

Trademark Registration and the Importance of Incontestability*

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I. The Benefits of Registration

The importance of obtaining a federal trademark registration from the U.S. Patent and Trademark Office (the Trademark Office) for any trademark or service mark valued by its owners cannot be overstated. As set forth in Lanham Act § 33, federal trademark registration is *prima facie* evidence of the validity of the registered mark, the registrant's ownership of the mark, and the registrant's exclusive right to use the registered mark in connection with the goods and services specified in the registration. *See* 15 U.S.C.A. § 1115. Even if the mark is only used in a handful of states, the registrant receives nationwide protection for its mark and can rely on the registration to stop others from offering competing goods or services elsewhere in the country (assuming, of course, that the registrant is the first to use the mark; a registration cannot be used to stop prior users from continuing their activities).

II. Incontestability Strengthens Registered Rights

The protections provided by a federal registration are strengthened by the provisions in Lanham Act § 15, 15 U.S.C.A. § 1065, which provide that a trademark registration can become "incontestable" five years after the date of registration. A registration that is incontestable is immune to challenge on certain grounds, including that the registered mark is merely descriptive and lacks secondary meaning. *See Park n' Fly, Inc. v. Dollar Park n' Fly, Inc.*, 469 U.S. 189 (1985) ("Congress expressly provided ... that an incontestable mark could be challenged on specified grounds, and the grounds

identified by Congress do not include mere descriptiveness."). In litigation involving an incontestable registration, it is conclusively presumed that the registered mark is valid—*i.e.*, that it is either inherently distinctive or has acquired secondary meaning. *See* 15 U.S.C.A. § 1115(b) ("To the extent that the right to use the registered mark has become incontestable ... , the registration shall be conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce."). Thus, a defendant accused of infringing an incontestable registered mark cannot defend itself by claiming that the mark is descriptive and lacks secondary meaning.

Of course, even an incontestable registration is not totally immune from any challenge. An incontestable registration remains vulnerable to attack based on certain grounds other than descriptiveness, including that the mark has become generic, the registrant has abandoned the mark, the registration (or incontestable status) was obtained fraudulently, or the mark is being used to misrepresent the source of the goods or services in connection with which it is used. *See* 15 U.S.C.A. § 115(b); *Park n' Fly*, 469 U.S. at 195. In addition, while an incontestable registration's *validity* cannot be challenged based on descriptiveness, most courts hold that a defendant can still raise issues regarding the mark's *strength* (*i.e.*, scope of protection) in connection with determining likelihood of confusion *See, e.g., Entrepreneur Media*, 279 F.3d at 1142 n.3 ("[T]he incontestable status of EMI's mark does *not* require a finding that the mark is

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strong”). Nonetheless, incontestability does provide a significant measure of protection against many of the most common attacks a trademark owner is likely to face regarding the validity of its trademarks.

III. Establishing Incontestability

In order to obtain incontestable status, the registrant must have used the mark in connection with the goods and services in the registration continuously for any five-year period after the date of registration, and must submit an affidavit to the Trademark Office to this effect. *See* TMEP § 1605.03. Specifically, as set forth in Trademark Manual of Examining Procedure (TMEP) § 1605, the § 15 affidavit must:

- (1) be filed by the owner of the registration;
- (2) be accompanied by the required fee;
- (3) specify the goods and services included in the registration with which the mark has been in continuous use for the applicable five-year period;
- (4) state that there has been no final decision adverse to the registrant’s claim of ownership of the mark or right to register the mark, and that there is no pending proceeding involving such rights;
- (5) be filed no later than one year after the end of the applicable five-year period of continuous use; and
- (6) be signed and verified, or supported by a declaration, by a person properly authorized to sign on behalf of the owner of the registration.

The Trademark Office’s Trademark Electronic Application System (TEAS) electronic filing system can be used to file the required § 15 affidavit. TEAS is available at www.uspto.gov/teas/index.html. It is common and convenient to file the § 15 affidavit in combination with the § 8 affidavit of use required to be filed between the fifth and sixth year of registration (and the TEAS system provides an electronic form to file a combined § 8 and § 15 affidavit). *See* TMEP 1605.05.

The Trademark Office does not “accept” a § 15 affidavit; rather, it merely updates its database to acknowledge receipt of the affidavit. Nonetheless, there are some pitfalls to avoid when filing § 15 affidavits. For example, the seemingly simple requirement that the affidavit be filed by the owner of the registration can lead to problems where, for example, the wrong corporate entity among a group of related entities files the

affidavit, or where an individual files the affidavit in his personal capacity while the registration is actually owned by a corporation controlled by the individual. In addition, if the Trademark Office determines that there is a pending proceeding involving the registrant’s rights in the mark (including in the form of a counterclaim seeking cancellation of the registration), the Trademark Office will not acknowledge the affidavit, even if the proceeding was initiated after the affidavit was filed. TMEP § 1605.04.

It should also be noted that § 15 incontestability is related to, but distinct from the five-year statute of limitations that can protect trademark registrants from certain cancellation actions, as set forth in Lanham Act § 14, 15 U.S.C.A. § 1064. Lanham Act § 14 precludes cancellation on certain grounds (including descriptiveness) of any registration that is over five years old. These “defenses” apply regardless of whether the registrant has filed the required affidavit to obtain incontestability under Lanham Act § 15. *See Western Worldwide Enters. Group, Inc. v. Qinqdao Brewery*, 17 U.S.P.Q. 2d 1137, 1139 (T.T.A.B. 1990) (“[T]here exists no dispute that a registration that is over five years old may be cancelled solely on the grounds set forth in § 14(c), irrespective of whether or not the owner of the registration has filed an affidavit under § 15.”). The additional benefit to be gained from § 15 incontestability is the conclusive presumption of validity for all purposes, including offensive purposes, rather than just defensive purposes in the context of cancellation. *See Park n’ Fly*, 469 U.S. at 205 (“We conclude that the holder of a registered mark may rely on incontestability to enjoin infringement and that such an action may not be defended on the grounds that the mark is merely descriptive.”).

IV. First Circuit Case Illustrates Importance of Incontestability

The First Circuit’s recent decision in *Borinquen Biscuit Corp. v. M.V. Trading Corp.*, 443 F.3d 112 (1st Cir. 2006), illustrates the importance of filing § 15 affidavits to claim incontestable status for trademarks that have been registered for more than five years.

Borinquen is a manufacturer of *galletas* (crackers/cookies) and has sold them throughout Puerto Rico

under the RICA trademark since 1976, when it acquired the *galletas* recipe and RICA trademark from Sunland Biscuit Company. Sunland had sold *galletas* in Puerto Rico since 1962 and had registered the RICA trademark on the Principal Register of the U.S. Patent and Trademark Office in 1969. The registration for RICA states that RICA may be translated as “rich.” Although the RICA mark has been in continuous use for over 40 years, neither Sunland nor Borinquen ever filed a § 15 affidavit claiming incontestability.

In 2003, M.V. began offering *galletas* under the name NESTLE RICAS. Borinquen filed a trademark infringement action, seeking both damages and injunctive relief. M.V. counterclaimed, seeking cancellation of Borinquen’s RICA mark. The district court granted Borinquen’s motion for preliminary injunction, and M.V. filed an interlocutory appeal from that order. M.V. argued that the district court erred by not requiring Borinquen to establish that the RICA mark had acquired secondary meaning and by finding a likelihood of confusion. The First Circuit affirmed the district court’s order.

The First Circuit concluded that because neither Borinquen nor its predecessor-in-interest had filed a § 15 affidavit claiming incontestability, the thirty-seven-year-old registration remained “contestable.” The First Circuit did not agree, however, with M.V.’s argument that Borinquen was required to demonstrate secondary meaning for its contestable registration. The court cor-

rectly noted that when a trademark is registered without proof of secondary meaning, the trademark owner is entitled to a presumption that the trademark is inherently distinctive. If the trademark owner has filed a § 15 affidavit for such a registration, this presumption is conclusive. If the trademark owner, as in the *Borinquen* case, has not filed a § 15 affidavit, however, the presumption is rebuttable. In such a case, the defendant can overcome the presumption that the trademark is inherently distinctive if it offers sufficient evidence that the mark is merely descriptive. The trademark owner is then afforded the opportunity to offer evidence of secondary meaning. In the *Borinquen* case, M.V. failed to offer sufficient evidence of descriptiveness to rebut the presumption, so Borinquen was not required to offer any evidence of secondary meaning.

While Borinquen successfully obtained a preliminary injunction based on M.V.’s failure to offer sufficient evidence of descriptiveness, Borinquen’s success would have been much more certain had it filed a § 15 affidavit prior to initiating the litigation. Had it done so, it would have eliminated altogether M.V.’s ability to contest the validity of its registration on descriptiveness grounds, and M.V. would never even have had the opportunity to present evidence on that issue. Accordingly, this case illustrates the importance to trademark owners of making sure that their trademark rights, including the filing of § 15 affidavits, are in order before they pursue infringers.