

Pandemic Puts Certain US Trademarks at New Risk

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In addition to untold financial strain, business owners who have had to put their business on hold in the COVID pandemic are struggling with another unforeseen threat: losing their trademark rights. Without a doubt, taking the right steps now is critical to protecting their business interests.

U.S. trademark law, which is ultimately in place to protect consumers, requires trademark holders to continuously use their trademarks or risk being challenged or cancelled for abandonment. This “use it or lose it” rule of thumb becomes even more complex outside the United States, where nonuse cancellation actions are rampant and proof of use is particularly difficult. But, focusing on the United States, it’s critical to understand that according to 15 USC Section 1127, a mark is deemed abandoned if either of the following occurs: when the mark’s use has been discontinued with an intent not to resume such use; or when the owner’s course of conduct causes the mark to become generic. And “intent not to resume” may be inferred from circumstances.

So, what should business owners facing these issues do now? Following is some general guidance:

- **Document your intentions.** If you plan on reopening your business, or to start reselling your products after the end of the pandemic, write an internal memorandum documenting that intent. Be optimistic and make a re-opening plan. Consider sharing your plan with your customer base. This, of course, is sound business advice as well.
- **As much as possible, use the trademark!** Even if you cannot use it in the same manner than you used it pre-pandemic, use is use. So long as the use is actual, and not nominal. If your retail channels are closed, consider launching your sales through an e-commerce platform. If your restaurant marketing business

lost all of its clients, put out content to your mailing list and to the general public. Remember to use your trademark in connection with these efforts. The goal is to keep customers and potential customers engaged and to keep your trademark associated with the goods and services for which you registered.

- **If you are in a business that is completely shut down because of the pandemic, try to keep your brand marketing going.** Let consumers know that you will be back
- **Last, if you think it's over, resist the urge to bid farewell on social media.** A Facebook post from your business page telling your customers that the business is closing and you are moving in another direction is strong evidence of abandonment. If there is a minimal chance that you may relaunch the brand or trademark, resist the urge to "say goodbye." Of course, for legal advice that is right for your company, and based on your unique situation, be sure to contact a trademark attorney with the specialized knowledge to assist you.

Other than actual use in commerce, there is not one specific thing you can do to guarantee your mark will not be cancelled—so you should do as much as possible. U.S. trademark law gives companies the space and time needed to pivot or retool. In simple terms, make sure you document well, both internally and to the public, that your mark is not going anywhere. Instead, you are doing what you have to do to keep yourself, your family, your employees, your customers, and your community safe. Remember, U.S. trademark owners cannot simply revive prior rights to marks which they previously abandoned. And despite the fact that proving abandonment is a difficult mountain to climb, whether in federal court or in the Trademark Trials and Appeal Board, as an owner of a trademark, the last place you want to find yourself at the end of this pandemic is on the receiving end of a cancellation action based on abandonment. If you take the right steps, however, you will be able to protect your intellectual property assets for the day the tides turn and business is once again booming.

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