

BRIEFS

The Important Differences



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Between Corporate/LLC Names and Trademarks

This is a common question we get. Knowing the differences can be critical to protecting your company name against infringements.

The Issue: Registering a corporate or LLC name is not a grant of trademark rights to sue infringers.

You plan out your business model. You intend to sell products and/or services using at least a part of your company name on those products or services (e.g., ACME MIDWEST for insurance brokerage services or ALPHA

DOG for pet food). You form your limited liability business with the Secretary of State of the state. As a part of that process, the Secretary of State forces you to select and register your corporate or LLC name (ACME MIDWEST, INC. or ALPHA DOG, LLC).

Registering a corporate or LLC name is just that---it gets your name approved and on the state's corporate registry (a searchable list of corporations or LLCs) as the name you selected for the company. But this is not a grant of trademark rights.

Confusion arises because the corporate name registration statutes talk about giving "the right to use the name". But this is in a very narrow context. It is the "right to use the name" for corporate name purposes. It is a determination by the Secretary of State that the name you picked is not too close to a previously registered corporate name. All that is needed is a one word (and sometimes one or two letter) difference from previously registered corporate names on the list. For example, if you registered ACME MIDWEST, INC., another company could probably register ACME CORP., even if they are in the same business. This is usually different enough for corporate names, but obviously, there could be trademark confusion in the marketplace if the companies used ACME MIDWEST and ACME for the same products or services.



The common misconception is that registering a corporate name with the appropriate Secretary of State, by itself, gives you exclusive rights to use that name in the marketplace as a brand name (a trademark) for your company's products or services. It does not by itself.

A “worst-case” scenario can be as follows. You register your corporate name ACME MIDWEST, INC. with your business formation, but you do not immediately start selling products or services under that name (e.g., ACME MIDWEST insurance services). While you are gearing up to launch your products or services branded under ACME MIDWEST, another competing company that does not have knowledge of your incorporation begins actually selling ACME branded competing insurance services. The bad news is, believe it or not, by being first to use in the marketplace, under trademark law the competitor might get priority of rights to the trademark ACME, even if you had your corporate name registered before they launched their products or services. While the competitor might not be able to force you to change your registered corporate name on the books of the Secretary of State; they may be able to stop you from using that name on the products and services you advertise and sell to the public. This can be a disastrous result.

Solutions: Take the appropriate steps to create and maintain trademark rights in the name.

There is some good news. As indicated above, trademark rights usually depend on who used the name first in the marketplace as a brand name of products or services (and not who won a race to the Secretary of State for a corporate name). Also, in some cases, trademark rights depend on who registered the name as a trademark with an appropriate trademark office before the other party used or registered their trademark.

1. Be the first to use the name as a brand name. One solution is to start selling your products and/or services under the name as soon as possible after, if not contemporaneously, with the formation of your business entity. This improves your chance you get priority of rights in the trademark by being the first to use the name as a brand name in the marketplace. Use the ™ symbol in advertising and marked on any products (e.g., ACME MIDWEST™). You are allowed to use this symbol to inform the public you are claiming trademark rights in the name. You do not need permission from the government to do so. This solution is “self-help”. You do not have any costs or fees with attorneys or trademark offices. Just be the first to use in the marketplace.
2. Apply for a trademark registration at the time you start selling branded products, or earlier, if eligible.
 - a. A Federal Trademark Application, if Eligible and Indicated. If your products or services will be provided at least to two states, undoubtedly the best trademark decision you can make is to file for a federal trademark registration. It requires use in more than one state or at least on products or services that impact several states. Its benefits include, among others: (1) the presumption you have exclusive rights (priority) to use the name on your products and services; and (2) the presumption you have right to use the name on your products and services across the U.S. even if you have not reached all parts of the U.S. yet. Costs typically are around \$1K to apply (includes government filing fee and attorneys' fees). You will know in about 3-6 months if you will be granted the trademark registration. You should budget between a few hundred and another \$1K to answer any questions or comply with any issues that might be raised by the U.S. Trademark Office, or have to provide legal arguments or evidence why you believe you are entitled to the registration. Sometimes such applications are refused by the U.S. Trademark Office. They do a rigorous examination, including a comparison to other filings or registrations that precede yours. But the benefits of getting one, compared to the cost, make it highly advisable to pursue. Furthermore, you can apply up to 3 years in advance of your actual launch of products and services under the name. Called an “intent-to-use” federal trademark application, this helps businesses in the planning stage get a “flag in the ground”, so to speak, on trademark rights well ahead of time. This can be invaluable because filing early sometimes allows you to know before you launch your products and services, that you will get your federal trademark registration. But because there

are eligibility requirements for federal trademark applications, it is best to consult with a trademark attorney before you invest in that strategy.

- b. A State Trademark Application, if Eligible and Indicated. The moment you start selling products or services under your name, you should also consider filing an application for a state trademark registration at least in any state you are selling in. There are several reasons. Even if they normally do not provide the type of benefits of a federal trademark registration, they (1) give some help on priority of trademark rights in the state(s) where granted and (2) are usually examined within a few weeks of filing. Costs are a few hundred dollars each. At a minimum, they can be a big deterrent to competitors adopting similar names. If they see a state trademark registration, they know you invested in trademark protection, and may see unacceptable risk. If you immediately start selling in many states, or likely will do so quite quickly after launching your business, you may want to just file the federal trademark application. Your trademark advisor can answer questions about this. NOTE: Part of the confusion between corporate name registrations and state trademark registrations is that most states have their Secretary of State Office handle both. But, as discussed above, there is a difference in legal effect.

Take Aways

As a part of business planning, decide what brand names you envision, and make early decisions on getting the best trademark position possible. This can include filing early “intent-to-use” federal trademark registrations if indicated.

At a minimum, remember corporate name registration does not itself give any protection of use of the name for products and services in the marketplace. At least at the time of launching products or services under the name, consider filing federal and/or state trademark registrations as indicated. Also, your corporate name does not have to include your brand name. For example, some corporations or LLCs chose a corporate name completely different. For example, instead of ACME WEST, INC., the registered corporation name could be XYZ HOLDING COMPANY, INC. and the signs on the buildings and the advertising could be ACME WEST™.

Disclaimer:

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USPTO Trademark Audit Program



Christine Lebron-Dykeman

Intellectual Property Attorney,
Chair, Trademark Practice Group

Not New, But Seemingly Far More Aggressive

The doctrine “If you don’t use it, you lose it” has always been a tenet of U.S. Trademark Law. In fact, the U.S. is one of the few countries that will not permit registration of trademark/service mark until “commercial use” has been made on every good/service for which the mark will be registered. At the application stage, the USPTO relies on one exemplar specimen of use and Applicant’s declaration testimony that the mark is indeed in use on all products/services.

However, that is no longer the case for maintenance of a registration at the Section 8/15 or Renewal stage. Several years back, the USPTO instituted a pilot program to assess the accuracy of claims of use in registration maintenance filings—wherein 500 registrations were randomly selected for additional proof of use—meaning registrants had to submit additional specimens of products/services identified by the USPTO. In 2017, the audit program became permanent, and recently the USPTO took it up to the next level, requiring a penalty payment of \$250 for each class in which you delete products/services in response to any audit. Further, while back in 2017, audits were few and far between, but now they are happening quite regularly, making the audit seem less random, and more matter of course.

How the USPTO Audit Program Works

Today, any registration that includes at least one class with four or more products or services, or at least two classes with two or more products or services can be audited. The USPTO will self-select additional products/services for which the registrant must establish use. If the registrant does not respond to the audit, the registration is cancelled, and if the registrant does not provide additional specimens for all additional items, the registrant will (a) be forced to pay a \$250/class penalty, and (b) will likely get a second audit mandating the registrant provide use of every single good/service listed in the registration.

What You Should Do

1. Regularly audit your own trademark registrations to confirm you are continuing to use the marks on all the products/services listed in the registration.

2. When time comes to file a Section 8/15 or Renewal, perform a thorough and honest internal review to ensure you are using the mark on all products/services and be prepared to show Proof of Use for all products/services.

Examples Proof of Use

- For products: –
 - Photographs showing the mark on the product or product packaging
 - Photographs showing the mark on a tag or label attached to the products
 - Webpages or catalogs showing the mark on the products for sale (i.e., with an add to cart button)
 - Photographs showing use on sales displays associated with the products (e.g., end caps in stores, trade show booths where the product can be purchased)
 - For services
 - Copies of advertising, such as websites with the URL and date of printing, brochures or flyers showing the mark and describing the services
 - Photographs of the mark on business signage so long as the sign also describes the services (e.g., XYZ Restaurant)
3. If you cannot establish use of any particular product/service, work with your attorney to delete those items from the registration as part of filing the declaration. That way, even if you are audited, you will pass without incident because you will have your proof at the ready.
 4. When filing for new trademarks, be judicious and follow the USPTO specificity requirements to only claim use on products/services your company will actually be offering.

European Patent Oppositions:



Jill N. Link

Partner,
Patent Attorney,
Chair, Licensing Practice Group

A US Patent Attorney Perspective

As a result of the 2020 global pandemic myself and other MVS colleagues have increasingly been participating in European patent oppositions over the past two years. With corporate travel brought to a standstill and the European Patent Office (“EPO”) pivoting to videoconferencing for patent oppositions, I have participated in a number of these proceedings for U.S. clients with our counterpart European counsel (all without the jetlag or amassing frequent flyer miles). In May 2022 I have participated in two oral hearings and have a handful more scheduled through the remainder of the

calendar year. Thereafter, in 2023 the EPO will decide whether to return to in person hearings.

What is a European opposition? It is an administrative challenge filed against a granted European patent. An opposition can be filed by any member of the public (most often a competitor of the patentee). The opposition seeks to invalidate the granted European patent on any number of grounds, such as written description, novelty, or inventive step (i.e. obviousness). It must be timely filed within 9 months of a publication mentioning the patent grant. The EPO aims to issue a decision within approximately 15 months thereafter.

What are the possible outcomes of an opposition? There are 3 outcomes: (1) the patent is maintained and the opposition is rejected, (2) the patent is maintained in an amended form, or (3) the patent is revoked. Like most proceedings the outcome can be appealed (and we’ve participated in these as well). The most common rationale for revocation of a European patent is based on a lack of inventive step (consistent with U.S. practice and obviousness being the primary basis to seek to invalidate a patent). Notably, the outcome of a European opposition applies to all designated European states where the European patent is validated.

Observations to Improve Filings for US and European Protections. To make the most of these opportunities of participating in European oppositions, it is worthwhile to reflect on the opposition outcomes. In particular, to assess how some common U.S. practices can be enhanced to ensure best outcomes in Europe as well.

First, in overseeing or directing prosecution in Europe, it is important to take caution in claim amendments that are made to ensure no content or matter is added (i.e. new matter). This same concern exists in the U.S.; however, the EPO takes a very strict approach to added matter, or anything that extends beyond the content of the application as filed. Interestingly, in Europe the application as filed does not include the abstract or the priority document(s) for an application. Added matter is a common ground asserted in oppositions to challenge a patent

and is often referred to as the “added matter trap” by practitioners. This is often triggered when a narrowing amendment is made, which can feel counterintuitive that a narrowing amendment can in fact be added matter.

Having a multiple dependent claim (MDC) set on entry to Europe (or a priority filing, such as PCT application) can be very helpful to ensure written description of multiple embodiments of the claimed invention. This is often relied upon to show support for all iterations or combinations of components within a claim set. This is important to show that specific combinations of features were disclosed within the application as filed, as opposed to making impermissible ‘selections’ not disclosed within the application. This can differ from U.S. practice where there is often less stringent requirements on claim amendments as long as the feature is disclosed in the specification.

A final observation is the importance of selection of qualified European patent counsel with experience in opposition practice. Much like the importance of use of U.S. counsel with post-grant or litigation experience, the same is true for use of opposition practice in Europe. MVS is fortunate to work with highly skilled European counsel. What a difference this makes in proceeding with the EPO!

There are many factors to be considered when defending or challenging patent applications in all jurisdictions, including before the European Patent Office. These should be discussed with your patent attorney to obtain legal advice specific to your factual scenario. Jill N. Link and other patent attorneys with MVS are available to advise on these matters.

Countries with



**Michael H.
Anderson, Ph.D.**

Intellectual Property Attorney

Protective Patent Law Provisions

Among the many considerations facing foreign patent applicants, it is particularly important to examine national patent laws. For example, some foreign laws limit the filing of patent applications abroad before a national patent application filing or authorization occurs. What happens when a foreign entity or inventor first files a patent application in the U.S. and then subsequently files in her native country? The answer can vary by country and often depends on the nationality of the applicant and the jurisdiction in which the invention was made.

The majority of industrialized countries that have enacted security provisions focus restrictions on the export of technology posing a potential threat to national security. Although these provisions vary substantially between jurisdictions and in some cases are ill-enforced, countries with protective patent laws generally fall into three categories: 1) countries with no security provisions, 2) countries with security provisions which only relate to defense related technology, and 3) countries with security provisions which apply irrespective of invention subject matter.

Countries with Defense Technology Requirements

Generally, the European Patent Convention (EPC) allows for a single application to be filed and prosecuted with the European Patent Office (EPO), and later to obtain a national patent in individual member countries. However, the EPC does permit member countries the discretion to require prior application or authorization in order to safeguard inventions relevant to military purposes. The United Kingdom and Germany represent two chief EU member states requiring prior authorization for defense technology. Similarly, South Korea requires security clearance for inventions that are related to defense technology.

Countries that Require a License for All Inventions

In some countries, like China, nearly all inventions require a foreign filing license. Rules 8 and 9, for example, require entities and individuals wishing to file a patent application based on an invention or utility model “completed” in China to first seek approval from the State Intellectual Property Office (SIPO) via a “secrecy” examination procedure. Rule 9 establishes a four-month waiting period before an applicant can proceed with a foreign patent application filing. Other notable countries with similar licensing requirements include India, Malaysia, Singapore, and New Zealand.

Countries with National-First Filing Requirements

There are also a number of countries with security provisions that require all patent applications to be filed nationally first. These countries do not typically grant foreign filing licenses. For example, Portugal requires applicants with corporate offices or residence in Portugal to first file with the national office unless priority is claimed to a prior national application. The Portuguese Patent Office then sends all filed patents falling within the code section to the Department of Defense Ministry for evaluation of the need to maintain the invention as a secret for national defense purposes. Failure to comply with this requirement forfeits national patent protection. Countries with similar provisions include France and the Russian Federation, although these provisions are often ill enforced. Application of some “national-first” filing laws are complicated by divergent judicial interpretation. The relevant laws of the U.S., for example, apply only to inventions “made in this country.” Similar language appears in the patent laws of Russia and China. In determining the locus of invention, each of these countries generally consider the site of facilities and labor, the place of invention conception, and the location of scientists with background knowledge indispensable to the invention. The relevant U.K. law, by contrast, applies to any “person resident” in the country and applies broadly to any invention made by a U.K. resident anywhere in the world. The “person resident” language also appears in the patent laws of India, Malaysia, Singapore, South Korea, New Zealand, and France.

Countries with No Security Provisions

Although protective provisions are triggered in some countries when inventions are made by nationals of that country, in other countries there appear to be no such restrictions. For example, Australia, Japan, Poland, and Mexico require no security clearance before filing in another jurisdiction. Smaller developing countries generally fall into this category. Indeed, neither Indonesia, Czech Republic, Cyprus, Slovak Republic, Switzerland nor Monaco imposes export controls on inventions originating within their borders.

What Happens



Melissa M. Mitchell
Intellectual Property Attorney

To a Biological Deposit if the Patent Application is Withdrawn or Abandoned?

Under 35 U.S.C. § 112, every patent must include a written description of the invention sufficient to enable a person of skill in the art to make and use the invention. When an invention involves a biological material and words alone are insufficient to describe the invention, the applicant may be required to make the biological material accessible to the public through deposition of a sample at an approved depository. As biological

deposits must be capable of self-replication and long-term storage (30+ years), preparation and maintenance of samples can be scientifically complex and expensive, especially if an applicant wishes to file in multiple countries. Fortunately, an international agreement known as the Budapest Treaty allows an applicant to make a single deposit at any International Depository Authority (“IDA”) to fulfill the written description requirement of any member country’s patent laws.

Consistent with the provisions of the Budapest Treaty, United States patent rules require that biological deposits are made accessible during pendency of the patent application to those determined to be entitled by the Commissioner for Patents. After granting of a patent right, all restrictions on access must be irrevocably removed and the deposit must be made publicly available. As long as a sample is made available to those legally entitled during pendency of the application, United States rules do not require an applicant to make a deposit until the examiner indicates there is allowable subject matter. However, in many other Budapest Treaty countries, a deposit must be made before the filing date of the priority application to maintain foreign priority rights. Accordingly, applicants wishing to file in multiple countries are strongly advised to make a deposit at or before the time of filing. This begs the question: what happens to deposits if the application is withdrawn or abandoned?

In the United States, deposits will not be made public unless and until patent rights are granted. However, other Budapest Treaty countries may have different accessibility laws. The Budapest Treaty recognizes that it is unreasonable for IDAs to be familiar with the patent laws of every member country. Accordingly, [Rule 11](#) of the Budapest Treaty permits IDAs to furnish samples only if the request is accompanied by appropriate authorization OR the patent office of a member country has already notified the IDA that the deposit may be publicly distributed. What does this mean practically for applicants who withdraw or abandon a patent application? Do deposits become public domain? Although procedures may vary between IDAs, we reached out to one of the leading United States depositories, American Type Culture Collection (“[ATCC](#)”) for their guidance:

Per Rule 11 of the Budapest Treaty, the deposit will remain only with ATCC during pendency of the patent application unless there is a request from the patent office or the depositor to furnish the sample to a third party. Once the relevant patent is granted, all restrictions imposed by the depositor on the availability to the public of the deposited material will be irrevocably removed. **The patent deposit will remain restricted if the patent application is abandoned or withdrawn.**



This is reassuring for applicants, especially those filing only in the United States. However, applicants seeking protection outside of the United States should be cautioned that accessibility laws differ from country to country. Thus, public accessibility of biological deposits will ultimately depend on the laws of the country in which patent protection is sought.

Where We'll Be

July 11, 2022

Heidi S. Nebel, Managing Partner and Chair, MVS **Biotechnology and Chemical Practice Group**, Luke T. Mohrhauser, Patent Attorney and Chair, MVS **Mechanical-Electrical Practice Group**, Cassie J. Edgar, Patent Attorney and Chair, MVS **Regulatory Law Practice Group** and Co-Chair, MVS **Data Privacy and Cybersecurity Practice Group**, Kirk M. Hartung, Patent Attorney in the MVS **Mechanical-Electrical Practice Group** and Richard Marsolais, Business Development Director will be attending the **Business Record InnovationIOWA Magazine Launch Party** at Corteva Agriscience in Johnston, Iowa.

July 14, August 11 & September 8, 2022

The Firm will be attending the **Technology Association of Iowa (TAI) AM Tech Brew** in Des Moines, Iowa.

July 19, August 17 & September 14, 2022

Luke T. Mohrhauser, Patent Attorney and Chair, MVS **Mechanical-Electrical Practice Group** and Richard Marsolais, Business Development Director will be attending the **Business Record Envision Iowa 2022 Think Tank Virtual Event Series**. The firm is also a Supporting Sponsor of these events.

July 26-27, 2022

Kevin M. Kercher and Gregory Lars Gunnerson, Intellectual Property Attorneys in the MVS **Mechanical-Electrical Practice Group** will be attending the **InfoAg Conference** in St. Louis, Missouri.

August 4, 2022

The Firm will be attending the **Business Record Women of Influence** event in Des Moines, Iowa.

August 10, 2022

The Firm is a sponsor and will be attending the **Business Record Manufacturing Forecast Virtual Event**.

August 21-25, 2022

Jonathan L. Kennedy, Partner practicing in **Intellectual Property Law and Litigation** will be attending the **American Chemical Society National Meeting & Exposition** in Chicago, Illinois. He will also be attending the Ethics Committee and Executive Committee meetings for the Division of Chemistry and the Law.

August 29, 2022

Luke T. Mohrhauser, Patent Attorney and Chair, MVS **Mechanical-Electrical Practice Group** will be attending the **ABI Executive Open** in Des Moines, Iowa. The firm is also a sponsor of this event.

August 29-30, 2022

Heidi S. Nebel, Managing Partner and Chair, MVS **Biotechnology and Chemical Practice Group** will be attending **The Conversation: An AUTM Leadership Forum** in Denver, Colorado.

September 12, 2022

Sarah M.D. Luth, Intellectual Property Attorney and Co-Chair, MVS **Data Privacy and Cybersecurity Practice Group** will be attending and the firm is sponsoring the **Downtown Des Moines Chamber of Commerce Golf Outing** in Des Moines, Iowa.

September 15, 2022

The Firm is a sponsor and will be attending the **Business Record Power Breakfast** in Des Moines, Iowa.

September 15, 2022

Sarah M.D. Luth, Intellectual Property Attorney and Co-Chair, MVS **Data Privacy and Cybersecurity Practice Group** will be attending the **FemCity DSM Beyond Business Conference** in Des Moines, Iowa. The firm is also a sponsor of the event.

September 26, 2022

Sarah M.D. Luth, Intellectual Property Attorney and Co-Chair, MVS Data Privacy and Cybersecurity Practice Group, Jill N. Link, Pharm.D., Patent Attorney and Chair, MVS Licensing Practice Group and Nicholas J. Krob, Intellectual Property Attorney in the MVS Licensing Practice Group will be attending the Licensing Executives Society, Iowa Chapter Event in Iowa City, Iowa. Sarah will be presenting on data privacy and cybersecurity.

October 4, 2022

Jonathan L. Kennedy, Partner practicing in Intellectual Property Law and Litigation will be attending the South Dakota School of Mines Innovation Expo in Rapid City, South Dakota. The firm is also a sponsor of this event.

October 4 & 5, 2022

Luke T. Mohrhauser, Patent Attorney and Chair, MVS Mechanical-Electrical Practice Group, Kirk M. Hartung, Patent Attorney in the MVS Mechanical-Electrical Practice Group, Richard Marsolais, Business Development Director and other MVS attorneys will be attending the ABI Legends in Manufacturing Awards Dinner and the Manufacturing Conference in Ankeny, Iowa.

October 11-13, 2022

Jill N. Link, Pharm.D., Patent Attorney and Chair, MVS Licensing Practice Group will be attending the AgTech Next Event at Danforth Center in St. Louis, Missouri.

October 14, 2022

Luke T. Mohrhauser, Patent Attorney and Chair, MVS Mechanical-Electrical Practice Group, Richard Marsolais, Business Development Director and other MVS attorneys will be attending the Ag Innovators Unconference in Ames, Iowa.

October 27-29, 2022

Kirk M. Hartung, Patent Attorney in the MVS Mechanical-Electrical Practice Group will be attending the Legus International Fall Meeting in Sacramento, California.



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