Bona Fide Intention to Use a Trademark

What Does it Mean? And How Do You Prove It?

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Every trademark application in the U.S. must be based on either actual use of the mark prior to filing or a "bona fide" intention to use the mark after filing. Here we will briefly explore the latter by first reviewing the historical background, next considering current legislation, and finally turning to *SmithKline Beecham Corp. v. Omnisource DDS, LLC*, 97 U.S.P.Q. 2d 1300 (T.T.A.B. 2010) (precedential), where Omnisource's application for the AQUAJETT mark for use with oral irrigators went down the drain on grounds that Omnisource lacked a bona fide intention to use the mark in commerce at the time it filed.

Prior to 1989, a U.S. applicant had to use its mark in interstate commerce before applying to register the mark. Moreover, any use-based application filed before the mark was used in interstate commerce was void *ab initio*. Accordingly, applicants took care to use their marks prior to filing. However, the statutory definition of "use" was silent regarding the extent to which, if any, use must be genuinely commercial. As a result, in order to obtain or renew a registration, applicants routinely engaged in "token use" of their applied-for marks by engaging in single or sporadic product shipments rather than engaging in genuine commercial use by means of ongoing shipments in the ordinary course of business. Allowing such "token use" contravened important public policy objectives: it delayed filings; it was contrived; it was commercially invisible; it perpetuated dead marks clogging the register; and it created legal uncertainty. See *The United States Trademark Association Trademark Review Commission Report and Recommendations to USTA President and Board of Directors*, 77 T. M. Rep. 375, 393 VII(A)(4) (B)(1). Moreover, an understandable perception of unfairness arose from a 1984 decision by the Trademark Trial and Appeal Board (the "T.T.A.B.") holding that a foreign national could obtain a U.S. registration based on a trademark registered in its country of origin even if that foreign national had not yet used the mark in the U.S. *Crocker National Bank v. Canadian Imperial Bank of Commerce*, 223 USPQ 909 (T.T.A.B. 1984).

In 1988, Congress passed the Trademark Law Revision Act (the "TLRA"), which became effective in 1989 and which allowed for the filing of trademark applications based on a bona fide intent to use the mark in interstate commerce. See Lanham Act §1(b), 15 U.S.C. 1051(b). Section 45 defines "use in commerce" as "the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark." Although the term "bona fide" is not defined in the TLRA, the legislative history, commentary, and subsequent decisions establish that "it was the intent of Congress in enacting Section 1(b) that the bona fide requirement thereof focus on an objective good-faith test to establish that an applicant's intent is genuine." *Commodore Elec. Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503, 1507 (T.T.A.B. 1993).

To understand what evidence might satisfy the objective good-faith test that an applicant's intent to use a mark is genuine, we turn to *SmithKline Beecham Corp.* SmithKline met its burden of demonstrating by a preponderance of the evidence that Omnisource lacked a bona fide intent to use the AQUAJETT mark on oral irrigators by showing that Omnisource had no documentary evidence regarding such intent. The Board found that "[t]he patents issued to applicant's principal and co-inventors indicated only that the named inventors sought to protect the device described therein, not that applicant possesses a bona fide intent to use the AQUAJETT mark on

the goods identified in the involved trademark application." *SmithKline Beecham Corp.*, 97 U.S.P.Q. 2d at 1304. The record was equally devoid of other documentary evidence.

> Further, applicant's mere statement that it intends to use the mark, and its denial that it lacked a bona fide intent, do not establish, in fact, that it had a bona fide intent to use the mark in commerce when it filed the involved application. Evidence bearing on bona fide intent is "objective" in the sense that it is evidence in the form of real life facts and by the actions of the applicant, not solely by applicant's uncorroborated testimony as to its subjective state of mind. That is to say, Congress did not intend the issue to be resolved simply by an officer of applicant later testifying, "Yes, indeed, at the time we filed that application, I did truly intend to use the mark at some time in the future." (Id. at 1305)

Intent-to-use applicants should do at least some of things that SmithKline established Omnisource had not:

- prepare business or marketing plans
- produce and preserve product prototypes
- prepare schematics or instructional manuals
- identify possible purchasers of your products
- document your selection, adoption and use of a mark
- plan or create labels, tags, or packaging for your products
- plan or create marketing, advertising or promotional materials
- consider where your goods will be manufactured and by whom
- consider when your goods will become available for purchase.

By doing at least several of these things, and preserving evidence of having done them **before** you file your intent-to-use application, you can avoid having to watch your trademark go down the drain.

If you would like to discuss trademark issues, please feel free to contact Sean D. Detweiler.