

Your Brand: Use It or Lose It (Registration of Service Mark Requires Actual Use)

On March 2, 2015, the U.S. Court of Appeals for the Federal Circuit issued its first-ever ruling that merely being ready, willing and able to render services is insufficient to establish actual use of a service mark in commerce for purposes of federal trademark registration. ([*Couture v. Playdom, Inc.*](#), No. 14-1480.) As a type of trademark, service marks are used to identify and distinguish the services (rather than goods) of one individual or company from those provided by others.

Background

In this case, David Couture filed an application to register the service mark PLAYDOM pursuant to Lanham Act § 1(a) — *i.e.*, an “actual use” application (the mark is being used at the time the application is filed) versus a § 1(b) “intent to use” application.

In connection with his application, Mr. Couture submitted a screen capture of his one-page website, which offered his writing and production services for the television and film industry. His website also included the notice, “Website Under Construction.” However, while Mr. Couture continuously advertised his services, he did not actually perform any services under the PLAYDOM service

mark until more than one year after his application was filed.

Shortly after the PLAYDOM mark was registered, game development company Playdom, Inc. sought registration of an identical mark—PLAYDOM—for similar “entertainment services” to be used in connection with growing Disney’s online social network gaming presence. After its application was rejected on the basis of Mr. Couture’s prior registration, Playdom filed a petition to cancel Mr. Couture’s registration, claiming his registration was void *ab initio* because he had not used the mark in commerce as of the date of the application. The Trademark Trial and Appeal Board (Board) agreed, noting that Mr. Couture “had not rendered his services as of the filing date of his application” because he had “merely posted a website advertising his readiness, willingness and ability to render said services.” On appeal, the Federal Circuit affirmed the Board’s cancellation of Mr. Couture’s service mark.

When is a Service Mark “Used in Commerce”?

Under the Lanham Act, a mark is “used in commerce” on services when:

“[1] it is used or displayed in the sale or advertising of services and [2] the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.”

Therefore, according to the Federal Circuit, simply advertising or publicizing a service that the applicant intends to perform in the future is insufficient to support registration; rather, the advertising must relate to existing services which have already been rendered to the public. The Federal Circuit also held that a mark’s use in commerce must be “as of the application filing date” and a “bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in the mark.”

When is a Trademark “Used in Commerce”?

Although not at issue in the *Couture* appeal, registration of a trademark—which technically protects goods, not services—under § 1(a) merely requires that the goods have shipped in interstate commerce. For trademark applications, “use in commerce” does not require an actual sale.

Key Takeaways

Businesses need not wait to begin rendering services to file a trademark

application, as § 1(b) allows businesses to federally register a mark provided the applicant has a *bona fide* intent to use the mark in the future. Further, intent-to-use applications filed under § 1(b) confer upon the applicant the same priority date for the registration as use-based applications filed under § 1(a). However, businesses must avoid filing actual-use applications before the services are actually rendered, or risk having their applications denied or registrations later forfeited.

Even Mr. Couture’s attempt to save his service mark registration by requesting to change his application after the fact to an intent-to-use application proved unsuccessful. As the Federal Circuit held, while existing regulations provide procedures for substitution of a basis in an application either before or after publication, the same regulations contemplate substitution during the pendency of an application, not after registration.

If there is any doubt regarding the strength of an “actual use” application, therefore, the prudent course would be to first file an intent-to-use application and later (within 3 years of approval) file a Statement of Use when actual use can be sufficiently evidenced—such as through invoices and receipts of payment for services rendered.

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