

TRADEMARK LAW REVISION ACT OF 1988 AND THE GATEKEEPER ROLE OF THE PTO: HEADING ABUSE OFF AT THE PASS

“No trade—no trademark” has long been the underlying principle of American trademark law.¹ Until recently, the Lanham Act² embodied this maxim by requiring use of a mark prior to federal registration.³ Congress ushered in a new era in trademark registration, however, with the passage of the Trademark Law Revision Act of 1988⁴ (1988 Act). Hailed as the most significant change in trademark law in forty years,⁵ the 1988 Act includes provisions which for the first time allow domestic applicants to seek registration of a trademark prior to use.⁶

The 1988 Act essentially creates a dual application system: for marks⁷ already used in commerce, the “use in commerce” registration system is preserved;⁸ for proposed marks, registration includes filing a notice of “intent to use.”⁹ The intent-to-use legislation has three primary goals:¹⁰

1. See *McLean v. Fleming*, 96 U.S. 245 (1877). Modern courts continue to articulate this principle. See, e.g., *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90 (1981).

2. 15 U.S.C. §§ 1051-1127 (1982), also known as the Trademark Act of 1946.

3. 15 U.S.C. § 1051 (1982). This Note discusses the use requirement with respect to registration on the Principal Register. 15 U.S.C. §§ 1090-1096 govern registration on the Supplemental Register, which does not confer the substantive rights obtained through registration on the Principal Register.

4. 15 U.S.C. §§ 1051-1128 (1988). On November 16, 1988, President Reagan signed into law Public Law 100-667, effective November 16, 1989. *President Signs Trademark Bill with Satellite Television Provisions*, 37 PAT. TRADEMARK & COPYRIGHT J. (BNA) 87 (Nov. 24, 1988) [hereinafter *President Signs Trademark Bill*].

5. See *Trademark Law Change is Taking Effect*, WALL ST. J., Nov. 15, 1989, at B11, col. 1 (hereinafter *Trademark Law Change*); 134 CONG. REC. S16,972 (daily ed. Oct. 20, 1988) (statement of Sen. DeConcini).

6. 134 CONG. REC. 11,073 (1988) (statement of Sen. DeConcini). Other major revisions of the 1988 Act include: a provision reducing the federal registration and renewal period from twenty years to ten, 15 U.S.C. § 1058(a); a provision giving plaintiffs in infringement cases for unregistered marks the same relief measures available to holders of registered marks, 15 U.S.C. §§ 1116-1118; and a provision creating a cause of action for trade disparagement in the form of false advertising, 15 U.S.C. § 1125(a).

7. The Lanham Act makes a distinction between the terms “trademark” and “mark.” See 15 U.S.C. § 1127. However, this Note uses the terms interchangeably.

8. 15 U.S.C. § 1051(a) (1988). See *infra* notes 25-35 and accompanying text.

9. 15 U.S.C. § 1051(b) (1988). See *infra* note 102 and accompanying text.

10. S. REP. NO. 515, 100th Cong., 2d Sess., reprinted in 1988 U.S. CODE CONG. & ADMIN. NEWS 5577, 5577 [hereinafter S. REP. NO. 515]:

The purpose of the Trademark Law Revision Act of 1988 is to bring the trademark law up-to-date with present day business practices, to increase the value of the federal trademark

1) to lessen the risks inherent in developing a trademark in a modern economy;¹¹ 2) to eliminate "token use," a legal fiction developed to facilitate compliance with the preapplication use requirement of the Lanham Act;¹² and 3) to reconcile American trademark law with trademark registration laws of other countries.¹³

While the 1988 Act enjoys wide ranging support,¹⁴ the new law raises some problems. Critics argue that the intent-to-use provisions of the 1988 Act will overload the system with unused marks.¹⁵ They also assert that certain provisions relating to notice of intent to use are too vague, and therefore registrants may use registration unfairly to deprive competitors of the opportunity to establish marks.¹⁶ This Note examines the intent-to-use provisions of the Trademark Law Revision Act and addresses the validity of the critics' charges. Part I reviews the state of the law before enactment of the 1988 Act and the circumstances giving rise

registration system for U.S. companies, to remove the current preference for foreign companies applying to register trademarks in the United States and to improve the law's protection of the public from counterfeiting, confusion, and deception.

Id. Accord, 134 CONG. REC. 11,073 (1988) (statement of Sen. DeConcini); 134 CONG. REC. S16,972 (daily ed. Oct. 20, 1988) (statement of Sen. DeConcini)

11. *See infra* notes 37-40 and accompanying text.

12. *See infra* notes 41-56 and accompanying text.

13. *See infra* notes 57-86 and accompanying text.

14. 134 CONG. REC. H10,423 (daily ed. Oct. 19, 1988) (supporters of the Trademark Law Revision Act of 1988 include representatives from industry, trade and labor organizations, bar associations, private attorneys and law firms, the U.S. Department of Commerce, and the U.S. Patent and Trademark Office).

15. *House Panel Hears Views on Trademark Act Revision*, 36 PAT. TRADEMARK & COPYRIGHT J. (BNA) 489, 490 (Sept. 15, 1988) (statements of Roberta Jacobs Meadway) [hereinafter *House Panel Hears Views*] (businesses would have to search through many marks before finding one that appears clear); *Trademark Bill Snags*, ADVERTISING AGE, April 18, 1988, at 20 (letter to the editor from Roberta Jacobs Meadway) (registration process will be clogged with many marks that will never mature into registered marks under the new law) [hereinafter *Trademark Bill Snags*]. *See also* Howes, *The Case Against Intention to Use*, 51 TRADEMARK REP. 242 (1961) (intent to use system would place an intolerable burden on Patent and Trademark Office in examining trademarks).

16. *Trademark Law Change*, *supra* note 5 (statement of Roger W. Harrell). For additional criticisms of the 1988 Act, see generally March, *Intention-to-Use—1938-1963*, 53 TRADEMARK REP. 984 (1963) (questioning constitutionality of intent-to-use system); Van Senten, *Proposed Trademark Legislation on a Recording System for Declarations of Intent*, 50 TRADEMARK REP. 221 (1960) (intent to use system places undue emphasis on a formal recording system to the detriment of substantive common law rights, and grants a right to those who have no basis for an actual claim of right) [hereinafter *Proposed Trademark Legislation*]; Comment, *Intent to Use Applications for Trademark Registration*, 35 WAYNE L. REV. 1135 (intent to use system results in less judicial flexibility to address problem of priority) [hereinafter Comment]. *But see* Vinicombe, *The Constitutionality of an Intent to Use Amendment to the Lanham Act*, 78 TRADEMARK REP. 361 (1988) (arguing that the intent-to-use registration system falls within "commerce" which Congress may regulate and is therefore constitutional).

to the need for the amendments. Part II explains the specific requirements of the 1988 Act and the manner in which the law attempts to remedy the shortcomings of the Lanham Act. Part III addresses the criticisms of the 1988 Act and the related allegations of unfair trade. Finally, Part IV proposes three approaches to the 1988 Act to guide the Patent and Trademark Office (PTO) in interpreting the Act's requirements and to simultaneously minimize any potential unfair competition.

I. THE LANHAM ACT AND ITS PROBLEMS

Common law trademark rights vest through adoption and use of a trademark.¹⁷ Unlike other countries,¹⁸ the United States does not mandate registration of a mark as a predicate to ownership rights.¹⁹ How-

17. S.C. OPPENHEIM, G. WESTON, P. MAGGS & R. SCHECTER, *UNFAIR TRADE PRACTICES AND CONSUMER PROTECTION*, 48 (4th ed. 1983) [hereinafter OPPENHEIM]. For example, *Blue Bell, Inc. v. Farah Manufacturing Co.*, 508 F.2d 1260 (5th Cir. 1975), concerned two clothing manufacturers' competing claims to the trademark "Time Out." Both manufacturers wanted the trademark for their men's sportswear lines. *Id.* at 1262-63. Neither party had registered the trademark; both claimed to have established a common law right to the trademark through prior use in commerce. *Id.* at 1265.

The outcome in *Blue Bell* turned on a determination of which company, filling actual sales orders, first shipped goods bearing the trademark to members of the general public. *Id.* at 1267. Farah made a bona fide shipment of goods to customers about a month before Blue Bell. *Id.* The court held, therefore, that "Farah established priority of trademark use." *Id.*

A substantial number of arms-length sales over an extended period of time, where the goods are clearly identified by a distinctive and widely advertised mark, will always be sufficient to establish common law trademark rights as against any subsequent user of the mark. OPPENHEIM, *supra*. However, it is risky to rely on mere "token use" to establish trademark rights. *Id.* See *infra* notes 51-56 and accompanying text.

For discussion of the distinction between a "use" that is sufficient to fend off opposition to a trademark (as in *Blue Bell* above) and the mere "token use" necessary to establish sufficient grounds for a registration, see *infra* notes 33-36, 41-45, 51-56 and accompanying text.

For an excellent analysis of how much and what kind of use is enough under differing circumstances, see Fletcher, "Time Out," "Snob," "Wipeout," and "Chicken of the Sea": *The Death Knell of Token Use?*, 65 TRADEMARK REP. 336 (1975).

18. No other commercially significant country requires use prior to application. Callmann, *Registration and Use in the Trademark Laws of Different Countries*, 48 TRADEMARK REP. 395 (1958) [hereinafter *Trademark Laws of Different Countries*]. For a discussion of the Canadian intent-to-use system, see Osborne, *Intention to Use—The Canadian Experience*, 53 TRADEMARK REP. 963 (1963); Robinson, *The Canadian Trade Marks Act of 1954—A Review of Some of its Features*, 49 TRADEMARK REP. 792 (1959); Morrow, *The Concept of "Use" under Canadian Trademark Law*, 65 TRADEMARK REP. 223 (1975). For a comparison to the intent-to-use system of Great Britain, see Lloyd, *British Law and Practice on Intention to Use*, 51 TRADEMARK REP. 128 (1961).

19. OPPENHEIM, *supra* note 17, at 49. Use in commerce creates common law trademark ownership rights. See *supra* note 17. Registration is a method of *protecting* those rights, but it does not create them. OPPENHEIM, *supra* note 17, at 48.

ever, the federal registration system enhances common law protections of trademark rights and guards against unfair competition.²⁰ The trademark register also establishes a public record of registered marks, enabling applicants to discover existing conflicts with the proposed mark.²¹

A. *The Use Requirement*

At first glance, the "use in commerce" requirement of the Lanham Act²² appears simple.²³ However, application of the concept is complex and uncertain.²⁴ The Lanham Act establishes a bifurcated definition of "use in commerce."²⁵ First, the statute requires registrants to af-

20. OPPENHEIM, *supra* note 17, at 48. Trademark law is one part of Congress' efforts to provide a level playing field for commercial competition. *Id.* The Lanham Act itself provides that one of its aims is protection against unfair competition. 15 U.S.C. § 1127 (1988) (definition and overview section of the Lanham Act).

21. 134 CONG. REC. 11,073 (1988) ("goal of federal trademark registration system is the creation of a record which accurately reflects all marks that are actually being used in the U.S. marketplace"). Because federal registration is not mandatory, Congress sought to provide incentives for federal registration to facilitate the register's use as a reliable source for determining prior existing rights in marks. OPPENHEIM, *supra* note 17, at 49. These incentives include: 1) nationwide constructive notice of rights; 2) right to use the federal registration symbol; 3) right to exclude importations that pose infringement threats; 4) prima facie evidence of the registrant's exclusive right to use the mark; 5) incontestability for marks registered for five years; 6) access to federal courts; and 7) various remedies for infringement. *Id.*

22. The first American trademark statute, Trademark Act of 1870, did not require prior use for registration. Act of July 8, 1870, ch. 230, §§ 677-84, 16 Stat. 210, *reprinted in* 5 R. CALLMANN, UNFAIR COMPETITION, TRADEMARK AND MONOPOLIES, § 40.07 (Altman, 4th ed. 1985) [hereinafter CALLMANN]. In the Trademark Cases, the Supreme Court declared the 1870 Act unconstitutional. *U.S. v. Steffens*, 100 U.S. 82, 99 (1879). In the Court's view, state law governs all common law property, including trademarks. *Id.* at 92-93. The Court reasoned that trademarks are governed by intrastate commerce and are beyond the reach of Congress' commerce power. *Id.* at 97-98. The Court also rejected the suggestion that Congress could regulate trademarks under the patent and copyright clause, U.S. CONST. art. I, § 8, cl. 8. *Steffens*, 100 U.S. at 93, 94. Eleven years later Congress passed another trademark registration law. Act of Mar. 3, 1881, ch. 138, 21 Stat. 502, *reprinted in* CALLMANN, *supra*, at § 40.10. The 1881 Act was limited to registration of marks used in commerce with foreign nations and Indian tribes and therefore, was easily within Congress' commerce clause power. *Id.* The trademark law passed in 1905 retained this limited use requirement and remained in effect for the next forty-two years. Act of Feb. 20, 1905, 33 Stat. 724, ch. 592, as amended, *reprinted in* CALLMANN, *supra*, at § 40.12. The Act of 1920 greatly expanded the scope of the use requirement, permitting registration of any symbol used to distinguish goods if used in commerce for one year prior to application. Act of Mar. 19, 1920, Pub. Law 163, ch. 104, 41 Stat. 533, Mar. 19, 1920, *reprinted in* CALLMANN, *supra*, at § 40.13.

23. Sacoff, *The Trademark Use Requirement in Trademark Registration, Opposition and Cancellation Proceedings*, 76 TRADEMARK REP. 99 (1986).

24. *Id.*

25. 15 U.S.C. § 1127 (1988) provides in pertinent part:

For purposes of this chapter, a mark shall be deemed to be in use in commerce

fix²⁶ the mark on the goods²⁷ it purports to distinguish.²⁸ Courts traditionally interpreted this provision strictly and required that the trademark actually be on the goods²⁹ or, if appropriate, on the packaging in which the goods were contained.³⁰ The 1988 Act relaxes this aspect of the use requirement in certain situations where affixation on the goods themselves is impractical.³¹

(1) on goods when-

(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and

(B) the goods are sold or transported in commerce. . . .

26. 15 U.S.C. § 1127 (1)(A) (1988). For text in full, see *supra* note 25.

27. The "use in commerce" requirement applies equally to goods and services. 15 U.S.C. § 1053 allows registration of service marks on the Principle Register. See also 15 U.S.C. § 1127 (1988) (definition of service mark parallels that of trademark). But see *Belnap & Thompson, Inc.*, 90 U.S.P.Q. (BNA) 123 (1951) ("the definition of service marks offers a greater variety of possible marks than is the case with trademarks for goods").

28. 15 U.S.C. § 1127 (1988) provides:

The term "trademark" includes any word, name, symbol or device, or any combination thereof used by a person to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if the source is unknown.

29. Application of *Chicago Rawhide Manufacturing Co.*, 455 F.2d 563, 564 (C.C.P.A. 1972). In *Chicago Rawhide* the manufacturer attempted to register the letters "DF" as a trademark for mechanical seals used to protect shafts and housings. *Id.* at 564. The company based its application on use of the mark on packing slips included with the goods in the shipping containers. *Id.* The court, interpreting the statutory affixation requirements in 15 U.S.C. § 1127, see *supra* note 25, held that a mark on the goods or its containers, or attached with a label or tag would have been sufficient, but packing slips in the containers were not. *Id.* at 564-65. The court, therefore, upheld the refusal to register the trademark. *Id.* The court noted that the language of the affixation requirement in the Lanham Act differed from the Act of 1905 and held the changes to represent congressional intent to narrow the scope of the use requirement with regard to affixation. *Id.* at 565.

30. See *In re Lyndale Farms*, 186 F.2d 723 (C.C.P.A. 1951). A cattle breeding partnership affixed the name "Lyndale Farms" to the crates in which the cattle were shipped to the market. *Id.* at 724. In reviewing the PTO's denial of the application, the court noted that the Trademark Trial and Appeal Board recognizes that use of a mark on packaging is sometimes sufficient to establish use. *Id.* at 728. However, the court continued, "The affixation required is not satisfied by affixation to a container whose nature in relation to the goods transported is such that its use in the marketing process is ended when the transportation phase itself is at an end." *Id.* at 728. In affirming the PTO's decision, the court reasoned that because cattle are not marketed in crates, the mark would not identify the cattle to retail purchasers. *Id.*

31. As amended in 1988, 15 U.S.C. § 1127 now provides that applicants may affix marks on "documents associated with the goods or their sale" if the nature of the goods makes direct affixation impracticable. Congress contemplated that this broadened definition would apply to bulk goods such as oils, chemicals and grain. S. Rep. No. 515, *supra* note 10, at 5608.

Under the former statute, the PTO turned down the application of a manufacturer who sought to register a trademark for liquid by-products of its wood pulping process. *In re ITT Rayonier, Inc.*, 208 U.S.P.Q. (BNA) 86 (TTAB 1980). The by-products were pumped directly into railroad cars and, on delivery, were pumped out into the purchaser's storage tanks. *Id.* The applicant used a

Second, the use requirement provides that registrants must sell or transport the marked goods in commerce.³² In contrast to the strict judicial interpretation of the affixation requirement, courts review the sufficiency of use by different standards according to the procedure in which the issue of use arises.³³ If a third party challenges the sufficiency of use, courts construe the requirement strictly.³⁴ For registration purposes, courts follow a much more liberal policy.³⁵ This liberal approach gives rise to the practice of token use.³⁶

B. Token Use

Development of a trademark involves a great deal of time and expense.³⁷ Manufacturers must engineer a product, design and produce the

mark on "informational bulletins" that customers received prior to sale. *Id.* Despite the apparent impossibility of actually affixing any kind of mark on the product or its packaging the board denied the registration and the TTAB upheld the denial. *Id.* at 87. Under the new statute, the applicant presumably would have had greater success.

32. See *supra* note 25 and accompanying text.

33. Sacoff, *supra* note 23 at 108.

34. The different standards apparently arise out of a judicial desire to preserve rights recognized under the common law of trademark ownership. The court in *Blue Bell Inc. v. Farah Mfg. Co.*, 508 F.2d 1260, 1267 (5th Cir. 1975), drew a distinction between "use in trade," which establishes ownership rights at common law, and the "use in commerce" requirement for registration under the Lanham Act. Following *Standard Pressed Steel Co. v. Midwest Chrome Process Co.*, 183 U.S.P.Q. (BNA) 758 (TTAB 1974), the *Blue Bell* court noted that due to the expense and risk involved in attempting to register a trademark for a new product, "and in the absence of an intent to use statute," a token sale might be sufficient to meet the "use in commerce" requirement and attain registration under the federal statute. *Id.* On the other hand, a party claiming common law ownership rights must establish "use in trade" by making a bona fide commercial use of the mark that distinguishes the mark in the minds of the relevant public. Token use does not meet this stricter standard. *Id.* at 1268. For an attorney trying to advise a client in the planning stages, the result is confusing. Sacoff, *supra* note 23, at 109. Token use is sufficient to register the trademark, but insufficient to ward off an objection by a third party alleging prior ownership of the trademark. *Id.* Because there is no way to predict whether such a challenger will appear, the law leaves the attorney no basis to decide which level of use best suits the client. *Id.*

35. See *supra* note 34. See also *Blue Bell*, 508 F.2d at 1267 (liberal policy does not apply when the only issues before the court are priority of use and ownership of a mark); *Standard Pressed Steel*, 183 U.S.P.Q. at 765 (token use sufficient to support an application to register a trademark when a "dispute as to priority of use and ownership of a mark is not involved").

36. *Id.* For a full discussion of token use, see *infra* notes 43-50 and accompanying text.

37. *The United States Trademark Association Trademark Review Commission Report and Recommendations to USTA President and Board of Directors*, 77 TRADEMARK REP. 375, 392 (1987) [hereinafter *Commission Report*] ("Bringing a brand to market is costly in time, effort and money."); Whittredge, *The Practical Trademark Application—Founded on Intended Use of the Mark*; *Dirksen Bill*, S. 2786, 54 TRADEMARK REP. 883, 885 (1964) (Product engineering, design and production of labels and packaging, pre-production advertising, and the actual production and distribution of the product often takes more than a year. During this time there is "no possibility of volume use of the

packaging, develop advertising strategies, initiate production, and elicit retail orders before a product is ready for the marketplace.³⁸ This process often takes more than a year, during which time there is no opportunity to engage in substantial use of the new trademark.³⁹ In order to reserve the mark for use with the new product, however, manufacturers cannot afford to wait until the product is ready.⁴⁰

In recognition of market realities, the Trademark Trial and Appeal Board⁴¹ (TTAB) and the federal courts⁴² often accepted "token use" of

new trademark." The actual cost involved in trademark development varies, depending on the number of possible choices, the scope of the intended market, the type of search conducted and numerous unforeseen circumstances. For example, a company seeking an appropriate trademark for a new product might hire a consulting firm to generate several choices. Consulting services often include market research, consumer feedback, and the use of focus groups. The services range in cost from \$20,000 to \$100,000 for one product study. Telephone conversation with Helen Turner, Research Manager, Corporate Research and Development Anheuser-Busch Brewing Co. (May 3, 1990) [hereinafter Conversation with Helen Turner]. Based on its research and studies, the consulting firm recommends possible trademarks to the legal counsel of the company, who in turn may generate \$5,000 to \$10,000 in legal fees plus expenses. *Id.* These searches may include expensive computer-based searches, a scan of trade journals for common law trademark references, searches of trade names in phone books, and personal in-depth knowledge of the field. *Id.* In addition to these precautions, the company seeking a trademark might retain a service company to conduct searches of federal marks. Telephone conversation with Arch Ahern, Associate General Counsel, Anheuser-Busch Brewing Co. (May 3, 1990). Based on the results of all these searches, the company's attorney recommends one or more marks to the company.

Typically, the company's Research and Development division conducts consumer studies of the various marks. Such studies may cost over \$20,000. Conversation with Helen Turner *supra*. Furthermore, the Research and Development division may develop product design and packaging for several alternative marks, at significant additional expense. *Id.* Finally, Research and Development may conduct market tests in selected geographic areas, often using different names in different cities. *Id.*

This lengthy process is designed to uncover any possible conflict with existing marks. Often, however, use of a similar mark goes unnoticed until a company selects a trademark. In such a case, the company may find it necessary to purchase the trademark from the first user. *Id.*

38. Whittredge, *supra* note 37, at 885.

39. *Id.*

40. Critics assailed the use-based system for being out of step with market realities and used this allegation to promote an intent-to-use system. *Commission Report, supra* note 37, at 392 ("A pre-filing use standard is unrealistic. . . . [T]o make one incur such costs before some assurance it may register or retain the brand is logistically perverse."). See Garner, *A Pre-Use Trademark Application Law*, 50 TRADEMARK REP. 230 (1960) (arguing that companies are vulnerable to losses of time and money under the "use" requirement); Giles, *Pre-Use Applications*, 43 TRADEMARK REP. 1121, 1122 (1953) (under an intent-to-use system, applicant could find out whether the mark was registrable before launching an expensive, nationwide promotion). See also *supra* note 37.

41. *Sodima v. International Yogurt Co.*, 662 F. Supp. 839 (D. Or. 1987); *Bertolli USA Inc. v. Filippo Bertolli Fine Foods Ltd.*, 662 F. Supp. 203 (S.D.N.Y. 1987); *In re Ancha Electronics, Inc.*, 1 U.S.P.Q. 2d (BNA) 1318 (TTAB 1986).

the mark as sufficient use for federal registration.⁴³ Token use is a legal fiction in which the applicant ships⁴⁴ goods marked with the new trademark, but the goods are often not of the applicant's own manufacture, and the mark is not in its intended form.⁴⁵ Applicants then file for and receive registration based on this use. Manufacturers, however, may change strategies and abandon the originally proposed mark.⁴⁶ Consequently, token use allows unused marks, or "deadwood," to clutter the Principal Register. Deadwood on the register prevents another party's legitimate use of a mark which should otherwise be available.⁴⁷

In addition to creating deadwood, token use is not available to all businesses or industries. For example, a service industry, which cannot use a mark until it actually offers its services, cannot engage in the practice.⁴⁸ It is equally impossible for the manufacturers of large or expensive products, such as airplanes, to make token use of a mark in commerce.⁴⁹ Furthermore, small businesses and individuals, lacking the resources and knowledge necessary to engage in token use, are often at a disadvantage to large companies, who enjoy longer lead time and greater familiarity with use procedures.⁵⁰

Commentators criticized token use as a means of satisfying the Lanham Act's use requirement.⁵¹ Moreover, practitioners found it an unreliable basis upon which to file a trademark registration application because it was not clear whether a particular token use would be sufficient use for registration.⁵² Even if token use satisfied the use in commerce require-

42. *Fort Howard Paper Co. v. Kimberly-Clark Corp.*, 390 F.2d 1015 (CCPA 1968), *cert. denied*, 393 U.S. 831 (1968).

43. See generally Kegan, *Trademark Use—Fact or Fiction*, 55 TRADEMARK REP. 175 (1965).

44. The goods must be transported or sold in commerce. See *supra* note 25.

45. Whittredge, *supra* note 37, at 885.

46. Kegan, *supra* note 43, at 179 (trademarked product may never reach the market because of manufacturing difficulties, unfavorable public response, failure to satisfy government health, safety or labeling regulations, or other reasons).

47. *Commission Report*, *supra* note 37, at 407 (deadwood impairs utility of register by needlessly discouraging the use of marks which are actually and legally available).

48. S. REP. NO. 515, *supra* note 10, at 6, *reprinted in* 1988 U.S. CODE CONG. & ADMIN. NEWS at 5582.

49. *Id.*

50. Borchart, *Senate Bill on the Mark*, ADVERTISING AGE, Mar. 21, 1988 at 48.

51. See Pattishall, *The Lanham Trademark Act—Its Impact over Four Decades*, 76 TRADEMARK REP. 193 (1986) (token use is a vice); Whittredge, *supra* note 37, at 886 (token use gives no warning to others about the advent of a new mark); Kegan, *supra* note 43, at 177 (token use establishes a de facto system of reserve trademark registration). *But see* Sacoff, *supra* note 23, at 103 (token use is a "sensible and defensible technique" to meet the problematic requirement of prior use).

52. *Richfield Oil Corp. v. Dietrich Field, Inc.*, 279 F.2d 885 (CCPA 1960) (display of mark on

ment, it might not suffice to protect the trademark against an opposing party that meanwhile had made regular commercial use of the mark.⁵³ Finally, token use failed to put the commercial world on notice that the user claimed rights in a particular trademark.⁵⁴

Because of its commercial invisibility, token use could blindside even a conscientious company that had begun to use a trademark in regular commerce.⁵⁵ Despite its shortcomings, however, token use offered potential applicants the only avenue of relief from the hardships of the Lanham Act's use requirement.⁵⁶

C. Registration Preference for Foreign Companies

In addition to modernizing trademark law and eradicating token use, Congress, in the 1988 amendments, intended to eliminate the preference which foreign companies enjoyed over domestic companies when applying for trademark registration.⁵⁷

Section 44 of the Lanham Act⁵⁸ extends the rights conferred by the Lanham Act to any foreign national whose country of origin is party to a treaty with the United States regarding trademark protection or unfair competition,⁵⁹ including, notably, the Paris Convention of 1883.⁶⁰ In *In*

coupons redeemable for product is insufficient use); *R.J. Moran Co. v. Gordeon*, 44 Trademark Rep. 861, 101 U.S.P.Q. (BNA) 206 (Comr. Pats. 1954) (ordering of labels insufficient use); *Proctor & Gamble Co. v. Jacqueline Cochran, Inc.*, 45 Trademark Rep. 330, 102 U.S.P.Q. (BNA) 440 (Comr. Pats. 1954) (shipment of one bottle of marked product to sales office in another state insufficient use); *Western Stove Co. v. Geo. D. Roper Corp.*, 82 F. Supp. 206 (S.D. Cal. 1949) (advertising of a product with a trademark insufficient use). See also *Kegan*, *supra* note 43, at 180-81 (listing thirteen different practices that were held insufficient use to support registration of a trademark).

53. *Van Camp Sea Food Co. v. Universal Trading Corp.*, 53 Trademark Rep. 1192, 138 U.S.P.Q. (BNA) 323 (TTAB 1963) (earlier token use not followed by regular commercial use insufficient to establish priority in a mark over claim of second comer who engaged in regular commercial use). See *supra* note 17 for a discussion of *Blue Bell Inc. v. Farah Manufacturing Co.*, 508 F.2d 260 (5th Cir. 1975) (neither party's token use was sufficient to establish a common law trademark right; priority of regular use in commerce determined right to the mark).

54. *Giles*, *supra* note 40, at 1122-1123. (token use does not afford others the opportunity for discovery of the use).

55. See *supra* notes 52 and 54.

56. See *Sacoff*, *supra* note 23, at 103; S. REP. NO. 515, *supra* note 10, at 6, reprinted in 1988 U.S. CODE CONG. & ADMIN. NEWS at 5582 (token use is essential under current law).

57. 134 CONG. REC. S16,972 (daily ed. Oct. 20, 1988) (statement of Sen. DeConcini); 134 CONG. REC. 11,073 (1988) (statement of Sen. DeConcini); see *supra* note 10 and accompanying text.

58. 15 U.S.C. § 1126 (1988).

59. Section 44 of the Lanham Act, 15 U.S.C. § 1126(b) (1988), extends the Act's protection to "[a]ny person whose country of origin is a party to any convention or treaty relating to trademarks, trade or commercial names, or the repression of unfair competition, to which the United States is also a party."

re *Certain Incomplete Trademark Applications*,⁶¹ the Commissioner of Patents and Trademarks (Commissioner) refused to grant registration to foreign applications failing to allege actual use in commerce.⁶² The Commissioner reasoned that Article 6 of the Paris Convention, the *telle quelle* clause,⁶³ prohibited signatory countries from refusing registration based on the form or nature of a mark.⁶⁴ The clause, according to the Commissioner's argument, did not limit the power of signatory countries to enforce their own substantive requirements concerning registrability.⁶⁵ Thus, the Commissioner concluded that neither the *telle quelle* clause nor section 44 prohibited the United States from requiring foreign applicants to make a showing of actual use of a proposed mark.⁶⁶

In a dramatic policy reversal,⁶⁷ the TTAB expressly overruled *In re Certain Incomplete Applications* in the seminal case *Crocker National Bank v. Canadian Imperial Bank of Commerce*.⁶⁸ In *Crocker*, the Board held that the actual use requirement does not apply to foreign nationals seeking registration of marks in the United States.⁶⁹ The Board explained that removing the actual use requirement for foreign applicants harmonized American and foreign systems of trademark registration.⁷⁰

The Board noted that section 44(d)(2)⁷¹ required foreign applications to conform "as nearly as practicable" to the requirements of the Lanham Act.⁷² Because no other country required a showing of use for registration,⁷³ the Board reasoned that requiring foreign companies to allege use before registration was impractical.⁷⁴ Finally, the Board stated that Arti-

60. The Paris Convention for the Protection of Industrial Property, March 10, 1883, 21 U.S.T. 1583, 24 U.S.T. 2140, T.I.A.S. No. 6923 [hereinafter Paris Convention], is a "convention or treaty" within the meaning of § 44, and the United States is a party to the Convention.

61. 137 U.S.P.Q. (BNA) 69 (Comr. Pat. 1963).

62. *Id.* at 78.

63. Paris Convention, *supra* note 60, AA. 6 quinquies.

64. *In Re Certain Incomplete Applications*, 137 U.S.P.Q. at 75 n.8.

65. *Id.* at 75 & n.8.

66. *Id.* at 77 & n.7.

67. See Messerli, *Registration of a Trademark Under Section 44 of the Lanham Act and the Requirement of Actual Use*, 77 TRADEMARK REP. 103, 105 (1987) (judicial interpretation of section 44 is "eminently political").

68. 223 U.S.P.Q. 909, 928 (TTAB 1984) (BNA).

69. *Id.* at 924.

70. *Id.* at 927-28. For an argument refuting the *Crocker* court's assertion that the U.S. registration system is not as practical as that of other countries, see Messerli, *supra* note 67, at 121-127.

71. 15 U.S.C. § 1126(d)(2) (1982).

72. *Crocker*, 223 U.S.P.Q. at 916.

73. See *supra* note 18.

74. *Crocker*, 223 U.S.P.Q. at 916.

cle 6B of the Paris Convention, which enumerates the possible grounds for refusal under the Convention,⁷⁵ does not include any mention of actual use.⁷⁶ Accordingly, the Board concluded that the *telle quelle* clause did not support a denial of registration for lack of use.⁷⁷

*SCM Corp. v. Langis Foods, Ltd.*⁷⁸ provided foreign applicants with another advantage over domestic applicants seeking to establish priority of use for trademark registration in the United States.⁷⁹ In *SCM*, the Court of Appeals for the District of Columbia held that foreign nationals establish constructive use⁸⁰ for purposes of registration in the United States upon filing an application for registration in their home countries.⁸¹ Constructive use gives the foreign applicant a substantive right of priority⁸² for six months when seeking registration in the United States pursuant to section 44(d).⁸³ The *SCM* court determined that an intervening use on the part of a domestic applicant during the six month period does not invalidate the foreign applicant's superior right to registration.⁸⁴

The cumulative effect of the decisions in *Crocker* and *SCM* was to allow foreign applicants to obtain registration in the United States without

75. Article 6(B) provides in pertinent part:

Trademarks covered by this Article may be neither denied registration nor invalidated except in the following cases:

1. When they are of such a nature as to infringe rights acquired by third parties in the country where protection is claimed;

2. When they are devoid of any distinctive character, or consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, place of origin, of the goods, or the time of production, or have become customary in the current language or in the bona fide and established practices of the trade of the country where protection is claimed;

3. When they are contrary to morality or public order and, in particular, of such a nature as to deceive the public. It is understood that a mark may not be considered contrary to public order for the sole reason that it does not conform to a provision of the legislation on marks, except if such provision itself relates to public order.

76. *Crocker*, 223 U.S.P.Q. at 921.

77. *Id.*

78. 539 F.2d 196 (D.C. Cir. 1976).

79. *Id.* at 201.

80. The TRC defined "constructive use" as "that which establishes a priority date with the same legal effect as the earliest actual use of a trademark at common law." *Commission Report*, *supra* note 37, at 39 n.28.

81. *SCM*, 539 F.2d at 199.

82. *Messerli*, *supra* note 67, at 110. The district court in *SCM* construed section 44(d) as granting procedural advantages only. *SCM*, 539 F.2d at 199.

83. *SCM*, 539 F.2d at 200, 201 (citing art. 4, sections A and B of the Paris Convention, *supra* note 60).

84. *SCM*, 539 F.2d at 201.

using a trademark anywhere in the world and regardless of any actual use by a domestic applicant.⁸⁵ These inequities, as well as the other problems created by the Lanham Act's registration system, set in motion the chain of events culminating in the Trademark Law Revision Act of 1988.⁸⁶

II. PROVISIONS AND IMPACT OF THE INTENT-TO-USE AMENDMENT

A. *Historical Development*

The Trademark Law Revision Act of 1988 represents the first attempt at intent-to-use legislation. Prior to the 1988 Act, Congress considered intent-to-use proposals on at least six different occasions, none of which came to fruition.⁸⁷ The 1988 Act had its genesis in 1985, when the United States Trademark Association (USTA) chartered a special committee known as the Trademark Review Commission (Commission) in order to evaluate the effectiveness of the United States registration system and make recommendations for improvements.⁸⁸ After two years of exhaustive study,⁸⁹ the Commission submitted the Report and Recom-

85. See *supra* notes 57-84 and accompanying text.

86. Concern over the decision in *Crocker* probably renewed interest in an intent-to-use requirement. *Commission Report, supra* note 37, at 369. The Trademark Review Commission (TRC) emphasized, however, that its support of an intent-to-use system was not a response to *Crocker*. *Id.* at 404.

87. See Whittredge, *supra* note 37, at 883 n.1 (citing S. 2786, 88th Cong., 2d Sess., 110 CONG. REC. 9512 (1964); H.R. 1137, 88th Cong., 1st Sess., 109 CONG. REC. 56 (1963); H.R. 12,009, 87th Cong., 2d Sess., 108 CONG. REC. 9749 (1962); S. 150, 87th Cong., 1st Sess (1961); S. 1063, 86th Cong., 1st Sess. (1959); S. 4254, 85th Cong., 2d Sess., 104 CONG. REC. 16,619 (1958)). The 1959 Dirksen Bill represented the most significant attempt at intent-to-use legislation. S. 1063, 87th Cong., 1st Sess. (1959). Drafted by the Trademark Committee of the Patent Law Association of Chicago, the bill shared many similarities with the 1988 Act. Although the Dirksen Bill enjoyed wide-ranging support, Congress failed to enact the legislation. For a comprehensive analysis of the Dirksen provisions, see Whittredge, *supra* note 37, at 887-896.

88. *Commission Report, supra* note 37, *Foreword* at vii. The Commission's charter adopted on July 5, 1985 gives the Commission plenary authority to review the Lanham Act in light of its original objectives, the objectives of U.S. public policy, and the present and future needs of commerce. If the study indicates that changes in the trademark system are appropriate, the Commission must make recommendations and assist in drafting proposed revision legislation. *Id.* at 383.

89. S. REP. NO. 515, *supra* note 10, at 2, *reprinted in* 1988 U.S. CODE CONG. & ADMIN. NEWS at 5578 (the extensive study was the product of more than 2 years of analysis, debate, and consensus-building by trademark owners, attorneys, and other private sector experts). The Commission's first task was to complete an exhaustive questionnaire designed to ascertain the members' special concerns. The results of the questionnaire formed the basis of the Commission's study. Special committees then formed to review particular areas of concern. *Commission Report, supra* note 37 at 383-386.

mendations to the USTA Board of Directors on August 21, 1987, which adopted the report in its entirety on September 13, 1987.⁹⁰ The Commission's report formed the basis of the Trademark Law Revision Act of 1988.⁹¹

Expressing general satisfaction with the registration system,⁹² the Commission rejected a sweeping overhaul of the Lanham Act in favor of changes to particular provisions.⁹³ Specifically, the Commission uncovered widespread frustration with the process for developing new trademarks.⁹⁴ Furthermore, the Commission objected to the practice of token use⁹⁵ and the presence of deadwood on the Principal Register.⁹⁶ The Commission made several proposals to remedy these maladies, including the adoption of intent-to-use legislation.⁹⁷

B. The Specific Provisions of the Intent-to-Use Requirement

The Trademark Law Revision Act of 1988 does nothing to upset the basic tenet of trademark law that trademark ownership rights vest through use of a mark in commerce.⁹⁸ The 1988 Act extends the traditional rule by creating a dual system of trademark registration.⁹⁹ The Act affords applicants a choice between filing systems: it preserves the

90. *Commission Report, supra* note 37, *Foreword* at vii.

91. S. REP. NO. 515, *supra* note 10, at 2-3, *reprinted in* 1988 U.S. CODE CONG. & ADMIN. NEWS at 5578-79.

92. Specifically, the Commission concluded that the Lanham Act continues to fulfill its statutory objectives of protecting the public as well as the investment of trademark owners. *Commission Report, supra* note 37, at 386. Second, the Commission found that the Act satisfactorily accommodates present day business and commercial practices with the limited exceptions relating to the need for an intent-to-use system and to eliminate token use. *Id.* at 387. The Commission also found that the Act effectively implements the public policy objectives of the United States and furthers the principles and objectives of the trademark concept and an optimal trademark system. *Id.* Finally, the Commission stated that the Act appears adaptable to future business and commercial changes. *Id.*

93. *Id.* at 377.

94. *Id.*

95. *Id.* The Commission concluded that token use should be discouraged because it delays filings, is contrived, is commercially invisible, perpetuates deadwood on the register, and creates legal uncertainty. *Id.* at 393.

96. *Id.* at 387.

97. *Id.* at 390-392.

98. *See supra* note 17 and accompanying text.

99. *Commission Report, supra* note 37, at 390 (applicants may base registrations on either use in commerce or a bona fide intention to use); S. REP. NO. 515, *supra* note 10, *reprinted in* 1988 U.S. CONG. CODE & ADMIN NEWS at 5585 (intent-to-use system offers an alternative to current system of registration).

"use in commerce" prong of the Lanham Act¹⁰⁰ and establishes a new intent-to-use prong for proposed marks.¹⁰¹

Under the intent-to-use provision, an applicant must file a written application with the PTO specifying the applicant's bona fide intention to use the mark in commerce and the goods or services involved.¹⁰² Upon receipt of the application, a PTO examining attorney examines the mark to ascertain whether registration is appropriate,¹⁰³ and if so, the examiner submits the mark for publication in the Official Gazette.¹⁰⁴ If the mark receives no opposition or survives an opposition proceeding, the PTO issues a notice of allowance to the applicant.¹⁰⁵ Applicants then have six months in which to commence use and file a statement to that effect.¹⁰⁶

Once an applicant commences use and files the necessary use declaration,¹⁰⁷ the PTO conducts a second examination,¹⁰⁸ to determine

100. 15 U.S.C. § 1051(a) (1988). See *supra* notes 22-36 and accompanying text.

101. 15 U.S.C. § 1051(b)(1988).

102. 15 U.S.C. § 1051(b)(1)(A) (1988) provides in pertinent part:

A person who has a bona fide intention . . . to use a trademark in commerce may apply to register the trademark . . . on the principal register:

(1) By filing in the Patent and Trademark Office -

(A) a written application . . . specifying . . . applicant's bona fide intention to use the mark in commerce, the goods on or in connection with which the applicant has a bona fide intention to use the mark and the mode or manner in which the mark is intended to be used on or in connection with such goods. . . .

See also Amendment to Rules of Practice in Trademark Cases, 54 Fed. Reg. 37,589 (1989) (to be codified at 37 C.F.R. § 2.33(b)(2)). The Rules of Practice explicitly apply to services as well as goods. *Id.* In general, the requirements for registration under the intent-to-use prong parallel those of the "use" prong. See S. REP. NO. 515, *supra* note 10, at 23, reprinted in 1988 U.S. CODE CONG. & ADMIN. NEWS at 5585.

103. 37 C.F.R. § 2.61(a) (1989).

104. 37 C.F.R. § 2.80 (1989).

105. 15 U.S.C. § 1063(b)(2) (1988).

106. 15 U.S.C. § 1051(d)(1) (1988). Applicants who are unable to make use of the mark within the initial six month period may obtain an automatic six month extension upon request. 15 U.S.C. § 1051(d)(2) (1988). Additional six month extensions up to a total of twenty-four months are available upon a showing of "good cause" for nonuse. *Id.*

The House expressed particular concern about the time extensions available to intent-to-use applicants. H.R. REP. NO. 1028, 100th Cong., 2d Sess. 10 (1988). To prevent the accumulation of unused marks on the register, the House added the "good cause" requirement to the provision for time extensions. 134 CONG. REC. H10,419 (daily ed. Oct. 19, 1989). The House intended the "good cause" requirement to supplement the requirement of a "bona fide intent" to use the mark. *Id.* at H10,420. In an effort to clarify the broad language of "good cause," the House directed the Commissioner to develop guidelines indicating acceptable instances of nonuse. 15 U.S.C. § 1051(d)(2) (1988). ("The Commission shall issue regulations setting forth guidelines for determining what constitutes good cause for purposes of this paragraph.")

107. 15 U.S.C. § 1051(d)(1) (1988).

whether the mark as actually used coincides with the drawing and identification of goods or services in the original application. If registration ensues, the certificate of registration applies only to those goods specified in the statement of use.¹⁰⁹ Registration of the mark converts the *filing date* of the application to the *constructive use date* of the mark,¹¹⁰ conferring on the registrant a nationwide right of priority in the mark as against all subsequent claimants.¹¹¹

The purpose of the intent-to-use provision is to eliminate the necessity for applicants to engage in token use in order to gain access to the registration system.¹¹² The 1988 Act retains the requirement of use, however, as a final hurdle to achieving actual registration under the intent-to-use prong.¹¹³ To prevent applicants from employing token use to achieve registration, Congress strengthened the definition of "use in commerce" to apply only to "bona fide use."¹¹⁴ Under the revised definition, adopted almost verbatim from the Commission Report,¹¹⁵ an applicant must use the mark "in the ordinary course of trade" and not "merely to reserve registration rights."¹¹⁶

108. *Id.* While the statute allows the PTO to examine factors set forth in § 1052(a)-(e), the Senate expressed concern that this examination not upset the certainty intent-to-use applicants have in the integrity of their marks. 134 CONG. REC. S16,973 (daily ed. Oct. 20, 1988) (statement of Sen. DeConcini). Accordingly, the Senate emphasized that issues of registrability be examined in the second examination only in those rare situations when these issues only become apparent after an applicant uses the mark. *Id.* Otherwise, if the issue can be addressed during the first examination, the PTO should do so. *Id.*

109. 15 U.S.C. § 1051(d)(1) (1988).

110. 15 U.S.C. § 1057(c) (1988); see *supra* notes 80-84 and accompanying text (explanation of constructive use date and its role in trademark applications by foreign nationals under § 44 of the Lanham Act.).

111. *Id.* For a criticism of this aspect of the intent-to-use system, see Comment, *supra* note 16, at 1151-1153.

112. S. REP. NO. 515, *supra* note 10, at 22-23, reprinted in 1988 U.S. CODE CONG. & ADMIN. NEWS at 5585.

113. 15 U.S.C. § 1051(d) (1988). The 1988 Act left intact the original registration method requiring preapplication use. 15 U.S.C. § 1051(a) (1988).

114. S. REP. NO. 515, *supra* note 10, at 44, reprinted in 1988 U.S. CODE CONG. & ADMIN. NEWS at 5607 (amended definition of "use in commerce" intended to "eliminate the commercially transparent practice of token use"). 15 U.S.C. § 1127 provides in pertinent part: "The term 'use in commerce' means the bona fide use of a mark in the ordinary course of trade and not made merely to reserve a right in a mark." Some critics argue that the strengthened definition does nothing to alleviate token use. Comment, *supra* note 16, at 1153.

115. *Commission Report, supra* note 37, at 391: "The term 'used in commerce' means such use made in the ordinary course of trade, commensurate with the circumstances, and not made merely to reserve a right in a mark."

116. See *supra* note 114. The legislative history reveals that Congress intended the courts to consider the practices of the particular industry when evaluating the sufficiency of an applicant's use.

C. *Impact of the 1988 Act*

Congress intended the 1988 Act to eliminate three problems arising under the Lanham Act: 1) uncertainty in the development of trademarks; 2) the contrived practice of token use; and 3) the preference enjoyed by foreign applicants.¹¹⁷ The 1988 Act potentially makes great strides towards alleviating these obstacles.

The intent-to-use prong and the strengthened "use" definition provide potential applicants a measure of security when seeking registration.¹¹⁸ First, potential registrants filing on the basis of intent to use can ascertain the existence of a conflicting use and choose a suitable alternative before expending great amounts of time and money.¹¹⁹ Furthermore, applicants may rely on a statutory grant of protection for proposed marks and no longer need to rely on the unpredictable practice of token use to reserve a mark.¹²⁰ Moreover, the revised "use" definition effectively prohibits the practice of token use¹²¹ and restores integrity to the registration system.¹²²

In addition, the retroactive constructive use date protects the registrant from conflicting common law claims by subsequent users and allows them to use their marks with confidence.¹²³ Constructive use may

S. REP. NO. 515, *supra* note 10, at 44, *reprinted in* 1988 U.S. CODE CONG. & ADMIN. NEWS at 5607. ("The committee intends that the revised definition of 'use in commerce' be interpreted to mean commercial use which is typical in a particular industry."). *See infra* notes 157-60 and accompanying text.

117. 134 CONG. REC. 11,073 (1988) (statement of Sen. DeConcini); 134 CONG. REC. S16,972 (daily ed. Oct. 20, 1988).

118. 134 CONG. REC. S16,972 (daily ed. Oct. 20, 1988) (statement of Sen. DeConcini) (Intent-to-use amendment "would eliminate potential problems and sometimes futile expenditures faced by applicants under the existing preapplication use in commerce requirement. . . . [R]edefining the meaning of use to a stricter standard" would help eliminate marks not actually in commercial use).

119. Giles, *supra* note 40, at 1122 (applicant could find out before launching an expensive nationwide promotion whether his mark was registrable).

120. Under the intent-to-use registration method, the filing date becomes the constructive use date when registration is complete, which protects the registrant from claims by subsequent users. *See supra* notes 110-11 and accompanying text.

121. The definition of "use in commerce" has become equivalent to regular commercial use under the 1988 amendments. Token use simply will not suffice to satisfy the amended definition (or at least, that is what Congress intended). *See supra* note 114.

122. Because of the commercially invisible nature of token use, there was no way of knowing whether a particular mark was actually in use in commerce. *See supra* notes 41-56 and 112-16 and accompanying text.

123. *Commission Report, supra* note 37, at 397. Without the protection of constructive use, intent-to-use registrations are also vulnerable to pirates who could comb the register for such marks and then seek to exploit a company's commitment in time and money to the unused mark.

indirectly encourage trademark users to seek registration of their marks,¹²⁴ thus improving the accuracy of the trademark record and providing additional security to applicants.

The constructive use provision also provides domestic applicants a degree of parity with foreign applicants filing under section 44.¹²⁵ A section 44 applicant may still obtain registration of a mark without actual use¹²⁶ while domestic applicants are required to show proof of use before registration ensues.¹²⁷

However, the 1988 Act requires foreign as well as domestic applicants to state on the application for registration their bona fide intention to use the proposed mark in the United States.¹²⁸ This requirement places domestic and foreign applicants on a level playing field with respect to procedural filing requirements.¹²⁹ The requirement does not interfere with the treaty obligations of the United States under the Paris Convention because the amendment does not require the foreign applicant to show actual use.¹³⁰ Foreign nationals need only state their firm intention to use the mark in the United States eventually.

III. CRITICISM OF THE 1988 ACT

Critics perennially attack intent-to-use legislation on the ground that such a registration system encourages mass hoarding of trademarks, allowing applicants to gain unfair marketing advantages.¹³¹ Opponents es-

124. *Commission Report, supra* note 37, at 398 (constructive use also encourages searching of the register). *Id.*

125. Klein, *Trademark Law Revision*, 16 AIPLA Q.J. 154, 158 (1988).

126. Klein, *Trademark Law Revision, supra* note 125, at 158-159. The Commission expressed concern that requiring actual use by § 44 applicant might interfere with U.S. treaty obligations. *Commission Report, supra* note 37, at 404. The Commission felt, however, that § 45 addressed all potential problems because registration under § 44 may be cancelled if abandoned due to nonuse for two consecutive years. 15 U.S.C.A. § 1127 ("nonuse for two consecutive years shall be prima facie evidence of abandonment").

127. *See supra* notes 113, 126 and accompanying text.

128. 15 U.S.C. § 1126(d)(2) provides that a § 44 application must "conform as nearly as practicable to the requirements of this chapter, including a statement that the applicant has a bona fide intention to use the mark in commerce."

129. Congress thought it appropriate to require § 44 applicants to meet the same requirements for registration required of domestic parties seeking registration under the intent-to-use system. S. REP. NO. 515, *supra* note 10, at 43, *reprinted in* 1988 U.S. CODE CONG. & ADMIN. NEWS at 5606.

130. *Id.*

131. *See* March, *supra* note 16, at 988 ("I can go in and make a showing that I had filed application for 100 marks that were never used before" quoting Harrison F. Lyman); Van Santen, *supra* note 16, at 224 ("intent is less appurtenant to an enterprise related to the marketing of goods than is fully recorded trademark registration").

pecially emphasize the susceptibility of small businesses and individuals to harm as a result of such practices.¹³² Not surprisingly, the "hoarding" arguments resurfaced in the debate over the 1988 Act, albeit with a new gloss. Specifically, critics feared that leaving "bona fide intent" undefined would have the practical effect of rendering the requirement a nullity.¹³³ As it now stands, opponents argue that the bona fide intent requirement is so vague that applicants could base registration applications on little more than a whim and the payment of fees.¹³⁴

Critics charge that the amendment will allow companies with adequate resources to clog the registration process with applications for marks they never intend to use.¹³⁵ The brunt of this hoarding would fall on small business concerns.¹³⁶ The previous registration system disadvantaged smaller companies because of the expense involved in a comprehensive search of the register.¹³⁷ These companies, critics say, would continue to suffer injury under the new dual system due to the increased costs associated with searching the trademark register for marks not actually in use but statutorily protected.¹³⁸

The legislative history reveals Congress' concern about the potential for abuse of the intent-to-use system. The Senate Subcommittee on Patents, Copyrights and Trademarks considered including in the legislation a statutory definition of "bona fide intent," a provision limiting the number of contemporaneous filings available to an applicant, and a prohibition on refiling for the same mark.¹³⁹ The Subcommittee rejected these proposals, however, concluding that the intent-to-use system included sufficient safeguards to prevent abuse.¹⁴⁰ In addition, the Subcommittee sought to maintain flexibility in the administration of the

132. See, *Trademark Bill Snags*, *supra* note 15, at 20 (intent-to-use system permits large companies to reserve considerable numbers of marks for a period in excess of five years); *House Panel Hears Views*, *supra* note 15, at 490 (small businesses are less equipped than larger companies to search trademark register for a large number of marks); Comment, *supra* note 16, at 1153 (constructive use for marks not in use increases expenses involved in searching the register, affecting smaller companies with limited resources).

133. *House Panel Hears Views*, *supra* note 15, at 490 (statement of Roberta Jacobs-Meadway).

134. *Id.* See also *supra* note 131.

135. *Trademark Bill Snags*, *supra* note 15, at 20.

136. Comment, *supra* note 16, at 1153.

137. *Id.*

138. See *supra* note 132.

139. S. REP. NO. 515, *supra* note 10, at 24, reprinted in 1988 U.S. CODE CONG. & ADMIN. NEWS at 5586.

140. *Id.* See *infra* note 144.

trademark laws.¹⁴¹ Still, some critics remained unsatisfied with the undefined "bona fide intent" language.

IV. PROPOSED SOLUTIONS TO THE HOARDING PROBLEM

Even proponents of the 1988 Act must concede the intent-to-use system's potential for abuse.¹⁴² In the brief period since the 1988 Act went into effect, applicants have inundated the PTO with registration applications.¹⁴³

Congress, however, concluded in its deliberations that the 1988 Act contains adequate safeguards to minimize abuse.¹⁴⁴ Moreover, the various adjudicating bodies responsible for interpreting the trademark laws have demonstrated a great propensity for balancing the equities of a given situation to achieve a fair result.¹⁴⁵ Accordingly, courts may confi-

141. *Id.*

142. The practice of token use under the Lanham Act, however, created a de facto intent-to-use system. *Commission Report, supra* note 37, at 392-93 (to the extent that applicants filed token use applications and adjudicating bodies upheld them, the U.S. had an intent-to-use system before Congress passed the legislation). Furthermore, the former registration system failed to provide any avenue of relief for frustrated applicants. Conversely, Congress designed the 1988 Act with just such relief in mind.

143. In a nine-week period from November 16, 1989 to January 19, 1990, the PTO received 24,536 applications, including those for extra classes, as compared to 13,594 received for the roughly equivalent time period from November 14, 1988 to January 16, 1989. Telephone interview with Karen Stroecker, Office of the Assistant Commissioner (Feb. 6, 1990). The increase during that period could also be due to the fact that some potential applicants may have held their applications in anticipation of the new law, and the PTO perceives that filings will level off. *Id.* For a comparison to the impact of intent-to-use legislation on filings in Canada shortly after passage of its law, see Osborne, *supra* note 18, at 972. The Canadian system, which went into effect in 1954, saw filings increase in 1955 to 5,473 from 4,830 in 1953. The number then decreased for two consecutive years after which it has steadily increased, probably due to economic growth in Canada. *Id.*

144. The requirement that an applicant's intent be "bona fide," the grant of an extension based only on "good cause," and the strengthened "use in commerce" definition cumulatively prevent abuse of the system. S. REP. NO. 515, *supra* note 10, at 24-25, reprinted in 1988 U.S. CODE CONG. & ADMIN. NEWS at 5586.

145. See *supra* notes 33-35 and accompanying text. For examples of judicial application of principles of equity in concurrent registration cases, see *Wiener King, Inc. v. The Wiener King Corp.*, 615 F.2d 512, (CCPA 1980) (registration limited to the geographic area of actual use when first user failed to apply for registration before a subsequent user adopted the mark; subsequent user entitled to use mark nationwide except in area reserved to first user because second user was first to apply for registration); *Burger King of Florida, Inc. v. Hoots*, 403 F.2d 904 (7th Cir. 1968) (federal registration gives nationwide protection except in the geographic area in which another party used the mark without knowledge of prior user and before prior user sought registration); *Dawn Donut Co. v. Hart's Food Stores, Inc.*, 267 F.2d 358 (2d Cir. 1959) (second user without actual knowledge of prior user may continue use of a mark in a limited market until prior user and registrant expands into that market).

dently adopt a liberal approach when interpreting the "bona fide intent" language of the 1988 Act. Primary responsibility for preventing hoarding, however, rests with the PTO.

A. *Interpreting the "Bona Fide Intent" Language*

Congress intended the PTO or the courts to measure an applicant's bona fide intent to use a mark objectively, taking into account the circumstances showing the applicant's good-faith.¹⁴⁶ While requiring an applicant's firm intent to use a particular mark, Congress recognized that an applicant's final decision to use a mark may be affected by numerous considerations.¹⁴⁷ In order to avoid frustrating congressional attempts to recognize modern market realities, courts and the TTAB should infer broadly the requisite bona fide intent from the surrounding circumstances.

Congress went no further in defining a "bona fide intent" to use, preferring to leave the task to the PTO and the courts.¹⁴⁸ Courts and the PTO are not completely bereft of guidelines in making this determination. Under the token use doctrine, the courts developed a body of case law concerning a bona fide intent to make continued commercial use of a mark. These cases offer guidelines in defining a "bona fide intent" to use a mark under the new intent-to-use prong.

Generally, courts allowed registration on the basis of token use to stand if efforts indicating an intent to make further commercial use of the mark followed the initial use.¹⁴⁹ Test marketing, advertising surveys,¹⁵⁰ packaging preparations,¹⁵¹ and other marketing preparations have been

146. The House added the "good faith" gloss to "bona fide intent" in order to emphasize congressional desire that an applicant's intent in fact be bona fide. 134 CONG. REC. H10,419 (daily ed. Oct. 19, 1988).

147. Congress specifically stated an applicant could still have a bona fide intent to use a mark while awaiting the results of market research or product testing. S. REP. NO. 515, *supra* note 10, at 24, reprinted in 1988 U.S. CODE CONG. & ADMIN. NEWS at 5587. Thus, an applicant could file more than one intent-to-use application covering the same goods and still have the requisite intent. *Id.*

148. *Id.*, reprinted in 1988 U.S. CODE CONG. & ADMIN. NEWS at 5586-87.

149. See *supra* notes 41-43 and accompanying text.

150. *Fort Howard Paper Co. v. Kimberly-Clark Corp.*, 390 F.2d 1015, 1017 (CCPA 1968) (Eighteen month hiatus in sales while applicant conducted marketing and advertising tests did not defeat applicant's initial use).

151. *Bertolli USA Inc. v. Filippo Bertolli Fine Foods Ltd.*, 662 F. Supp. 203 (S.D.N.Y. 1987) (sending one bottle of olive oil in interstate commerce and printing labels and cartons found sufficient to meet "use in commerce" test).

accepted as evidence of a firm intent to use a mark under the old token use system. The firmness requirement did not, however, apply with equal weight to the product intended for use with the proposed mark.¹⁵² Thus, the fact that final development of a product was contingent upon some other event was not controlling.¹⁵³

Under the new system, the evaluation should focus on the actual efforts of the applicant to bring the marked product to market and not on the likelihood that intervening factors may frustrate the process. Similarly, the length of time between such efforts should not be controlling as long as they fall within the statutory time grant.¹⁵⁴

Congress made it clear that the subjective intent of an applicant is not controlling in the determination.¹⁵⁵ An applicant's bona fide intent must be firm as evidenced by objective factors.¹⁵⁶ A total lack of effort to put the mark into use within the given time frame or sham efforts to do so certainly constitute a lack of intent to use.¹⁵⁷ Short of this, an evaluator

152. *Sodima v. International Yogurt Co.*, 662 F. Supp. 839, 851 (D. Or. 1987) (citing *Fast Chemical Products Corp. v. Pillsbury Co.*, 132 U.S.P.Q. (BNA) 561 (TTAB 1962) (a mere change of formula or primary use does not destroy a trademark)). *But see Sodima*, 662 F. Supp. at 852 (applicant must intend to use a mark with an identified product, not simply a "vague concept"). *See also Laboratories du Dr. R.G. Payot Etablissement v. Southwestern Classics Collection Ltd.*, 3 U.S.P.Q. 2d (BNA) 1601, 1605 (TTAB 1987) (product intended for use with a mark must exist at time of application). One commentator recently outlined the specificity required by the "bona fide intent" language. A business with a specific product in mind, even though that product has not been formulated in final form and no production facilities exist, contemplates that use will occur at a foreseeable point in the future and his intent is, therefore, bona fide. J. GILSON, *Highlights of the Trademark Law Revision Act of 1988*, in 3 TRADEMARK PROTECTION AND PRACTICE Comm-1 (Spec. Supp. 1988).

153. *See supra* note 147 and accompanying text.

154. Under the token use doctrine, the TTAB and the courts held that length of time between uses was not itself controlling. *Fort Howard Paper Co.*, 390 F.2d at 1017.

155. S. REP. NO. 515, *supra* note 10, at 24, reprinted in 1988 U.S. CODE CONG. & ADMIN. NEWS at 5587 ("bona fide intent should be read to mean a fair, objective determination of the applicant's intent based on all the circumstances") (emphasis added).

156. One commentator proposes that Congress intended the "good faith circumstances" embellishment to the bona fide intent requirement to pertain to the evidence supporting such intent. Leeds, *Intent-to-Use—Its Time Has Come*, 79 TRADEMARK REP. 269, 272-73 (1989). Thus, in making a determination as to whether an applicant filing multiple applications for the same product has a bona fide intent, the prosecution of the application is crucial. If the applicant withdraws or abandons an application when it becomes evident that the company will not be using that particular mark, this "circumstance" supports the applicant's bona fide intent. *Id.* On the other hand, if the applicant fails to remove the pending application for a discarded mark, this circumstance tends to show the applicant merely intends to reserve the mark. *Id.*

157. Congress enumerated several factors which might negate an applicant's bona fide intent to use a mark: filing numerous applications to register the same mark for many more new products than are contemplated; numerous applications for a variety of desirable trademarks intended to be

should view the applicant's efforts broadly.

While a liberal approach to the "bona fide intent" language is appropriate, courts should take a more cautious approach to the new "use" definition. Liberal judicial interpretation of the "use" requirement gave rise to the contrived practice of token use, which allowed applicants to reserve marks they never used.¹⁵⁸ On the other hand, Congress urged the courts and the TTAB to interpret the "use" definition flexibly in order to encompass less traditional, albeit genuine, uses and to accommodate interrupted use due to special circumstances.¹⁵⁹ Accordingly, the adjudicating bodies responsible for interpreting the "use" definition should recognize the unique nature of a particular industry, but should preclude any use made merely to reserve a mark.¹⁶⁰ This flexible interpretation to the amended "use in commerce" definition in combination with a liberal approach to "bona fide intent" should eliminate token use and modernize trademark registration.

B. The Gatekeeper Role of the PTO in the Prevention of Abuse

Congress authorized the PTO to administer the trademark laws and serve as the caretaker of the registration system.¹⁶¹ In this capacity, the PTO is in an excellent position to prevent hoarding at three junctures of the registration system. First, the PTO can screen applications aggressively to eliminate those which fail to meet the statutory standards of

used on a single product; numerous applications to register marks consisting of or incorporating descriptive terms relating to a contemplated new product; numerous applications to replace applications which lapsed because no timely declaration of use was filed; an excessive number of intent-to-use applications to register marks which were never used; an excessive number of applications in relation to the number of products the applicant is likely to introduce; or applications lacking in specificity in describing the proposed goods. S. REP. NO. 515, *supra* note 10, at 23-24, *reprinted in* 1988 U.S. CODE CONG. & ADMIN. NEWS at 5586. Similarly, one commentator stated that when the applicant has no specific product in mind, but files a substantial number of trademark applications, the implication is that the applicant is attempting to frustrate competition and bona fide intent is lacking. J. GILSON, *supra* note 152, at Comm-11. *See also supra* note 155 and accompanying text.

158. *See supra* notes 46-47 and accompanying text.

159. S. REP. NO. 515, *supra* note 10, at 46-47, *reprinted in* 1988 U.S. CODE CONG. & ADMIN. NEWS at 5607. Congress made specific reference to infrequent sales of large or expensive items, ongoing shipments of a new drug to clinical investigators awaiting federal approval, and sales made in test markets. *See supra* notes 48-50 and accompanying text.

160. *See supra* notes 114-16 and accompanying text.

161. 15 U.S.C. § 1123 (1988): "The Commissioner shall make rules and regulations, not inconsistent with law, for the conduct of proceedings in the Patent and Trademark Office under this chapter."

section 2 of the Lanham Act.¹⁶² Additionally, the PTO can apply progressively stricter standards of “good cause” for nonuse upon repeated requests for extensions. Finally, the PTO can require all applicants to include documentation of their trademark development strategies with their applications.

1. Section 2(e) Examinations

When an applicant submits a registration application,¹⁶³ and again when the applicant submits a statement of use,¹⁶⁴ an examining attorney makes a determination as to the proposed mark’s registrability. The examiner may reject the application if problems appear imminent.¹⁶⁵ One of the objectives of these inquiries is to ascertain whether the mark satisfies the requirements of section 2 of the Lanham Act.

The Lanham Act allows registration of fanciful, arbitrary, or suggestive marks,¹⁶⁶ assuming that other statutory standards are met. On the other hand, section 2(e) prohibits registration of marks which are merely descriptive, deceptively misdescriptive, primarily geographically descriptive or misdescriptive, or primarily merely a surname,¹⁶⁷ unless the applicant can show that such marks have acquired distinctiveness in the eyes

162. 15 U.S.C. § 1052 (1988).

163. See *supra* notes 102-103 and accompanying text.

164. See *supra* notes 107-108 and accompanying text.

165. 37 C.F.R. § 2.61(a) (1989).

166. A fanciful trademark is one created expressly to identify a particular product or service. C. MCMANIS, *UNFAIR TRADE PRACTICES IN A NUTSHELL*, 125 (2d ed. 1988). For example, the word “Thermos” used to describe a vacuum-insulated bottle was “fanciful” before it lost distinctiveness in the eyes of the public. See *King-Seeley Thermos Co. v. Aladdin Industries, Inc.* 321 F.2d 577 (2d Cir. 1963). Arbitrary marks are common words applied to new products with no apparent relation between the name and the nature of the goods. C. MCMANIS, *supra*, at 126. An example of an arbitrary mark would be the words “Just-Right” used to identify bird-feeders. Suggestive marks allude to the characteristics of a product only through the powers of suggestion. Such marks require imagination or thought before the public can ascertain the product’s nature. *Id.* at 128. “Skinvisible” as used to describe transparent adhesive tape is a suggestive mark. *Minnesota Mining & Manufacturing Co. v. Johnson & Johnson*, 454 F.2d 1179 (C.C.P.A. 1972). By negative implication, merely descriptive marks require no imagination or thought, rather the nature of the product is readily apparent from the name itself. See C. MCMANIS, *supra*, at 128.

167. 15 U.S.C. § 1052(c) (1988). The Lanham Act does not expressly state what marks are inherently registerable, only that certain marks are not registerable. 15 U.S.C. § 1052(a)-(e) (1988). The common law courts drew the distinction between distinctive marks and those which are merely descriptive. C. MCMANIS, *supra* note 166, at 106-07. The Supreme Court retained this distinction for purposes of federal registration. *Standard Paint Co. v. Trinidad Asphalt Mfg. Co.*, 220 U.S. 446 (1911).

of the relevant public.¹⁶⁸ Marks acquire distinctiveness through use.¹⁶⁹ Accordingly, the PTO can prevent the hoarding of trademarks by aggressively policing initial applications and denying registration to marks which fail to meet the "distinctiveness" requirement of section 2.¹⁷⁰

2. *The "Good Cause" Guidelines*

In order to obtain extensions after the one year allowance, an applicant must again allege a bona fide intent to use the mark as well as show good cause for nonuse.¹⁷¹ The House Subcommittee on Courts, Civil Liberties and the Administration of Justice added the "good cause" language out of particular concern for potential hoarding.¹⁷² The Subcommittee, recognizing that automatic extensions may prevent another's legitimate use of a mark, concluded that the PTO should grant extensions only upon a showing of "exceptional circumstances."¹⁷³

The PTO, heeding congressional concerns, promulgated guidelines for acceptable instances of nonuse.¹⁷⁴ In order to show good cause under these guidelines, an applicant must make an allegation of nonuse¹⁷⁵ and include a statement of any ongoing effort to put the mark in use.¹⁷⁶ De-

168. 15 U.S.C. § 1052(f) (1988). Because fanciful, arbitrary, and suggestive marks do not require proof of distinctiveness, they are considered stronger marks and less susceptible to attack. *See* C. MCMANIS, *supra* note 166, at 127. Applicants seeking registration of marks of the "merely descriptive" genre may properly do so only under the "use" prong of the 1988 Act, while applicants with marks of the "fanciful" variety may be registered under either prong.

169. *Id.* The statute allows the Commissioner to accept proof of "substantially exclusive and continuous use" of the mark in commerce for five years as prima facie evidence that the mark has become distinctive.

170. 15 U.S.C. § 1052(f) (1988). In addition to preventing hoarding, aggressive screening by the PTO might have the incidental effect of reducing later trademark challenges, because applicants may choose fanciful, arbitrary or suggestive marks in order to reap the benefits of the intent-to-use prong of the registration system. Because of the plethora of words and symbols from which to choose a trademark and the endless possibilities for coining new words, aggressive screening by the PTO will not preclude applicants from registering suitable marks.

171. 15 U.S.C. § 1051(d)(2) (1988).

172. H.R. REP. NO. 1028, 100th Cong., 2d Sess. 10 (1988). ("Substantially automatic and lengthy extensions are inappropriate given that any extension will further tie up the mark and prevent anyone else from using it.")

173. *Id.* ("[T]he Committee intends that the Patent and Trademark Office take these situations into account when determining whether to grant the applicant's extension request." The Committee particularly mentioned delays "not attributable to the applicant.")

174. 54 Fed. Reg. 37,596 (1989) (to be codified at 37 C.F.R. § 2.89(d)(2)).

175. *Id.* (to be codified at 37 C.F.R. § 2.89(d)(1)).

176. *Id.* (to be codified at 37 C.F.R. § 2.89(d)(2)). The PTO set forth a nonexhaustive list of qualifying efforts, all of which focus on the applicant's efforts: product or service research or development, market research, manufacturing activities, promotional activities, steps to acquire distribu-

lays beyond the applicant's control are contemplated as "exceptional circumstances" giving rise to an extension.¹⁷⁷ The PTO, therefore, requires nothing more than a statement of continuing efforts and does not require any additional documentation. Thus, an applicant could hoard a trademark upon a mere allegation of continued market research or a perfunctory explanation for the lack of efforts.

The PTO could play a critical role in preventing hoarding by adopting progressively stricter standards for repeated extension requests.¹⁷⁸ The 1988 Act gives applicants an automatic six month extension upon request. The PTO could maintain flexibility in the registration process by promulgating flexible but somewhat stricter standards for the next two extension requests.¹⁷⁹ The standards at this juncture should make allowances for instances of nonuse even if within the control of the applicant. Barring special circumstances, two years should be ample time for an applicant to put a mark to use.¹⁸⁰ Thereafter, the PTO's guidelines should be strict and only allow extensions upon a showing of exceptional circumstances not attributable to the applicant.¹⁸¹ This approach would effectuate Congress' intent to prevent abuse of the available extensions while maintaining flexibility for applicants who are truly experiencing hardships.

3. Documentation Requirements

Finally, the PTO should require all applicants to submit documentation of their trademark development strategies with their applications.

tors, steps to obtain required governmental approval, or other similar activities. *Id.* If the applicant has not made such efforts, the guidelines allow submission of a satisfactory explanation for failure to do so. *Id.*

177. H.R. REP. NO. 1028, 100th Cong., 2d Sess. 10 (1988). As an example, the House referred to the inability of a pharmaceutical company to use a mark with a particular drug due to delays in the federal approval process. The Report then goes on to note that these delays are "unattributable to the applicant" and are the kind of "exceptional circumstances" contemplated by the House. *Id.*

178. See Hellwig, *The Trademark Law Revision Act of 1988: The 100th Congress Leaves its Mark*, 79 TRADEMARK REP. 287, 296-297 (1989) [hereinafter *TLRA of 1988*] (progressively stricter standards for repeated extension requests address the problem of excessive time periods for pending applications while maintaining flexibility).

179. *Id.*

180. Given the fact that the average trademark application takes approximately thirteen months to achieve registration, extensions amounting to two years actually give the applicant three years to put a mark into use. *Id.* at 296. Three years certainly give an applicant enough time to make use of a mark. J. GILSON, *supra* note 152, at Comm-10 (even a "fairly leisurely marketing program" should be able to meet the three-year requirement).

181. *TLRA of 1988, supra* note 178, at 297.

With respect to the use-based applications, additional documentation may help to ascertain whether the "use" alleged actually meets the stricter standards of the new "use in commerce" definition.¹⁸² Similarly, inclusion of a record of development strategies with intent-to-use applications serves to substantiate claims of special circumstances,¹⁸³ as well as bolster bona fide intent claims.¹⁸⁴ The documentation requirement would prevent applicants from making specious claims and would facilitate PTO determinations concerning "use," "bona fide intent" and "good cause."

V. CONCLUSION

The 1988 Act represents two years of exhaustive study by the USTA and careful consideration by Congress in an effort to rectify the hardships rendered by the Lanham Act and to modernize trademark registration requirements. Liberal construction of the Act's provisions will effectuate its purposes. While the potential for hoarding exists under broad interpretation, it is not fatal to the Act's effectiveness.

The PTO should assume primary responsibility for preventing abuse of the intent-to-use system. The PTO can screen the number of marks which have access to the Principal Register by denying intent-to-use registration of nondistinctive marks. Furthermore, the PTO should set and enforce exacting standards for repeated requests for extensions based on "good cause" for nonuse. Finally, the PTO should require all applicants to document trademark development strategies in order to substantiate claims of "use in commerce," "bona fide intent," and "exceptional circumstances" when seeking extensions. A firm stance on the part of the PTO would minimize hoarding and allow the courts to pursue a liberal approach to the 1988 Act's provisions. The PTO, the TTAB, and the federal courts must proceed accordingly if they are to protect future trademark registrants.

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182. See *supra* notes 159-60 and accompanying text. The documentation requirement would help the PTO in ascertaining whether the particular use in question is one of the unique uses which Congress contemplated when urging flexibility in applying the standard.

183. See *supra* notes 175-77 and accompanying text.

184. One commentator maintains that prudent applicants should document the progress of their marks as a matter of course to provide evidence in later challenges. J. GILSON, *supra* note 152, at Comm-7. Thus, requiring such documentation could lead to greater certainty in other controversies.