US: TRADE MARKS

Is offering of a service use of a mark?

Katten Muchin Rosenman LLP
New York

Karen Artz Ash and Bret J Danow

Recently, in *Couture v Playdom, Inc*, the US Court of Appeals for the Federal Circuit addressed for the first time whether a trade mark applicant's offering of a service, without actually providing such services, is sufficient to constitute to use of a mark in commerce.

Couture had filed a US use-based trade mark application for the mark Playdom in 2008. In support of his application, he submitted a specimen of use consisting of a page from his website which indicated that writing and production services were being offered. However, Couture did not actually offer or provide any services under the Playdom mark until 2010, nearly two years after the application was filed. Nonetheless, because the website satisfied the USPTO's specimen requirements, the USPTO issued a certificate of registration for the Playdom mark to Couture in 2009.

In February 2009, Playdom filed a trade mark application for the identical Playdom mark, which was rejected based upon a likelihood of confusion with Couture's registration. Subsequently, Playdom filed a petition to cancel Couture's registration with the Trademark Trial and Appeal Board (TTAB), arguing that the registration was void ab initio because the mark was not in use as of the filing date of the underlying use-based application.

The TTAB ruled in favour of Playdom, granting the petition to cancel, holding that Couture "had not rendered his services as of the filing date of the application [because he] merely posted a website advertising his readiness, willingness and ability to render said services". Couture then appealed to the Federal Circuit.

The relevant statute holds that a mark covering services is used in commerce only when both: (1) it is used or displayed in the sale or advertising of services; and (2) the services are actually rendered. Citing past precedent, the Court held that "without question, advertising or publicizing a service that the applicant intends to perform in the future will not support registration" and instead such advertising "must relate to an existing service which has already been offered to the public". The fact that Couture was able to satisfy the USPTO's specimen of use requirements did not undermine the statute's requirement of actual use of the mark. Accordingly, the Court affirmed the TTAB's ruling to cancel the registration.

During the TTAB proceedings, Couture had sought to retroactively amend the basis for his filing so that it would be based on an intent-to-use (Section 1(b)) rather than use (Section 1(a)) but the Court affirmed the TTAB's refusal to let him do so because the provision contemplating a substituted filing basis applies only while an application is pending and not after a certificate of registration has already been issued.

Interestingly, had Couture originally filed his application based on intent-to-use and waited until after he had started offering services to amend the filing to being based on use, he would have obtained a certificate of registration and had priority rights in the mark dating back to the date the application was filed. Instead, Couture was left without a registration for the Playdom mark and Playdom was able to get senior rights. This decision highlights the importance of making sure services are actually being rendered under an applied-for mark before claiming a date of first use of such mark in a trade mark filing.