**10.4 Counterclaims for Cancellation of a Federal Trademark Registration**

[The following instruction should be given in cases in which defendant has asserted a counterclaim for the cancellation of plaintiff’s federal registration:

If [I have instructed you to find that] [name of plaintiff] has a registered trademark that is presumed to be valid, and that [name of plaintiff] enjoys nationwide priority of rights and nationwide constructive notice of [his/her/its] rights, then you must consider [name of defendant]’s claim that [name of plaintiff]’s registration is invalid, because [insert ground or grounds for cancellation]. You must determine whether [name of defendant] has proved by a preponderance of the evidence that [name of plaintiff]’s registration should be cancelled.]

[The following instruction should be given in cases in which defendant has asserted a counterclaim for the cancellation of plaintiff’s federal trademark registration under 15 U.S.C. § 1051 on the ground that the registered trademark was not in use in commerce as of the date plaintiff represented to the U.S. Patent and Trademark Office that the trademark was being used in commerce:

The right to a particular trademark grows out of the trademark’s use. Use is sufficient to establish rights if it is public enough that it identifies the goods in question as those of the person using the trademark. It is sufficient to establish valid rights if the trademark is used in genuine commercial transactions and the use is consistent and continuous. Mere “token use” of the trademark – use made solely to reserve rights in the trademark – is not enough to establish valid rights. Wide public recognition of the trademark is not required, but secret or undisclosed use is not adequate.

As part of the process of registering a trademark with the Patent and Trademark Office, an applicant must swear under oath that it is using its trademark in commerce in connection with the goods covered by the application. If it was not using the trademark in commerce in connection with the goods covered by [name of plaintiff]’s trademark application, the trademark registration is cancelled.

A trademark is used in commerce and in connection with goods when it is placed on:

 the goods or their containers or the associated displays,

 the tags or labels affixed to the goods or their containers,

 the documents associated with the goods or their sale, and

 the goods are sold or transported in commerce in more than one state, or in the United States and a foreign country.]

[The following instruction should be given in cases in which defendant has asserted a counterclaim for cancellation of plaintiff’s federal trademark registration under 15 U.S.C. § 1064 because the registered trademark has been abandoned through nonuse or a failure to police:

Abandonment of a trademark is a ground for the cancellation of a trademark registration. To prove abandonment, [name of defendant] must prove by a preponderance of the evidence that:

 [Name of plaintiff] discontinued the bona fide use of the trademark, and did so with intent to not resume [his/her/its] use in the reasonably foreseeable future. If you find that [name of plaintiff] has not used the trademark for three consecutive years, you may presume that [name of plaintiff] did not intend to resume use of the trademark, but [name of plaintiff] can rebut that presumption by producing evidence that [he/she/it] intended to resume use; or

 [Name of plaintiff] acted or failed to act, and as a result, [name of plaintiff]’s trademark no longer identifies the source of [name of plaintiff]’s goods and has become a generic term for the associated goods.]

[The following instruction should be given in cases in which defendant has asserted a counterclaim for the cancellation of plaintiff’s federal trademark registration under 15 U.S.C. § 1064 on the ground that the registered trademark is a generic designation for the goods covered by the registration:

A claimed trademark that is generic may not be registered in the U.S. Patent and Trademark Office. You must consider whether the registered trademark was a generic trademark which must be cancelled. That is, if [name of defendant] proves by a preponderance of the evidence that [name of plaintiff]’s registered trademark is generic, both the trademark and the registration covering it are invalid, and the trademark registration must be cancelled.

A claimed trademark is generic if it is the word, name, symbol, device, or any combination thereof, by which the good is commonly known. An example of a generic trademark is “escalator” for moving stairs.

Whether a claimed trademark is generic does not depend on the term itself, but on use of the term. A word may be generic of some things but not of others. For example, “ivory” is generic for elephant tusks, but it is not generic for soap.

Whether a claimed trademark is generic is viewed from the perspective of a member of the relevant public.

Claimed trademarks that are generic are not eligible for registration in the U.S. Patent and Trademark Office and they are not protected. In considering if a claimed trademark is generic, you should also consider if the trademark is only descriptive.]

[The following instruction should be given in cases in which defendant has asserted a counterclaim for the cancellation of plaintiff’s federal trademark registration under 15 U.S.C. § 1052 on the ground that the registered trademark is merely descriptive of the goods covered by the registration and lacked acquired distinctiveness as of the registration date:

A registered trademark that is only descriptive of the goods covered by the registration may not be registered unless the trademark has acquired distinctiveness, or “secondary meaning,” as of the date the registration is issued. If [name of defendant] proves by a preponderance of the evidence that [name of plaintiff]’s trademark is descriptive and that the trademark had not acquired distinctiveness as of the registration date, [name of plaintiff]’s registration may be cancelled.

“Secondary meaning” means the consuming public associates the trademark with the trademark holder’s goods. A claimed trademark has acquired secondary meaning if the primary significance of the trademark in the minds of the consuming public is not the associated good itself, but instead the source or producer of the good.

There are four factors you may use in determining whether secondary meaning exists:

 The length and nature of the trademark’s use;

 The nature and extent of advertising and promotion of the trademark;

 The efforts of the trademark owner to promote a conscious connection between the trademark and [his/her/its] business; and

 The degree to which the public recognizes [name of plaintiff]’s product by the trademark.

Cancellation of a registration on this ground does not necessarily mean that [name of plaintiff] does not enjoy valid rights to the covered trademark. If you find that [name of plaintiff]’s registration should be cancelled on this ground, you must determine whether [name of plaintiff] has rights to [his/her/its] claimed trademark as an unregistered trademark. Instructions on how to determine if [name of plaintiff] owns protectable rights to an unregistered trademark or a trademark once covered by registration, and the extent of those rights will be given later.]

[The following general instruction should be given in cases in which defendant has asserted a counterclaim for the cancellation of plaintiff’s federal trademark registration under 15 U.S.C. §§ 1052 and 1064 on the ground that the registered trademark comprises matter that, as a whole, is functional:

A claimed trademark comprising matter that, as a whole, is functional may not be registered in the U.S. Patent and Trademark Office. A claimed trademark is functional if it is essential to the use or purpose of the good or if it affects the good’s cost or quality. In other words, if allowing [name of plaintiff] to have exclusive use of the trademark would put competitors at a disadvantage that does not relate to [name of plaintiff]’s reputation, then the trademark may be functional. For example, a trademark for the color of ice cream – such as white for vanilla, pink for strawberry, and brown for chocolate – would be functional if the color identifies the flavor of the ice cream.

If [name of defendant] proves by a preponderance of the evidence that [name of plaintiff]’s registered trademark is functional, both the trademark and the registration covering it are invalid, and you need not consider further whether [name of plaintiff] has rights to the trademark independent of the registration or whether [name of plaintiff]’s rights have been violated.

In evaluating nonfunctionality, you must keep in mind that a claimed trademark may be primarily nonfunctional even if it serves a practical purpose. The fact that individual components of a claimed trademark are functional does not prevent the overall combination of those elements from being primarily nonfunctional. Nevertheless, individually functional elements are not valid merely because they are part of an overall nonfunctional trademark.]

[The following instruction should be given in cases in which defendant has asserted a counterclaim for the cancellation of plaintiff’s federal trademark registration under 15 U.S.C. § 1064 on the ground that the registration was procured or maintained through a fraudulent filing in the U.S. Patent and Trademark Office:

If [name of plaintiff]’s registration was obtained from, or has been maintained in, the U.S. Patent and Trademark Office through a false or fraudulent filing, the registration may be cancelled. To succeed on this ground for cancellation, [name of defendant] must prove by clear and convincing evidence that:

 [Name of plaintiff] knowingly made a false representation of fact to the U.S. Patent and Trademark Office;

 The false representation was made with an intent to deceive; and

 The false representation was material in the sense that the U.S. Patent and Trademark Office would not have issued or maintained [name of plaintiff]’s registration in the absence of the false representation.

Cancellation of a registration on this ground does not necessarily mean that [name of plaintiff] does not enjoy valid rights to the covered trademark. If you find that [name of plaintiff]’s registration should be cancelled on this ground, you must determine whether [name of plaintiff] has rights to [his/her/its] claimed trademark independent of its registration.]

[Note that there are a number of additional counterclaims defendant may raise that are not discussed in detail here. *See* the Annotations and Comments for discussion of additional potential counterclaims.]

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Counterclaims for Cancellation of a Registered Trademark

**Special Interrogatories to the Jury**

**[The below special interrogatories are meant as an aid to the court in determining if cancellation is appropriate.]**

**Do you find by a preponderance of the evidence that:**

**[The following interrogatory should be used in cases in which defendant has asserted a counterclaim for the cancellation of plaintiff’s federal trademark registration under 15 U.S.C. § 1051 on the ground that the registered trademark was not in use in commerce as of the date plaintiff represented to the U.S. Patent and Trademark Office the trademark was being used:**

 [Name of plaintiff]’s registration is invalid because the registered trademark was not in use in commerce as of the date [name of plaintiff] represented to the U.S. Patent and Trademark Office that the trademark was being used?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

 **[The following special interrogatory should be used in cases in which defendant has asserted a counterclaim for the cancellation of plaintiff’s federal trademark registration under 15 U.S.C. § 1052 on the ground that the registered trademark is merely descriptive of the goods covered by the registration and lacked acquired distinctiveness as of the registration date:**

 [Name of plaintiff]’s registration is invalid because the registered trademark is merely descriptive of the goods covered by the registration and lacked acquired distinctiveness as of the registration date?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

 **[The following special interrogatory should be used in cases in which defendant has asserted a counterclaim for the cancellation of plaintiff’s federal trademark registration under 15 U.S.C. §§ 1052 and 1064 on the ground that the registered trademark comprises matter that, as a whole, is functional:**

 [Name of plaintiff]’s registration is invalid because the registered trademark comprises matter that, as a whole, is functional?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

**[The following special interrogatory should be used in cases in which defendant has asserted a counterclaim for the cancellation of plaintiff’s federal trademark registration under 15 U.S.C. § 1064 on the ground that the registered trademark is a generic designation for the goods or services covered by the registration:**

 [Name of plaintiff]’s registration is invalid because the registered trademark is a generic designation for the goods covered by the registration?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

**[The following special interrogatory should be used in cases in which defendant has asserted a counterclaim for the cancellation of plaintiff’s federal trademark registration under 15 U.S.C. § 1064 on the ground that the registration was procured or maintained through a fraudulent filing:**

 [Name of plaintiff]’s registration is invalid, because [name of plaintiff] procured or maintained the registration through a fraudulent filing?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

 **[The following special interrogatory should be used in cases in which defendant has asserted a counterclaim for the cancellation of plaintiff’s federal trademark registration under 15 U.S.C. § 1064 on the ground that the registered trademark has been abandoned by a discontinuance of [his/her/its] use with an intent not to resume use:**

 [Name of plaintiff] has stopped using [his/her/its] trademark with the intent to not resume [his/her/its] use in the reasonably foreseeable future?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

**[The following special interrogatory should be used in cases in which defendant has asserted a counterclaim for the cancellation of plaintiff’s federal trademark registration under 15 U.S.C. § 1064 on the ground that the registered trademark no longer identifies the source of plaintiff’s goods, but rather identifies the goods or services themselves:**

1. Because of [name of plaintiff]’s acts or omissions, [his/her/its] trademark no longer identifies the source of [name of plaintiff]’s goods but rather identifies the goods or services themselves?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

So Say We All.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Foreperson’s Signature

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_