

# The Trademark Reporter®

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**FILER BEWARE:  
MEDINOL STANDARD SET FORTH BY THE  
UNITED STATES PATENT AND  
TRADEMARK OFFICE**

*By Karen P. Severson\**

**I. INTRODUCTION**

A finding of fraud with respect to a United States Patent and Trademark Office (USPTO) filing can cause the unexpected and irremediable loss of valuable rights afforded by U.S. trademark registration, as evidenced by the cancellation proceeding, *Medinol Ltd. v. Neuro Vasx, Inc.*<sup>1</sup>

In *Medinol*, the USPTO Trademark Trial and Appeal Board (the “Board”) considered the petitioner’s allegation that U.S. trademark registration No. 2,377,883 for the mark NEUROVASX in connection with medical devices, namely, neurological stents and catheters, was procured through fraudulent means. The petitioner alleged that the registrant had falsely claimed use of its mark in connection with both stents and catheters when, as the registrant knew or should have known, the mark was in use in the United States only in connection with catheters. The registrant, in an effort to avoid a finding of fraud, asserted a lack of intent to defraud the USPTO, and sought to amend the registration to include only catheters.

The Board rejected the registrant’s attempts to correct its registration, finding its redemptive efforts to be too little, too late to avoid a finding of fraud, and it cancelled registration No. 2,377,883 in its entirety, despite the registrant’s confirmed use of its mark in connection with catheters.

Contrary to common suppositions, lack of specific intent to defraud the USPTO is not sufficient to avoid a finding of fraud with respect to an Office filing. In *Medinol*, the Board held that the appropriate inquiry into an allegation of fraud is not based on the filer’s *subjective* intent, but rather on the *objective* manifestations

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1. 67 U.S.P.Q.2d 1205 (T.T.A.B. 2003).

of that intent.<sup>2</sup> Accordingly, a trademark owner's "reckless disregard" for the truth, even in the absence of a specific intention to misstate or misrepresent a material fact, can and will lead to a finding of fraud by the USPTO.

The Board's decision in *Medinol* has had significant impact on subsequent Board cases involving the issue of defrauding the USPTO, and has directly influenced at least one decision in a U.S. district court.

This article reviews the Board's findings in the *Medinol* case and some of its progeny and provides guidance to both trademark owners and practitioners to avoid fraud in their respective filings and dealings with the USPTO.

## II. *MEDINOL LTD. v. NEURO VASX, INC.*

### A. *Facts*

On July 17, 1997, Neuro Vasx, Inc. (NVI) filed U.S. trademark application Serial No. 75/326,112 for the mark NEUROVASX and stated a bona fide intent to use the mark in connection with medical devices, namely, neurological stents and catheters. The NEUROVASX application progressed unimpeded through publication, and a Notice of Allowance was issued July 28, 1998. NVI filed a Statement of Use for all goods in the Notice of Allowance, declaring first use anywhere and in commerce on November 15, 1999.<sup>3</sup> The NEUROVASX application matured into Registration No. 2,377,883 on August 15, 2000. Two years later, Medinol Ltd. ("Medinol") filed a petition to cancel Registration No. 2,377,883.

On June 29, 1999, Medinol filed U.S. trademark application Serial No. 75/739,407 for the mark NIROVASCULAR, stating a bona fide intent to use the mark in connection with medical devices, namely, stents. The USPTO Examining Attorney refused registration of the NIROVASCULAR mark under Section 2(d) of the Lanham Trademark Act, citing a likelihood of confusion with Registration No. 2,377,883 for NEUROVASX.<sup>4</sup>

In its petition, Medinol sought cancellation on the basis that NVI had falsely declared use of the NEUROVASX mark in connection with stents, thus committing fraud in an effort to

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2. *Id.* at 1209.

3. The goods stated in the Notice of Allowance were identical to the goods identified in the application, *i.e.*, medical devices, namely, neurological stents and catheters, in International Class 10.

4. Section 2(d) of the Lanham Trademark Act states, in part, that no mark shall be refused registration on the Principal register . . . unless it is ". . . likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive."

obtain the registration in question. Specifically, Medinol alleged, “[u]pon information and belief, Registrant *knew at the time it was made* that the statement of first use made in the application that ultimately matured into Reg. No. 2,377,883 was false.”<sup>5</sup>

In its Answer, NVI admitted “[I]t has not used the mark NEUROVASX in connection with ‘stents,’” but claimed, “[a]t the time the Statement of Use was prepared, the fact that the goods identified in the Notice of Allowance also included ‘stents,’ in addition to catheters was apparently overlooked.” Realizing that it was not entitled to continue registration of the mark NEUROVASX in connection with stents, NVI requested cancellation-in-part of Registration No. 2,377,883 by deleting stents from the registration.

The Board construed NVI’s petition for cancellation-in-part of its own registration to be an affirmative defense under Section 18 of the Lanham Act and advised the parties that, absent consent of Medinol, the issue would be reserved for trial and could be raised in trial briefs, as appropriate.<sup>6</sup> Shortly thereafter, without the consent of Medinol, NVI filed a combined motion to amend its registration to delete stents and to obtain summary judgment in the pending cancellation proceeding. In its motion, NVI referred to its Answer and reiterated its admission that stents were included in the goods identified in Registration No. 2,377,883 as a result of “an error by Registrant.” NVI further stated that “[t]he grounds for summary judgment are as set forth in ‘Registrant’s Answer and Petition for Cancellation in Part’ . . . and are incorporated herein by reference.” NVI did not offer any further support (*e.g.*, affidavits or other evidence) for its Motion for Summary Judgment.

Medinol opposed NVI’s combined motion quoting Trademark Rule 2.133(a): “An application involved in a proceeding may not be amended in substance nor may a registration be amended or disclaimed in part, except with the consent of the other party or parties and the approval of the Trademark Trial and Appeal Board, or except upon motion.” At the heart of Medinol’s opposition to NVI’s motion, however, was its contention that NVI should not be permitted simply to amend its registration without any factual showing regarding the merits of the fraud allegations or the

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5. Petition, ¶ 9 (emphasis added). The making of false statements in a Statement of Use has been examined extensively in cases subsequent to *Medinol: Universal Nutrition Corp v. Carbolite Foods, Inc. and Big Bear Natural Foods, Inc.*, 325 F. Supp. 2d 526, 531 (D.N.J. 2004); *Physicians Formula Cosmetics, Inc. v. Cosmed, Inc.*, 2005 TTAB LEXIS 20 (T.T.A.B. 2005); *J.E.M. Int’l, Inc. v. Happy Rompers Creations Corp.*, 2005 TTAB LEXIS 74 (T.T.A.B. 2005); *This Little Piggy Wears Cotton v. Piggy Toes*, 2004 TTAB LEXIS 447 (T.T.A.B. 2004); *Orion Elec. Co., Ltd. v. Orion Elec. Co., Ltd.*, 2004 TTAB LEXIS 147 (T.T.A.B. 2004).

6. 37 C.F.R. § 18 states, in part: “In such proceedings the Commissioner may refuse to register the opposed mark, may cancel the registration, in whole or in part, may modify. . . .”

defenses thereto. If such were to occur, according to *Medinol*, NVI would be rewarded for its fraudulent behavior only suffering the loss of its “ill-gotten gains.” Moreover, *Medinol* alleged that summary judgment was inappropriate because NVI failed to meet its burden of showing that there remained no genuine issue as to any material fact.

In its Reply, NVI again admitted to erroneously stating “. . . that the mark had been used on ‘medical devices, namely neurological stents and catheters’ when, it had actually been used on ‘medical devices, namely neurological catheters.’” NVI contended, however, that such error did not constitute fraud. NVI further asserted that “. . . even if fraud were hypothetically found here, it has been purged by Registrant’s two affirmative attempts made to delete stents from the goods description.” Regarding the appropriateness of summary judgment, NVI again asserted its admission of error and further referenced its motion to correct the registration, thereby eliminating any genuine issue as to material fact.<sup>7</sup>

### ***B. The Board’s Analysis***<sup>8</sup>

The Board confirmed the long-settled rule that summary judgment is appropriate when a party has demonstrated that there are no genuine issues as to any material fact and that it is entitled to summary judgment as a matter of law.<sup>9</sup> The Board disposed of the issue of the appropriateness of summary judgment stating that there remained no issue of material fact at hand.<sup>10</sup> The Board further acknowledged both the legal and factual appropriateness of NVI’s proposed amendment to the registration. This proved to be the extent of the Board’s agreement with NVI’s position. Not only did the Board agree with *Medinol* that NVI was not entitled to judgment as a matter of law, it turned the tables on NVI and asserted its right to enter summary judgment *sua sponte*, if appropriate, in favor of the non-moving party, *Medinol*.<sup>11</sup> The Board held that “[a] trademark applicant commits fraud in procuring a registration when it makes material representations of fact in its declaration which it knows or should know to be false or

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7. *Medinol*, 67 U.S.P.Q.2d at 1207.

8. The Trademark Trial and Appeal Board’s decision in *Medinol* has been cited extensively since it was rendered in May, 2003. Accordingly, *Medinol*’s progeny is briefly reviewed in footnotes to this text.

9. *Medinol*, 67 U.S.P.Q.2d at 1208 (citing Fed. R. Civ. P. 56(c); *Celotex Corp. v. Catrett*, 477 U.S. 317 (1987)).

10. *Id.*

11. *Id.* at 1209 (citing *The Clorox Co. v. Chemical Bank*, 40 U.S.P.Q.2d 1098, 1106 (T.T.A.B. 1996); TBMP § 528.08 and cases cited therein).

misleading.”<sup>12</sup> The Board did not discount that NVI denied a fraudulent intent in submitting its statement of use, but held that summary judgment can be appropriate in cases involving the question of intent. In support of its position, the Board relied on the analysis of Judge Nies in *Imperial Tobacco*, which discussed intent with regard to abandonment:

In every contested abandonment case, the respondent denies an intention to abandon its mark; otherwise there would be no contest. Under Fed. R. Civ. P. 56, . . . one must, however, proffer more than conclusory testimony or affidavits. An averment of no intent to abandon is little more than a denial in a pleading.<sup>13</sup>

The Board then stated the issue very succinctly: “The appropriate inquiry is therefore not into the registrant’s subjective intent, but rather into the objective manifestations of that intent.”<sup>14</sup>

In view of Medinol’s allegation of fraud relative to NVI’s statement of use, the Board acknowledged that there was “. . . no question that the statement of use would not have been accepted nor would registration have issued but for respondent’s misrepresentation, since the USPTO will not issue a registration covering goods upon which the mark has not been used.”<sup>15</sup> Section 1109.03 of the Trademark Manual of Examination Procedures (TMEP) states:

12. *Id.* (citing *Torres v. Cantine Torresella S.r.L.*, 1 U.S.P.Q.2d 1483 (Fed. Cir. 1986)).

13. *Id.* (quoting *Imperial Tobacco Ltd. v. Philip Morris Inc.*, 14 U.S.P.Q.2d 1390, 1394 (T.T.A.B. 1990)).

14. *Id.* See, *First Int’l Serv. Corp. v. Chuckles Inc.*, 5 U.S.P.Q.2d 1628, 1636 (T.T.A.B. 1988). (“We recognize that it is difficult, if not impossible, to prove what occurs in a person’s mind, and that intent must often be inferred from the circumstances and related statement made by that person.”); see also, *Torres*, 1 U.S.P.Q.2d at 1484-85; *General Car and Truck Leasing Systems, Inc. v. General Rent-a-Car, Inc.*, 17 U.S.P.Q.2d 1398, 1400 (“proof of specific intent to commit fraud is not required, rather, fraud occurs when an applicant or registrant makes a false material representation that the applicant or registrant knew or should have known was false”); *Western Farmers Ass’n v. Loblaw, Inc.*, 180 U.S.P.Q. 345, 347 (T.T.A.B. 1973). The Board noted the following with respect to *Torres*: “The problem of fraud arises because Torres submitted a label that he knew or *should have known* was not in use that contained a mark clearly different from the one in use. In addition, he submitted an affidavit stating the mark was in use on wine, vermouth, and champagne when he knew it was in use only on wine.” *Torres*, 1 U.S.P.Q.2d at 1485 (emphasis by the Board).

15. *Medinol*, 67 U.S.P.Q.2d at 1208 (citing Trademark Rule 2.88 (c); TMEP § 1109.03.) In a footnote, the Board referenced the relevant portion of Trademark Rule 2.88(c): “[T]he statement of use may be filed only when the applicant has made use of the mark in commerce on or in connection with *all* of the goods or services, as specified in the notice of allowance, for which applicant will seek registration in that application, unless the statement of use is accompanied by a request in accordance with § 2.87 to divide out from the application the goods or services to which the statement of use pertains.” (Emphasis added.)

The applicant may not file a statement of use until the applicant has made use of the mark in commerce on or in connection with *all* goods/services specified in the notice of allowance, unless the applicant files a request to divide. [Emphasis added.]

Of utmost importance to the Board, however, was that “deletion of the goods upon which the mark has not yet been used does not remedy an alleged fraud upon the USPTO. If fraud can be shown in the procurement of a registration, the entire resulting registration is void.”<sup>16</sup>

In analyzing the objective manifestations of NVI’s intent in filing its statement of use, the Board focused on the fact that there were only two goods identified in the Notice of Allowance—medical devices, namely, neurological stents and catheters and stated, “the mark was either in use on both, or it was not.” Moreover, the Board recognized that NVI “signed its statement of use under penalty of ‘fine or imprisonment, or both . . . and [knowing] that such willful false statements may jeopardize the validity of the application or any resulting registration. . . .”<sup>17</sup> In the opinion of the Board, “[s]tatements made with such a degree of solemnity clearly are—or should be—investigated thoroughly prior to signature and submission to the USPTO. Respondent will not now be heard to deny that it did not read what it had signed.”<sup>18</sup> The Board further stated:

The undisputed facts in this case clearly establish that respondent [NVI] knew or should have known at the time it submitted its statement of use that the mark was not in use on all of the goods. Neither the identification of goods nor the statement of use itself were lengthy, highly technical, or otherwise confusing, and the President/CEO who signed the document was clearly in a position to know (or to inquire) as to the truth of the statements therein.<sup>19</sup>

The Board also noted that NVI failed, upon receipt of the certificate of registration, to notify the USPTO and seek deletion of stents. Rather, NVI sought such correction only after Medinol filed its Petition to Cancel the registration.<sup>20</sup> Accordingly, NVI’s “failure

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16. *Medinol*, 67 U.S.P.Q.2d at 1208 (citing *General Car and Truck Leasing Systems, Inc. v. General Rent-A-Car, Inc.*, 17 U.S.P.Q.2d 1398, 1401 (S.D. Fla. 1990), *aff’g General Rent-A-Car Inc. v. General Leaseways, Inc.*, Canc. No. 14,870 (T.T.A.B. May 2, 1998)).

17. *Id.* at 1209.

18. *Id.*

19. *Id.* at 1209-10.

20. *Id.* at 1210 n.12 (citing *Space Base Inc. v. Stadis Corp.*, 17 U.S.P.Q.2d 1216, 1219 (T.T.A.B. 1990) (“a person can commit fraud upon the Office by willfully failing to correct his or her own misrepresentation, even if originally innocent, as long as that person subsequently learns of the misrepresentation, and knows that the Office has relied upon

to point out its misstatement and seek correction thereof prior to the filing of the petition for cancellation clearly supports our finding that the misstatement was intentional.” Whether the inclusion of stents in the statement of use was “overlooked” or whether NVI simply exhibited a reckless disregard for the truth, the outcome is the same: NVI’s material representations in connection with its statement of use were fraudulent.<sup>21</sup> Accordingly, the Board entered summary judgment on the issue of fraud in favor of the petitioner, *Medinol*.<sup>22</sup>

### III. DO *MEDINOL* AND ITS PROGENY DEPART FROM PRECEDENT?

In his treatise, *McCarthy on Trademarks and Unfair Competition*, Professor McCarthy notes that the Board takes a “hard line approach” in *Medinol*.<sup>23</sup> Is this “hard line” approach necessary to preserve the integrity of the Principal Register? What, if any, are the policy implications of such a hard line approach? Finally, is the Board’s “hard line” position in *Medinol* a departure from precedent?

The Board cited numerous cases in support of its finding of fraud in *Medinol*<sup>24</sup> and appears to have relied heavily on an earlier decision by the Court of Appeals for the Federal Circuit, namely, *Torres v. Cantine Torresella S.r.l.*,<sup>25</sup> which warrants some discussion here. The *Torres* court analyzed the issue of fraud in the context of a renewal application. In *Torres*, the Federal Circuit specifically addressed “whether the Board erred in entering summary judgment for *Torresella* on the issue of fraud.”<sup>26</sup>

*Torres*, as owner of a registration for LAS TORRES (& design) for goods identified as wine, vermouth and champagne, filed a renewal application with the USPTO and averred that the mark as registered was in use for each of the goods identified in the

that misrepresentation in conferring a substantive benefit upon that person to which the person knows it is not entitled.” (interpreting *Smith v. Olin*, 209 U.S.P.Q. 1033 (T.T.A.B. 1981)).

21. *Id.* The Board’s analysis was similar in the following cases: *Hawaiian Moon, Inc. v. Rodney Doo*, 2004 TTAB LEXIS (T.T.A.B. 2004); *Tequila Cazadores, S.A. de C.V. v. Tequila Centinela, S.A. de C.V.*, 2004 TTAB LEXIS 109 (T.T.A.B. 2004).

22. *Id.*

23. 5 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 31:73 (4th ed. 2005). (“Taking a hard line approach, the Board rejected the explanation that the inclusion of goods Y was ‘apparently overlooked’ by applicant. Rather, the Board said that applicant either knew or should have known that the statement was materially incorrect and that this was enough to constitute fraud.”)

24. See notes 5 and 21, *supra*.

25. 808 F.2d 46 (Fed. Cir. 1986).

26. *Id.* at 48.

registration.<sup>27</sup> A specimen label, showing the mark as registered (but not as then used), was submitted with the renewal application. However, in cancellation proceedings before the Board, Torres admitted that the mark had been altered, but argued that he did not consider the alteration to be material and that his actions did not amount to fraud on the USPTO.<sup>28</sup> The Board concluded as a matter of law that the changes to the mark were a material alteration of the mark as registered.<sup>29</sup> More significantly, in relation to the later *Medinol* decision, the Board held that Torres *knew or should have known* that his statements regarding use in the renewal application were false and that, even without specific intent to deceive, these false statements amounted to fraud on the USPTO.<sup>30</sup>

The Board in *Medinol* also relied on the holding in *General Car and Truck*, which stated:

The court finds as a matter of law that in the context of cancellation proceedings proof of specific intent to commit fraud is not required, rather, fraud occurs when an applicant or registrant makes a false material representation that the applicant or registrant *knew or should have known* was false.<sup>31</sup>

In *Bart Schwartz International Textiles, Ltd. v. Federal Trade Commission*,<sup>32</sup> the court held that “[t]he obligation which the Lanham Act imposes on an applicant is that he will not make *knowingly* inaccurate or *knowingly* misleading statements in the verified declaration forming a part of the application for registration.”<sup>33</sup> The *Torres* court extended this holding to renewal applications and further extended the standard of “knowingly” to “known or should have known.”<sup>34</sup>

Is the Board’s “hard line” approach necessary? Specifically, will the integrity of the Principal Register be compromised if trademark owners are not held to the high standards established by the Lanham Act that requires goods and services to be identified with specificity? The author contends that the short

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27. *Id.* at 47. In addition to submitting a label that was not in use at the time of the filing of the renewal application, Torres also submitted an affidavit stating the mark was in use on all goods identified in the registration when, in actuality, the mark was in use only on wine. *Id.* at 49.

28. The LAS TORRES (& design) mark was altered such that the mark that was actually in use by Torres at the time of the filing of the renewal application was TORRES (& design) with the design portion of the mark also altered.

29. *Torres*, 808 F.2d at 47.

30. *Id.*

31. *General Car and Truck*, 17 U.S.P.Q.2d at 1400 (emphasis added).

32. 289 F.2d 665 (C.C.P.A. 1961).

33. *Id.* at 669 (emphasis in original).

34. *See Torres*, 808 F.2d at 48.

answer to this question is “yes.” However, short answers tend to ignore the gray issues in any controversy and the author readily admits that there are intriguing issues here that could spur serious intellectual debate. For example: Is cancellation of the registration in its totality always appropriate? Should cancellation in total be limited to circumstances where petitioner has suffered actual harm? Does petitioner gain anything valuable in a successful petition to cancel when common law rights in the mark continue unabated?

Interestingly, the Board recently has provided food for thought with regard to the appropriateness of cancellation of a registration in its totality. In *Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha*,<sup>35</sup> the Board considered Standard Knitting’s opposition to Toyota’s registration of the mark TUNDRA in connection with “automobiles and structural parts thereof” in International Class 12.<sup>36</sup> In turn, Toyota asserted counterclaims seeking to cancel Standard Knitting’s pleaded registrations on the basis of fraud.<sup>37</sup> Specifically, Toyota alleged that Standard Knitting was not using the TUNDRA and/or the TUNDRA SPORT mark on all of the goods identified in the respective registrations when the underlying use-based applications were filed.<sup>38</sup> Ultimately, the Board dismissed Standard Knitting’s opposition on the ground of likelihood of confusion, but sustained the counterclaims for cancellation of the opposer’s registrations on the grounds of fraud.<sup>39</sup> In its decision, the Board stated:

It is clear from the record that the marks were not in use on, at a minimum, most, if not all, of the items of children’s clothing identified in each of the three registrations. With the possible exception of children’s sweaters, it is clear that no children’s clothing was being sold in the United States as of the relevant dates of filing.<sup>40</sup>

The Board further found that Standard Knitting failed to inquire sufficiently as to the accuracy of the identification of goods in the respective registrations.<sup>41</sup> This resulted in a finding of fraud on the part of Standard Knitting:

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35. Slip Op, Opposition No. 91116242 (T.T.A.B., filed January 10, 2006).

36. *Id.* at 1.

37. Standard Knitting asserted U.S. Trademark Registrations No. 2,268,109 for TUNDRA, No. 2,268,110 for TUNDRA SPORT, and No. 2,408,997 for TUNDRA SPORT.

38. Slip Op, Opposition No. 91116242 at 2.

39. *Id.* at 41-42.

40. *Id.* at 22.

41. *Id.* at 26-28.

We find that opposer committed fraud on the USPTO in procuring each of the three registrations. Accordingly, the registrations will be cancelled in their entirety. Fraud cannot be cured by the deletion of goods from the registrations.<sup>42</sup>

Of particular interest here, though, is the Board's further statement with regard to cancellation of the registrations: "If opposer should ultimately prevail in any appeal of this decision, we find in the alternative that the registrations would in any event require restriction."<sup>43</sup>

Is the alternative possibility of a restricted registration the first possible crack in the "hard line" approach of the *Medinol* decision? Current policy dictates that the burden is on the applicant (or registrant) to ensure that statements made to the USPTO are accurate. Toying with this burden and creating the possibility of obtaining a restricted registration following a finding of fraud may create a "slippery slope" that undermines the Board's focus, not on a filer's subjective intent, but rather on the objective manifestations of that intent. Fundamentally, the applicant's statements to the USPTO must be truthful. Similarly, registrations must be accurate. If such is not the case, the integrity of the entire system is in jeopardy. Allowing a registrant to recapture rights through a restricted registration results in a system that provides essentially no penalty for fraudulent behavior. The only penalty would be the loss of ill-gotten gains.

Perhaps there is a compromise position that could avoid the "slippery slope," but still provide a bright-line rule for partial cancellation of a registration on the basis of fraud relative to the identification of goods and/or services. Specifically, cancellation in part would be based on international classes of goods and services. Thus, in a multi-class registration, cancellation would only apply to that class of goods or services that is implicated by the fraudulent claim. The registration would remain valid for the remaining classes. Single-class registrations, however, would be cancelled in their entirety.

Regardless of the reader's position on the Board's reasoning in *Medinol*, there are undeniably important lessons to be learned. First, trademark owners must understand that, with the exception of Section 44 registrations, a U.S. trademark registration is limited strictly to those goods or services *in use* in commerce in the United States. While an application can be based on a bona fide intent to use the mark in connection with multiple goods and/or services, this bona fide intent, although based on a good faith belief, does not serve as a basis for *registration*. Moreover, trademark owners

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42. *Id.* at 28 (citing *Medinol*, 67 U.S.P.Q.2d 1205).

43. *Id.*

must understand the difference between non-material and material alterations of a mark, and those changes must be reflected in specimens submitted to the USPTO. Furthermore, trademark owners must be aware of the options available to preserve the integrity of an application or registration. Specifically, trademark owners should be proactive and not reactive. Upon learning that the intent to use (ITU) identification of goods and/or services was too broad, applicants have the choice of amending or dividing the application. Similarly, registrants can consider petitioning the Commissioner for a cancellation-in-part to remove certain goods and/or services from the registration. However, the mark may need ultimately to be refiled if such repair efforts prove to be unsuccessful. Accordingly, it is incumbent on trademark practitioners to specifically address the issue of fraud with trademark owners and to ensure that trademark owners understand the consequences of mis-stating the goods and services offered under a mark. Finally, it is imperative that trademark owners and their counsel understand the Board's right to enter summary judgment *sua sponte* in favor of the non-moving party in an opposition or cancellation proceeding. This can lead to surprising results in many TTAB summary judgment proceedings.

#### IV. CONCLUSION

As seen in the *Medinol* decision and cases thereafter, fraud may be found even when a trademark owner did not specifically intend to defraud the USPTO. Accordingly, a trademark owner must obtain accurate knowledge of the goods and services offered under its mark(s) in the United States and must further extend this knowledge to those acting on the owner's behalf. Failure to exercise due diligence in this regard may cause the trademark owner to forfeit *all* rights relative to the U.S. application or registration, regardless of whether the mark is legitimately used in connection with some of the goods and/or services identified in the trademark application or registration. The trademark owner's counsel should work closely with the trademark owner to ensure the completeness and accuracy of a trademark owner's assertions with regard to use of its marks.

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