

M.Z. BERGER & CO., INC. v. SWATCH AG, Appeal No. 2014-1219 (Fed. Cir. June 4, 2015).  
Before Lourie, Chen, and Hughes. Appealed from the Trademark Trial and Appeal Board.

Background:

M.Z. Berger & Co., Inc. ("Berger") filed an intent-to-use application to register the mark "iWatch" for use with watches. Swatch AG ("Swatch") opposed this application, alleging that Berger did not have a bona fide intent to use the iWatch mark at the time Berger filed the application.

In holding, after trial, that Berger did not have a bona fide intent to use, the TTAB relied on documentary evidence, testimonial evidence from Berger employees, and Berger's history in the watch business. The TTAB found that although there was some evidence supporting a finding of intent to use, the inconsistency of the testimonial evidence, the lack of documentary evidence other than documents relating to the trademark application, and the lack of evidence of efforts to develop an iWatch product supported a finding that there was no bona fide intent to use.

Based on its finding of no intent to use, the TTAB sustained Swatch's opposition. Berger appealed.

Issue/Holding:

Did the TTAB err in sustaining a trademark opposition based on a finding of no intent to use, even where there was some evidence of such intent? No, affirmed.

Discussion:

The Federal Circuit first formally established lack of intent to use as a legitimate grounds for opposing an intent-to-use trademark application, because it had not previously addressed that issue.

The Federal Circuit next sought to formally define "intent to use" under the Lanham Act, and explain what showing is needed to establish bona fide intent to use. The Federal Circuit held that an intent to use must be a firm intent, and not an intent to reserve rights to the mark. Moreover, the intent to use must be objective and demonstrable, because requiring only the testimony of the registrant would eliminate any real intent to use requirement.

In this case, although some of the testimonial evidence supported a finding of an intent to use the mark, the factual record as a whole supported a finding of no intent to use. Specifically, the conflicting testimony from the Berger employees regarding the nature of the planned iWatch product and third-party negotiations regarding the planned product evinced a lack of concrete plans for future use of the mark. Moreover, the testimony of Berger's CEO indicated that Berger attempted to register the mark "just in case" a product was developed. Finally, there was a lack of documentary evidence supporting intent to use other than what had been prepared for the trademark application.