US: TRADE MARKS



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PRL challenges intent-to-use application

US trade mark law allows for the filing of a trade mark application based on a *bona fide* intention to use the mark on or in connection with the specified goods or services listed in the application. The filing of an intent-to-use-based application provides a significant benefit to trade mark owners as it allows them to obtain a priority date as of the date of filing while they develop their business under such mark. This can protect the owner from the subsequent adoption of a confusingly similar mark by a third party during the time period between when the owner has filed its application and when it has put the mark into use. The ability to file an application on an intent-to-use basis can, therefore, be crucial to the development of a brand owner's business.

The filing of an intent-to-use-based application requires that the applicant have "a bona fide intention, under circumstances showing the good faith of such person to use the subject trade mark in commerce". The statute does not allow an applicant to merely reserve a mark but, instead, requires that the applicant have a genuine intention to use the mark in the ordinary course of trade. Therefore, courts have held that a party can oppose a trade mark application by proving that the applicant did not actually intend to use the mark in commerce or by proving that the circumstances at the time of filing did not demonstrate that intent. Recently, such an approach was successfully used by PRL USA Holdings (the owner of the well-known Polo mark) as the grounds for opposing a trade mark application filed by a third party for the stylized Irish Polo Club USA and design mark.

This case was somewhat unique in that the applicant indicated during discovery that no documents existed regarding his plans to use the mark because he did not have any business planning yet. Although the Trademark Trial and Appeal Board (TTAB) acknowledged that the question of intent is a factual one that is not typically suited for disposition on summary judgment, it granted PRL's motion for summary judgment. The TTAB held that the entry of summary judgment was warranted because there was no documentary evidence of the applicant's *bona fide* intent to use the mark at the time he filed his trade mark application. Since the TTAB ruled in PRL's favour on the *bona fide* intent issue, it did not have to rule on whether or not there was a likelihood of confusion.

The case provides an important lesson both to companies embarking on a new product line and to companies seeking to oppose a trade mark application. For prospective brand owners, the case demonstrates that a party cannot just file applications for marks which they like in an attempt to merely reserve rights in such mark with the plan to begin developing a business identified by the mark at some unspecified future date. When filing for a new mark, an applicant would be wise to keep a record to evidence their intentions to use the mark through either a written business plan or documentation of promotional activities, market research or discussions with prospective business partners. For potential opposers, the decision highlights an available means to attack an application and demonstrates that an application may be vulnerable in an opposition proceeding even if a likelihood of confusion cannot be proven.