

## Court of Appeals for the Federal Circuit Overrules Medinol Fraud Standard in Trademark Matters, Trademark Owners Breathe Sigh of Relief

In a long awaited decision, the United States Court of Appeals for the Federal Circuit has reversed the finding of the Trademark Trial and Appeal Board that Bose Corporation committed fraud in renewing its Registration for the WAVE mark when the mark was not actually in use on all of the goods in the registration. In a case decided August 31, 2009, in re Bose Corporation (case No. 2008-1448) the court held that “there is no fraud if a false misrepresentation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive”. *Id.* at 10. The court went on to say that “when a trademark is still in use, ‘nothing is to be gained from and no public purpose is served by canceling the registration of,’ the trademark.” *Id.* at 11.

This landmark decision does away with the policy of the Trademark Trial and Appeal Board in recent years to find a trademark registration invalid for fraud if a Registrant claims the trademark is in use for all of the goods when the mark is only in use on some of the goods. For approximately the past 5 years, this policy of the Trademark Trial and Appeal Board has placed Registrants and Applicants under the fear that even an inadvertent and unknowing misstatement of fact could jeopardize their registration in its entirety. The new decision does away with this line of cases and returns the trademark practice to a reasonable standard. Although Applicants and Registrants must still be careful in all representations they make to the Trademark Office, the court has reaffirmed the “established rule that intent to deceive is required to find fraud.” *Id.* at 9.

Jack Clifford, a senior trademark attorney at Merchant & Gould, stated “This is a great result for trademark holders throughout the world, and re-establishes a reasonable standard for those registering or maintaining trademarks in the United States.” Clifford went on to state that trademark owners “must continue to be careful about the statements they make under oath to obtain or maintain trademark registrations here, but they no longer need to fear that an unknowing or inadvertent misstatement will result in a finding of fraud and a resulting loss of trademark rights.”

*Please consult your Merchant & Gould attorney for additional information. A copy of the Court's decision is available for download at the following address: <http://www.ca9c.uscourts.gov/opinions/08-1448.pdf>.*