Client Alert

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Federal Circuit Clarifies Requirements for Use in Commerce of Service Trademarks

By Jennifer Lee Taylor and Sabrina Larson

On Monday, the Federal Circuit issued its decision in *Couture v. Playdom*, clarifying that use in commerce for a service mark requires that the services be rendered before a registration can be granted. To obtain a federal trademark registration, the applicant must prove (among other things) that it is using the mark in commerce. It is well established that use of a service mark requires that the mark be displayed in connection with an offering of services. The Federal Circuit had not previously addressed whether offering services was alone sufficient, or whether rendering those services was also required. *Playdom* clarifies that a mark for services is used in commerce only when (1) it is displayed in connection with offering services and (2) the services are rendered.

Appellee Playdom, Inc., petitioned to cancel appellant David Couture's registration for PLAYDOM, arguing that Couture's mark was void *ab initio* because Couture had not used the mark in commerce as of the date of the application. Couture filed to register PLAYDOM in 2008, claiming use of the mark in commerce. The specimen Couture submitted with the PLAYDOM application was labeled a "screen capture of [a] website offering Entertainment Services in commerce." It was a webpage stating that Couture offered writing and production services, and included an email address. The webpage also included the notice "Website Under Construction." Based upon this submission, the PLAYDOM mark was registered in 2009. There was no evidence in the record that Couture rendered services under the PLAYDOM mark prior to 2010.

The Trademark Trial and Appeal Board granted Playdom's petition to cancel the PLAYDOM registration as void *ab initio*, based on lack of use at the time of the application. The Board found that Couture had not rendered services, but instead had "merely posted a website advertising his readiness, willingness and ability to render said services." The Board concluded that this was insufficient to show the use in commerce required to obtain a registration. Couture appealed to the Federal Circuit.

The Federal Circuit affirmed the Board's decision. Under the Lanham Act, 15 U.S.C. Section 1051(a)(1), a mark is used in commerce for services "when [1] it is used or displayed in the sale or advertising of services and [2] the services are rendered in commerce." A previous Federal Circuit decision, *Aycock Eng'g, Inc. v. Airflite, Inc.*, stated that "at the very least, in order for an applicant to meet the use requirement, there must be an open and notorious public offering of the services." The Federal Circuit in *Couture* clarified that *Aycock* never suggested that an open and notorious offering was alone sufficient to establish use in commerce. Instead, the offered services must also be rendered.

The Federal Circuit stated that its decision was consistent with decisions in the Second, Fourth, and Eighth Circuits, which have similarly held that actual provision of services is required for use in commerce of a service mark. This decision provides guidance for applicants of trademarks offering services, by clarifying that an

applicant for a federal registration not only must offer services under the mark, but also must have rendered the offered services. If you have any questions regarding use and registration of a service mark, please contact one of the members of our trademark group.

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