and Salacuse’s cancellation petition would be denied. As the Board observed, in such a case Ginger Spirits’s registration would act as a bar to Salacuse’s ITU applications, and even if such applications were to mature to registration, that registration would be subject to cancellation on the basis of Ginger Spirits’s own registration.\textsuperscript{252} The Board further observed that if, on the other hand, Salacuse withstood the challenge to his applications, he would still not be entitled to any final relief against Ginger Spirits unless and until his applications matured into registrations.\textsuperscript{253}

This case illustrates several procedural problems created by the TLRA and the ITU regime. First, there is the lack of any mechanism for a counterclaim against a petitioner who relies on his application to establish priority, resulting in duplicative proceedings and incomplete resolutions. Second, there is the previously noted problem of lack of finality until registrations issue, leaving the various parties unclear as to their rights. Moreover, the case indicates that there is some confusion at the PTO regarding the treatment of ITU applications.\textsuperscript{254}

\textsuperscript{248} Id.
\textsuperscript{249} See id.
\textsuperscript{250} See id. at 1419.
\textsuperscript{251} See id.
\textsuperscript{252} See id. at 1420.
\textsuperscript{253} See id. at 1418–19 n.8.
\textsuperscript{254} In a footnote discussing one of Salacuse’s ITU applications, the Board gave the following description of the status of that application:

Although the parties have referred to application Serial No. 74/370,621 as having been abandoned, it appears from the Office’s records that the application is still pending. A notice of allowance originally was issued with respect to the application on February 22, 1994, but that notice of allowance apparently was cancelled on August 22, 1994. Despite the cancellation of the notice of allowance, several requests to extend time to file a statement of use were filed by petitioner and
The case also illustrates that although the Board may not question some issues resolved at the initial examination of the ITU application, such issues may be raised anew by other parties, either by way of an affirmative defense or by a petition to cancel a mark once it is registered.

IV. Have the Objectives of the Intent to Use Legislation Been Achieved?

As discussed above, Congress had several justifications for amending the trademark laws in 1988 to allow applicants to file for trademark registration on the basis of their intent to use the mark as opposed to actual use of the mark in commerce. In part, Congress wanted to eliminate the disadvantages that the use requirement imposed on American businesses as compared to foreign trademark applicants who could obtain a United States registration without use of the mark by relying on their home country registration. Congress wanted to provide American businesses with a more certain and efficient way of ensuring protection of trademark without relying on the "sham" of token use. Thus, certainty and predictability were key goals of the ITU scheme embodied in the TLRA.255

How effective has the legislation proved to be in accomplishing those goals? Although there are undoubtedly some advantages for those who can now file applications on the basis of intent to use and who face no challenges to those applications, for those who anticipate or experience such challenges, there is at least as much uncertainty and perhaps more than there had been prior to the enactment of the TLRA.

First of all, the TLRA did not eliminate the ambiguities involved in defining what will constitute "first use" for purposes of determining priority as between two claimants to a mark. Courts continue to apply differing tests to determine whether a claimant has engaged in sufficient activity to claim priority. The vagueness of the "use analogous to trademark use" doctrine has only been exacerbated by the need to

approved by the Office. It is unclear from the record why the notice of allowance was cancelled, or why the extension requests were filed and approved after cancellation of the Notice of Allowance. In any event, a second notice of allowance appears to have been issued on April 8, 1997, to which petitioner's first response, i.e., a statement of use or a request to extend time to file a statement of use, is due on October 8, 1997.

Id. at 1416 n.1.

255. See supra text accompanying notes 38–44.
modify the doctrine in cases where an application has been made under the intent to use section.256

In addition, the TLRA has added new burdens for those who apply under the ITU section. A party who files an opposition to such an application arguing that the applicant lacks a bona fide intent to use seems to have a fairly easy means of forcing a full factual determination on that question, given the reluctance of the Trademark Trial and Appeal Board to grant summary judgment to applicants on that issue. The standard of proof is so unclear that parties trying to establish their bona fide intent to use will face considerable uncertainty and delay in the processing of the ITU applications.257

Moreover, the ITU applicant still needs to prove actual use before registration of the trademark will be granted. As the cases indicate, the Board has taken a very strict approach to evaluating the statements of use filed by ITU applicants. Thus, again the ITU applicant faces uncertainty; even after it has obtained a notice of allowance, it cannot be confident of its ability to obtain registration in the long run without proving “use” under a demanding test.258

This uncertainty is compounded when one considers the other problems faced by the ITU applicant. Although its notice of allowance will provide it with priority based on the constructive use provision in an opposition proceeding, the notice will not provide it with the ability to obtain affirmative relief in federal court against an infringer unless and until the mark has been registered.259 The ITU applicant also faces some uncertainty with respect to the determination of its mark’s eligibility for registration. The statute allows for two different opportunities for the Board to determine the mark’s suitability for registration: once during the pre-use notice of allowance stage and a second during the post-use registration stage. The cases indicate that while the second examination is intended to be quite limited in scope, the Board may defer some determinations of eligibility, for example, determinations of the descriptiveness of the mark, until that second examination. Thus, the ITU applicant may find that its hopes for registration based on the notice of allowance were unfounded.260

What does this all add up to for those who wish to rely on the ITU application process? For some ITU applicants, and those seeking to

256. See supra text accompanying notes 93–153.
257. See supra text accompanying notes 63–192.
258. See supra text accompanying notes 155–70.
259. See supra text accompanying notes 174–207.
260. See supra text accompanying notes 208–54.
challenge them, it would seem that there will be increased confusion and uncertainty. Thus, it may be that Congress failed to achieve one of the key objectives of the TLRA: increased certainty and predictability for American businesses.

**Conclusion: Congress Should Re-evaluate and Amend the ITU Provisions of the TLRA**

Senator DeConcini, in his remarks on the bill that became the TLRA, stated that if certain provisions of that bill “serve to reduce the certainty the intent-to-use system is meant to provide, or prove burdensome to either applicants or the PTO, Congress should expeditiously consider revising the system so it can meet its stated objectives.” As it is now more than ten years since the ITU system was instituted, it would appear that it is time for Congress to conduct its own evaluation of the system to see whether it is meeting its objectives or whether that system should be revised.

Although Congress would not and should not turn back the clock and eliminate intent to use as a basis for trademark application, it should consider taking some steps to reduce some of the uncertainties described above. For example, perhaps it is now time to jump off the fence Congress has been straddling since 1988 and allow for registration before actual use of the mark, as is done in many foreign nations. A party could still forfeit that registration for failure to use after a specified period of time, if so challenged by another user, but until such a challenge, the party would have all the rights of a trademark registrant as provided by the Lanham Act. Such a change would eliminate the need for the evaluation of the applicant’s statement of use and for the second examination of the mark itself.

Congress should also consider statutorily eliminating or limiting the “use analogous to trademark use” doctrine, which allows one to oppose a registration based not on actual use before the application, but only on “use analogous” to such use. Perhaps it would make more sense to create a system where the first to file has priority, regardless of any promotional or other activities of another.

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Finally, Congress should consider providing some way in which an ITU applicant can establish its bona fide intention to use so that it will not be subject to easy challenges by opposers looking for a way to delay the ITU process. For example, Congress could impose on an opposer the burden of proving bad faith on the part of the applicant, rather than forcing the applicant to prove its own good faith.

The TLRA was an important change in American trademark law and one that has been generally viewed as a major benefit to American trademark owners. It is not without its flaws, however, and some steps should be taken to improve the ITU system so that it better accomplishes Congress’s intended objective of reducing uncertainty for American trademark owners.