

# Overcoming TM Maintenance Filing Hurdles Amid Pandemic

By **Jake Neu** (February 22, 2021)

As we near the second year of the COVID-19 pandemic, trademark maintenance deadlines in 2021 create new obstacles for registrants.

To maintain a federal trademark registration, registrants must periodically file an affidavit of use under Section 8, swearing that the mark is in use in commerce or that the registrant has an acceptable excuse for nonuse.

Recent office actions show that the U.S. Patent and Trademark Office is carefully scrutinizing nonuse claims arising from the pandemic and shutdowns. The registrant may also be blocked from making the usual declaration of incontestability under Section 15 after five years' use.



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## Section 8 Filing Requirements

In the U.S., a trademark must be used in commerce for the owner to obtain and maintain a federal trademark registration. "Use in commerce" means that the trademark is used in connection with a sale of identified goods or services in the context of interstate commerce.

After registration, a registrant must periodically file a Section 8 affidavit of use to maintain the trademark registration on the trademark register. A Section 8 affidavit may be filed during the year prior to the sixth anniversary of the registration date, the year prior to the 10th anniversary and every 10th anniversary thereafter. These deadlines also have a six-month grace period during which the filing may be made with payment of a late fee.

As part of a Section 8 affidavit of use filing, the registrant must:

- Make a verified statement that the mark is being used in commerce, or that the registrant has an excusable reason for nonuse, for each class of goods or services listed;
- Identify the specific goods or services listed in the registration for which the mark is still in use, or for which there is excusable nonuse;
- Delete goods or services that are no longer in use; and
- For each class of goods or services remaining, include a specimen showing how the mark is used in commerce, if relying on use.

## COVID-19 Business Interruptions and Effect on Trademark Use

The COVID-19 pandemic presents many potential complications to meeting the Section 8 affidavit requirements.

First, a registrant may be barred from operating due to local or state lockdown orders and business restrictions.

But even without a government order, the threat of such actions or the imposition of social distancing or other business requirements may cause problems for operating the business, such that a registrant decides to suspend operations for a time. Or, perhaps the business owners and employees have themselves caught COVID-19 and the business is closed.

Second, even if the business is operational, it may not be selling or providing all the goods and services listed in the registration due to product shortages, supply interruptions or a business decision to focus on a smaller set of goods and services.

Third, even if the business is fully operational, travel restrictions may affect a business's ability to state that the trademark mark use is in interstate commerce.

Consider a single-location restaurant that relies heavily on sales from interstate tourism for meeting the interstate commerce requirement of use. Travel restrictions and the general reduction in travel over the last year may make it more difficult for the restaurant to prove if challenged that their marks have been used in connection with tourists traveling interstate, rather than just local business.

As a result, registrants should consider each good or service listed in the registration and determine if they do in fact have use in interstate commerce at the time of filing the Section 8 affidavit in view of changed circumstances from the pandemic.

### **General References to COVID-19 Pandemic or Lockdown Orders Not Acceptable Excuses**

The USPTO is not accepting a general reference to the COVID-19 pandemic or resulting government lockdown orders as acceptable excuses for nonuse. Instead, the USPTO is requiring registrants to provide specific details on a case-by-case basis to probe the sufficiency of the excuse for nonuse.

Generally, the USPTO accepts Section 8 filings on the basis of excusable nonuse if the lack of use arises from circumstances outside the owner's control or in view of the nature of the business.

For example, the Trademark Manual of Examining Procedure identifies a lack of use due to a trade embargo as excusable nonuse.

Another example is a product that cannot be produced quickly or in large numbers, such as airplanes. However, merely having decreased demand or a business decision within the owner's control are exemplary instances where nonuse is not excusable.

Therefore, a business that has been ordered to shut down services may stand in a different position from one that makes a business decision to reduce the number of goods and services on sale due to the pandemic.

We have identified about a dozen instances since March 2020 in which an applicant asserted that the pandemic or lockdown restrictions were the excuse for nonuse at the time of filing

the Section 8 affidavit and the USPTO issued a first office action rejecting that excuse. The USPTO is requesting detailed statements about the nonuse and seeking proof that the decision was truly out of the owner's control.

Here are a number of examples.

1. Dr. Martens International Trading GmbH, owner of Registration No. 4407422 for "Doc Martens" for both footwear and various nonfootwear apparel, filed a Section 8 affidavit of use in March 2020. The registrant claimed use as to the footwear and excusable nonuse as to the remaining nonfootwear apparel.

As its excuse, the owner stated that the worldwide pandemic had interrupted sales in the U.S. and that its retail sales outlets were closed by the decision by the registrant on March 18, 2020, in view of the pandemic and various local, state or federal restrictions or orders.

On May 29, 2020, the USPTO issued an office action stating that the information provided by the registrant showed that the goods were still available for purchase online. The USPTO also inquired why the mark was still apparently in use for footwear in the U.S. but not for the remaining goods. The USPTO stated:

Providing evidence of use in the mark in connection with any of the goods identified in the registration seems to contradict the registrant's claim that use is not possible due to the pandemic due to the closure of the registrant's retail stores while simultaneously claiming that goods are available online.

Ultimately, the registrant chose to delete all goods from its registration other than footwear.

2. For Reg. No. 3703690 for "Puscifer," owned by a touring musician who had not used the mark since 2016, the USPTO in a July 28, 2020, office action stated that the COVID-19 pandemic did not provide an excuse for nonuse dating that far back and requested further information.

3. Boy Scouts of America filed an affidavit of use on May 12, 2020, with respect to Reg. No. 4433132 for "37° N" for retail store services for outdoor gear, apparel, gifts and souvenirs. It asserted excusable nonuse, stating in full:

[R]egistrant's online retail store is temporarily down due to ramifications of the coronavirus/COVID-19 worldwide pandemic, in particular, restrictions placed on non-essential businesses. Registrant's store site was taken down, i.e., use of the mark in commerce stopped in April 2020; and registrant is uncertain when use will resume, but the earliest date is estimated to be September 2020.

The USPTO issued an office action on Nov. 20, 2020, rejecting the proffered explanation and seeking further explanation why the pandemic would have caused an online retail store to shut down.

4. The registrant for Reg. No. 4600078 for "www.clementclimate.com" for an online retail marketplace filed an affidavit of use on Sept. 1, 2020, asserting excusable nonuse due to COVID-19. The USPTO issued an office action on Dec. 20, rejecting the stated excuse because "the owner must explain how COVID-19 affected the nonuse of the service mark."

Office actions have requested the following information from the registrant explaining the nonuse:

- The date of last use of the mark;
- Details explaining the special circumstances excusing nonuse;
- The steps being taken to resume use; and
- The approximate date when use is expected to resume.

In sum, the USPTO wants to know how the pandemic has specifically affected a registrant's own business in a manner outside of the registrant's control. As the examples show, proof that the nonuse is really beyond the owner's control may be difficult when the owner could rely upon or require online sales or use.

### **A Strategy for Section 8 Filings**

When a registrant is concerned that some or all of the goods and services are not actually being offered, it can look to the following tips for response.

First, if possible, delay. The Section 8 affidavit requires that the mark be in use on the goods or services at the time it is filed. If a registrant can wait long enough for goods and services to go back on sale before the final deadline for filing arrives, including the six-month grace period, then wait.

Second, and alternatively, file promptly if a registrant's goods are in use now but the business may be shut down again in the near future. This way, the registrant can get ahead of any potential interruption in business and make the required verified statement in the affidavit of use in good faith.

Third, if a registrant must file at a time when it is not certain about use or excusable nonuse, it should check each identified good and service individually and determine what is actually in use at that time. The registrant should only allege use as to those goods that it can verify are in use in interstate commerce when filing.

Fourth, for goods and services that are not in use, the registrant should determine if nonuse is caused in some way by the pandemic. For example, is a registrant not performing live music because venues are closed? Is a product supply chain interrupted? The registrant should document these instances and explain them to the USPTO.

Fifth, when filing a statement of excusable nonuse, the registrant should address each of the USPTO's questions identified above as best as possible. This puts the registrant in the best position for success. If the USPTO does have specific concerns, the examining attorney can identify them in the first office action so that the registrant knows what to focus on.

Sixth, if the goods and services are not in use simply because of a business decision, the registrant may need to delete unused goods or services and file an intent to use application to regain coverage later.

### **A Note on Section 15 Declarations of Incontestability**

As a final matter, registrants often file a Section 15 declaration of incontestability at the same time the first Section 8 affidavit of use is due. To make the declaration in good faith, a registrant must be able to state that the goods or services listed in the declaration have been in continuous use in commerce for the last five years.

Excusable nonuse does not count toward the five-year period of continuous use for a

declaration of incontestability. The pandemic has likely interrupted the five-year period of continuous use for many registrants. In such cases, even if registrants can make good-faith Section 8 filings, they cannot file the Section 15 declaration of incontestability.

This will be a live issue not only during and in the immediate aftermath of the pandemic, but for up to five years in the future as registrations issued in the last five years reach that fifth anniversary and the declaration becomes available.

In conclusion, registrants and their attorneys should exercise caution with these filings, particularly when the registrant's business activity has been severely interrupted by the pandemic and related shutdowns.

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