

Incontestability: Does Anybody Really Understand It?

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In the United States, under Section 15 of the U.S. Trademark (Lanham) Act, a Declaration of Incontestability may be filed at any time beginning five years after the registration date. But what exactly is “incontestability,” anyway? Is it really necessary to file the Declaration (and incur costs) in order to gain the benefits? Are there risks to the registration associated with filing the Declaration? As discussed below, the answers to these questions can be tricky, even for U.S. trademark practitioners.

What are the requirements for claiming incontestability?

Under Section 15 of the Lanham Act, a claim of incontestability is available when (1) there has been no final decision adverse to the registrant’s claim of ownership or right to register the mark, (2) there is no such proceeding pending, (3) it is within one year of any five-year period of continuous and consecutive use subsequent to the date of registration and (4) the mark has not become generic. The first two prongs typically are easy to answer. Whether there has been any nonappealable decision invalidating the registration or whether there is any pending proceeding challenging the validity of the registration is usually clear. The fourth prong is likewise not often an issue, as few marks are genericized. It is the third prong that is often the most difficult one to answer and the question that requires close consultation between the practitioner and the registrant. It is easy to overlook the basic requirement that use must be continuous and consecutive over the relevant five-year period.

One of the reasons why such a basic requirement is frequently overlooked may result from the distraction inherent in combining the Declaration of Incontestability along with the Declaration of Use under Section 8 of the Lanham Act. The claims often are combined because the opening dates to file the respective declarations coincide. In order to maintain a U.S. trademark registration, a Declaration of Use must be filed between the fifth and the sixth year after registration. The earliest time to file the Declaration of Incontestability is five years after registration. As a result, the declarations often are bundled together.

Registrants should also be wary of practitioners who do not inquire into whether the requirements of Section 15 have been met separate and apart from the requirements of Section 8 when the two declarations are combined. In particular, to substantiate a claim of incontestability, it is necessary for the mark to have been used continuously in the United States for each and every separate item claimed in the Declaration of Incontestability for five consecutive years. The difficulty in confirming that this requirement has been met when the registration contains a lengthy list of goods and/or services is just one of the reasons that may argue in favor of narrowly identifying the goods and services when filing an application for registration.

It is important for registrants and their counsel to remember that the Declaration of Incontestability can be filed any time commencing five years after registration when the conditions of Section 15 of the Lanham Act have been met. Be wary of the practitioner who states that the Declaration of Incontestability is “due” by any date. There is no deadline to file the Declaration.

In deciding whether even to file the Declaration of Incontestability, the registrant should also consider the costs. The official fee to file the Declaration of Incontestability is twice as much as the fee

to file the Declaration of Use. The former costs US \$200 per class, while the latter costs only \$100 per class.

The Declaration of Incontestability need be filed only once in order to claim its benefits. In contrast, the Declaration of Use, in addition to the initial filing between the fifth and the sixth year after registration, must be filed on every tenth anniversary of registration. On the other hand, the higher cost incurred in filing the Declaration of Incontestability may be amortized over the duration of the registration.

No proof of incontestability is required, and the claim to incontestability is not examined. As a result, the filing of the Declaration of Incontestability is merely “acknowledged” by the U.S. Patent and Trademark Office (USPTO). By contrast, the Declaration of Use requires submission of a specimen of use, which is examined at the USPTO. Deficiencies in the specimen result in issuance of a Post Registration Office Action requiring a response. In some respects, then, the Declaration of Incontestability is less complicated to file than the Declaration of Use.

What are the benefits of claiming incontestability?

Incontestability shields a registrant from certain challenges to the validity of a mark, notably challenges based on descriptiveness. These include challenges that (1) the mark merely describes the goods or services, (2) the mark is descriptive because it is primarily merely a surname, and (3) the mark is descriptive because it is a geographic place name that will immediately convey a goods-place or services-place association in the minds of consumers.

Despite the name, incontestability does not provide the registration with a complete shield against attack. Registrations are subject to cancellation at any time based on any of the following: (1) genericness; (2) functionality; (3) abandonment; (4) fraud on the USPTO; (5) immorality, deception or scandalousness; (6) disparagement; (7) false suggestion of a connection; (8) geographical indications on wines or spirits meeting certain requirements; (9) representation of a flag or coat of arms of any nation; or (10) representation or name of a living person without his or her consent or of a deceased president without the consent of his widow. So the shield of incontestability has been likened to the proverbial armor made of Swiss cheese rather than a coat made of metal.

But infringers often are not aware of the infirmities that may attend even an incontestable registration. As a result, the biggest benefit from claiming incontestability may be in providing the registrant with the ability to say so in a cease and desist or other objection letter. Stating that a registration is active, valid, in full force and effect and “incontestable” may scare the recipient of the letter into giving up on the thought of attacking the registration without ever even exploring any of the many grounds for cancellation that survive incontestability.

Is it necessary to file the declaration in order to claim the benefits of incontestability?

A registrant enjoys certain protections against cancellation beginning five years after registration even without filing the Declaration of Incontestability. Subject to the grounds of cancellation at any time listed above, Section 14 of the U.S. Trademark Act states that an action for cancellation of a registration may be brought “within five years from the date of the registration of the mark.” By implication, the registrant is automatically shielded from cancellation actions filed five or more years from registration under Section 14

without ever filing the Declaration of Incontestability under Section 15.

However, the five-year statute of limitations period set forth in Section 14 only applies in cancellation actions before the Trademark Trial and Appeal Board of the U.S. Trademark Office. It does not apply in a federal court action. Therefore, filing the Declaration under Section 15 is necessary in order to invoke incontestability as a defense to an action for trademark infringement in federal court.

Are there any risks in filing a Declaration of Incontestability?

A frequent topic of discussion among trademark practitioners these days is the stringent application of the doctrine of fraud on the USPTO. The doctrine most commonly comes up in the context of filing the Section 8 Declaration of Use when the Declaration is overbroad and covers goods or services not currently provided under the mark in the United States. Although the doctrine is old, it received a substantial amount of attention from the USPTO's Trademark Trial and Appeal Board (TTAB) in *Medinol Ltd. v. Neuro Vasx, Inc.*, 67 U.S.P.Q.2d 1205 (T.T.A.B. 2003).

Even before *Medinol*, though, the doctrine of fraud had been applied to false claims of incontestability. In *Mister Leonard, Inc. v. Jacques Leonard Couture, Inc.*, 23 U.S.P.Q.2d 1064 (T.T.A.B. 1992), the registrant owned a registration of the mark LEONARD, cover-

ing various women's clothing items as well as "bathing costumes for men." The registrant filed a combined Section 8 and 15 Declaration covering all the goods in its registration, despite having admitted in an earlier case that it did not sell men's clothing. Concluding that the false statement was material and made knowingly, the TTAB stated, "we find that, as a matter of law, registrant committed fraud on the PTO in connection with the Section 15 portion of its combined Section 8 and 15 declaration," and it cancelled the registration.

To avoid the risk of a fraud challenge, the practitioner should consult with the client to make sure that all the use requirements have been met. Any specific goods or services that have not been continuously provided under the mark in the United States for the prior five consecutive years should not be included in the Declaration of Incontestability when filed. Happily, the USPTO's electronic filing system allows for the filing of a partial Section 15 Declaration.

Conclusion

The time seems ripe for another TTAB decision addressing fraud in incontestability claims. It has been over 15 years since the last such decision by the Board. Just as *Medinol* served as a wake-up call to practitioners to pay close attention to claims of use, a new decision by the Board would shine a bright light upon those who gloss over the requirements in claiming incontestability.

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