

REPORT

FEDERAL CIRCUIT RELAXES REQUIREMENTS FOR
WEBSITE-BASED TRADEMARK SPECIMENS

January 22, 2010

I. Introduction

A recent decision by the U.S. Court of Appeals for the Federal Circuit has liberalized the U.S. Patent and Trademark Office's (USPTO) standards for determining whether website screenshots constitute acceptable specimens of trademark use.

In its *Sones* decision,¹ the Federal Circuit rejected the USPTO's rigid application of a three-part test for evaluating the sufficiency of website-based specimens of use, that, among other things, required that a website-based specimen include a picture of the relevant goods.

II. Specimen of Use Requirement

The USPTO requires trademark owners to submit specimens to support most trademark applications and registrations, in order to demonstrate how the owner uses the mark in connection with its goods.² Such specimens must be submitted during the pendency of the application, during the sixth anniversary year of the registration, and with each renewal application. Traditionally, acceptable specimens for goods include such items as labels, tags, containers for the goods, or point-of-purchase displays (i.e., displays designed to catch the attention of prospective customers as an inducement to purchase the goods, such as banners, window displays, etc., at a location where the goods can be purchased).

The prevalence of e-commerce led the USPTO to adopt a test for determining whether a website-based specimen is an acceptable point-of-purchase display specimen. The USPTO had adopted the following test, derived from *Lands End, Inc. v. Manbeck*,³ a case involving the use of catalogs as specimens:

[E]xamining attorneys should accept any catalog or similar specimen as a display associated with the goods, provided that (1) it includes a picture of the relevant goods, (2) it includes the mark sufficiently near the picture of the goods to associate the mark with the goods, and (3) it includes information necessary to order the goods. Any form of advertising which satisfies these criteria should be construed as a display associated with the goods.⁴

The USPTO has applied the *Lands End* test to evaluate the sufficiency as specimens of website screenshots, as well as more traditional catalogs.⁵

III. The *Sones* Decision

Applicant Michael Sones filed an application to register a mark for use in connection with charity bracelets. Sones submitted two website-based specimens, neither of which included a picture of a bracelet. Applying the *Lands End* test, the USPTO rejected the application on the

¹ *In re Sones*, 93 USPQ2d 1118 (Fed. Cir. 2009).

² Specimens of use are not required for applications based on a foreign registration or an international application.

³ 797 F. Supp. 511 (E.D. Va. 1992).

⁴ TMEP § 904.03(h).

⁵ See, e.g., *In re Valenite*, 84 USPQ2d 1346 (T.T.A.B. 2007); *In re Dell, Inc.*, 71 USPQ2d 1725 (T.T.A.B. 2004).

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grounds that the specimens failed to show the mark "in close proximity" to a picture of the goods. Sones appealed to the Federal Circuit, arguing that the USPTO had acted improperly in applying a bright-line rule that website-based specimens of use must include a picture of the relevant goods.

The Federal Circuit held that the *Lands End* court did not establish the three parts of the test as absolute requirements, but rather as a non-exhaustive list of factors for an examining attorney to consider. The Federal Circuit explained that the *Lands End* court had considered the "point of sale nature" of the display as the crucial factor in the analysis, i.e., the prominence of the mark and the ability to order the goods, rather than the presence or absence of a picture of the goods as part of the specimen. The Federal Circuit concluded that "the critical inquiry was whether the customer had 'the opportunity to look to the displayed mark as a means of identifying and distinguishing the source of goods.'"

The Federal Circuit also rejected the USPTO's rigid application of the *Lands End* test as contrary to the Trademark Act and trademark policy in general. The Federal Circuit noted that there is no corresponding rule in the context of "brick-and-mortar" stores requiring that specimens of use include pictures of goods; for example, the USPTO correctly considers normal commercial packaging that bears the trademark, but does not display a picture of the goods, to be an acceptable specimen of use. Because the purpose of a trademark is to distinguish goods and to identify their source, a display with a mark need only be sufficiently "associated" with the goods -- whether through written description, visual depiction, or otherwise -- to be an acceptable specimen of use under the Trademark Act.

The Federal Circuit held that the appropriate test for an acceptable website-based specimen is simply that the specimen "must in some way evince that the mark is 'associated' with the goods and serves as an indicator of source." The Federal Circuit set forth the following non-exhaustive list of factors that are relevant in making that determination: (i) whether the website has a "point of sale nature," (ii) "whether the actual features or inherent characteristics of the goods are recognizable from the textual description, given that the more standard the product is, the less comprehensive the textual description need be" and (iii) whether the mark includes the "TM" designation, thereby lending "a degree of visual prominence" to the mark. However, the Federal Circuit made it clear that the

"visual depiction of a product is an important consideration in determining whether a submitted specimen sufficiently associates a mark with the source of the goods," and that "the absence of a picture [may] render website specimens ineffective in many cases."

The Federal Circuit remanded the case to the TTAB for consideration of the evidence as a whole "to determine if Sones' specimen sufficiently associates his mark with his charity bracelets so as to 'identify and distinguish the goods.'"

IV. The Effect of the *Sones* Decision

While many e-commerce websites include pictures of their offered goods, not all do. The Federal Circuit's rejection of the USPTO's bright-line rule that a website-based specimen must be accompanied by a picture should provide greater flexibility for trademark owners to use website-based specimens as acceptable specimens of use. However, the presence of a picture will still be very helpful in establishing that a specimen is acceptable.

It is difficult to predict how the USPTO will apply the Federal Circuit's multi-factor test for website-based specimens of use. Although the new standards should provide greater flexibility for website-based specimens of use, whether the USPTO will accept a pictureless website-based specimen may be rather subjective and examiner-dependent.

Although the *Sones* decision applies specifically to website-based specimens, the USPTO will likely also apply the standards set forth in *Sones* in the context of catalog-based specimens.

V. Recommendations

We recommend taking the following steps when preparing to submit a website or catalog specimen of use to support trademark applications and registrations:

- 1) We recommend that all website and catalog specimens prominently display the mark and provide customers with sufficient information to order the goods.
- 2) We recommend that website and catalog specimens include a picture of the relevant goods near the mark, whenever possible.
- 3) When it is not possible for website or catalog specimens to include a picture of the relevant goods,

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we recommend that the specimens include a detailed textual description of the goods so as to make the actual features or inherent characteristics of the goods recognizable.

- 4) We recommend using the "TM" designation adjacent to the mark on websites and catalogs to help lend a degree of visual prominence to the mark.

Please let us know if you desire any additional information concerning trademark specimens of use.

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