

INTELLECTUAL PROPERTY

HOW A "SIMPLE" MISTAKE CAN VOID A TRADEMARK APPLICATION/REGISTRATION

There are generally two types of trademark applications in the U.S. Trademark Office. In-Use and Intent-To-Use (ITU). An In-Use application is based on current use of a mark in commerce. An ITU application is based on a bona fide intention, under circumstances showing good faith, to use the trademark in commerce in the near future. A registration will not issue from an ITU application until the trademark is used in commerce.

For ITU applications, filing early is important. Your timely filed ITU application may block a competitor's later-filed ITU application. Knowing this, the Trademark Office is wary of 'trafficking' in trademarks which is similar to cybersquatting in domain names. Without preventative measures, opportunistic individuals could file ITU trademark applications without the requisite bona fide intent, to block others, and then assign the ITU applications to highest bidders who want those trademarks.

To prevent that, according to the Trademark Office, a registered mark or a trademark application can only be assigned with the good will of a business in which the mark is used. In other words, a trademark applicant cannot assign an ITU application before the applicant starts using the mark in commerce and files an allegation of use. Except to a

successor to the applicant's business, or portion of the business to which the mark pertains, if that business is ongoing and existing. The goal of this provision is to ensure that a trademark may only be assigned along with some business or goodwill, and to prevent trafficking in marks.

Let's say you started a business on your own or with someone else, and later formed a business entity for operating that business. You also diligently filed an ITU application for your trademark under your own name. Now, here's the tricky part. If you named an inappropriate applicant in your ITU application, it would render your trademark application/registration void.

A case in point is Hole in 1 Drinks, Inc. v. Michael Lajtay, Cancellation No. 92065860 (February 2020). Hole In 1 Drinks, Inc. filed ITU applications to register the trademark HOLE IN ONE, but they were blocked by Michael Lajtay's earlier registration of HOLE IN ONE for similar good/services. So, Hole In 1 Drinks started a trademark cancellation proceeding at the Trademark Office to cancel Lajtay's registration.

Unfortunately, Lajtay had mistakenly filed his ITU application in his own name alone as applicant even though he and another individual (Darryl Cazares) were



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working on forming the business entity Hole-In-One Drinks, LLC. They intended to sell good/services under the HOLE IN ONE trademark through Hole-In-One Drinks, LLC.

So, the Trademark Office canceled Lajtay's registration based on that ITU, because Lajtay and Cazares jointly had a bona fide intention to use the trademark at the time the ITU application was filed. The Trademark Office said they should have been identified as joint applicants, and not Lajtay as the only applicant. Lajtay's ITU application was found to be void because he alone did not have a bona fide intent to use the mark in commerce as of the filing date of the ITU application. Lajtay and Cazares together had the requisite bona fide intent.

Trademark law and filings may seem simple, but they are fraught with danger. Don't do it without an experienced IP attorney.