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How to lose your federal trademark registration

By Michael M. Ratoza

There has been an increasing trend of companies failing to take note of the importance of periodic maintenance filings with the Trademark Office in order to maintain existing trademark registrations. One recent case illustrates how a faulty trademark maintenance filing can lead to the loss of the trademark registration.

The Montelvini S.P.A company is a small family-owned winery in Northern Italy, situated in a well-known bucolic wine producing region west of Trieste. Several years ago it obtained a U.S. trademark registration for MONTELVINI VENEGAZZU, for "wines, spirits and liqueurs." This past September, the winery lost its U.S. registration. The circumstances surrounding the loss provide a sharp reminder of how easy a trademark registration can be voided based on careless errors in standard trademark filings.

Montelvini S.P.A. obtained its U.S. registration on the strength of its Italian trademark registration. Once a U.S. trademark issues, a trademark owner is required to make maintenance filings to the U.S. trademark office at regular intervals. These filings confirm the ownership of the trademark, the use of the mark in the U.S. and the identification of the goods or services on which the mark is used. The first such filing is required during the sixth year following registration. Thereafter, filings must be made at each ten-year anniversary.

In making its sixth-year maintenance filing, Montelvini S.P.A. affirmed that its trademark MONTELVINI VENEGAZZU was used in the U.S. on all of the goods listed in the registration, "wines, spirits and liqueurs." This was not true. The trademark was not used on liqueurs in the U.S., although it was being used on wines. One of Montelvini's U.S. wine competitors filed a proceeding to cancel the MONTELVINI VENEGAZZU registration based on the false statement relating to liqueurs.

Montelvini S.P.A. acknowledged that it was not using its trademark on liqueurs in the U.S., but argued to the trademark office that its false statement was not intentional. The error was attributed to an innocent lack of understanding on its part of the filing requirements. The U.S. trademark office took a hard line, as it has been doing over the past several years. It ruled that the filing was signed by Montelvini and, therefore, it was obviously aware that the information in the filing as to the use of its trademark was not accurate. The fact that Montelvini was a foreign trademark owner and not aware of the filing standards of U.S. trademark law was not an excuse. The trademark office held that a trademark owner is under a burden to make certain that the information contained in a trademark filing, including a statement as to the true description of goods or services on which a trademark is used, is accurate. Furthermore, the use by Montelvini of its trademark on some of the listed goods in the U.S., namely wine, did not excuse its false statement relating to the use of the mark on all goods, including liqueurs.

Because the filed statement was false as to the use of the registered trademark on some of the listed goods – liqueurs – even though the statement was accurate as to a portion of the stated use on wine, the U.S. trademark office held that a fraud was committed by the trademark owner in its filing. The registration was cancelled as to all listed goods, including as to wine on which the mark was actually used.

Several advantages available from a registered trademark are lost upon cancellation. The lost registration no longer serves as an automatic block to prevent a registration by another applicant of a same or similar trademark on competing goods. The lost registration no longer



permits the recovery of statutory damages from an infringer. The lost registration no longer provides an evidentiary presumption of valid ownership and use in any infringement claim. The lost registration terminates the ability of U.S. Customs to limit importation of goods bearing the same or similar trademark through U.S. ports. Certainly, the owner of a cancelled registration has a heightened burden in seeking to prevent the use by others of a same or similar mark on competing goods.

The U.S. trademark office has significantly eased the task of making periodic maintenance filings through adoption of standardized forms and the use of electronic filing. The ease by which these forms can be filled out and filed, however, does not imply that the U.S. trademark office is unconcerned with absolute accuracy of the material details set out in these filings. Care must be practiced in describing accurately the goods or services on which a trademark is used. This is particularly true if the trademark owner has modified over time the type of goods or services on which its mark is used.

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