



WESTCHESTER COUNTY BAR ASSOCIATION NEWSLETTER

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February 2009

Annual Meeting

2009

CHARTING the COURSE for the FUTURE of the WCBA



Join us for the WCBA's Annual Meeting!

The WCBA's Annual Meeting offers a great opportunity to mingle with your peers, while enjoying cocktails and dinner! The Meeting is important, informative and dynamic.

The Annual Meeting will take place on Thursday, March 12 at the Mamaroneck Beach & Yacht Club. The cocktail reception begins at 6pm, followed by the dinner meeting at 7pm. New Officers and Directors of the WCBA will be elected. Certificates of Appreciation will be presented to outgoing Section and Committee Chairs.

The WCBA has a tradition of recognizing our 50 year members at our Annual Meeting and presenting them with a "Fifty-Year Award."

Congratulations to the following WCBA members who have reached the milestone of having practiced law for fifty years. Come to the Annual Meeting to toast the accomplishments of these Bar members!

Hon. Joel Aurnou
William Bandon
Edgar Campbell
Anthony Caputo
Hon. W. Denis Donovan
Leon Greenspan
William Griffin
Jon Hammer

Walter Handelman
William Harrington
Joshua Kaufman
Henry Miller
Michael Romanoff
Mario Sclafani
Peter Tomback

Please join us at the Annual Meeting on March 12 to congratulate our honorees. ■

— For more information and a registration form, please see page 3.

Get A Life

BY SALVATORE A. LAGONIA, ESQ.



“Houston, we have a problem.” Those infamous words spoken by the Command Pilot of the Apollo 13 spacecraft still cause a chill down our spines when we think about the perils that faced the crew of

the spacecraft, blown apart half way between the earth and the moon. Yet, they made it back safely by keeping their heads and using their resources wisely.

I was thinking about the courage and the stress of the three days during which the crew continually faced death as I reviewed some reports the other day. Right on top of my stack of paper was a survey conducted by another bar association that showed that lawyers ranked first in experiencing depression at a rate which is four times higher than the general population. Another study showed that one-third of lawyers showed symptoms of clinical depression or substance abuse, which is double the national average.

We also know that lawyers face burnout,

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Fraud in the United States Patent and Trademark Office Are Your (Clients') Trademark Registrations at Risk?

BY YUVAL H. MARCUS, ESQ.



Since 2003 when the Trademark Trial and Appeal Board (TTAB) of the United States Patent and Trademark Office (PTO) issued its decision in *Medinol v. Neuro Vasx, Inc.*, the TTAB has routinely invalidated trademark registrations based on findings of fraud. The TTAB has applied a strict liability standard that does not require proof of scienter or

intent to defraud. Instead, the TTAB has cancelled trademark registrations where the applicant knew or should have known that certain statements made in trademark applications or renewal declarations were not accurate.¹ This article reviews a few of the TTAB's fraud decisions and suggests ways that trademark owners can mitigate the risk of the loss of trademark rights, and how respondents in TTAB proceedings can use the TTAB's fraud standard to gain a strategic advantage.

Background

Certain documents filed with the PTO as part of the trademark application process must include a signed declaration that states that the information submitted is true and that any willful false statements may jeopardize the validity of the application or any resulting registration. For example, a signed declaration must be filed with use-based trademark applications, Statements of Use and registration renewals. In each of these situations, the applicant or registrant must

identify those goods or services for which the applied-for mark is in use at the time the declaration is submitted. The most common scenario that causes a registration to be vulnerable to cancellation based on fraud occurs where the application from which that registration issued covered more than one type of good or service but the mark was not being used for all of the goods/services listed in the application at the time a declaration was filed.

Medinol and its Progeny

This is precisely what happened in *Medinol v. Neuro Vasx, Inc.*, 67 USPQ2d 1205 (TTAB 2003). In that proceeding, petitioner Medinol sought cancellation of a trademark registration for the mark *Neurovasx* covering "medical devices, namely, neurological stents and catheters." Medinol alleged that Neuro Vasx committed fraud because it filed a Statement of Use stating that the *Neurovasx* mark was in use for stents and catheters, but was never used for stents. Neuro Vasx admitted that it never used the mark on stents and claimed that the inclusion of stents as part of the application was an oversight, an error with no intent to defraud. Neuro Vasx moved to amend its registration to delete stents and for summary judgment on the claim for cancellation based on fraud. The TTAB denied the motions and *sue sponte* granted summary judgment in favor of Medinol finding fraud.

In reaching its determination that the registration should be cancelled based on fraud, the TTAB stated that "a trademark

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applicant commits fraud in procuring a registration when it makes material representations of fact in its declaration that it knows or should know to be false.” In this case, Neuro Vasx knew or should have known that it was not using the *Neurovasx* mark on stents. Prior to signing the Statement of Use declaration, Neuro Vasx’s president had a duty to investigate whether the mark was being used with both stents and catheters. Since the Statement of Use would not have been accepted and registration would not have issued absent the misrepresentation, deletion of stents from the registration after the registration issued does not cure the fraud.

The ramifications of the *Medinol* decision are significant because the entire trademark registration was invalidated notwithstanding that Neuro Vasx did use the *Neurovasx* mark on catheters. Moreover, since the fraud occurred once the false declaration was relied upon by the PTO in deciding to issue a registration, it could not be cured. While the seemingly draconian precedent created by the *Medinol* decision has been followed in many subsequent TTAB decisions, in two decisions, *Hurley Int’l LLC v. Volta*, 82 USPQ2d 1338 (TTAB 2007) and *University Games Corp. v. 20Q.net Inc.*, 87 USPQ2d 1465 (TTAB 2008), the TTAB has carved out limited exceptions.

In *Hurley*, the TTAB stated in *dicta* in a footnote that if a false declaration is filed during the prosecution of a trademark application and an amendment correcting the false statement is filed prior to publication of the application, the resulting registration will not be susceptible to cancellation based on fraud. In its Notice of Opposition against an application for the mark *The Sign* and design for entertainment services, opposer Hurley International LLC alleged likelihood of confusion and non-use of the mark in connection with certain

services. After the Australian applicants admitted in discovery that the mark had not been used for entertainment services in the U. S., Hurley moved for summary judgment based on fraud. That motion was denied because the Notice of Opposition did not allege fraud. Subsequently, the TTAB granted Hurley’s combined motion for leave to amend its Notice of Opposition and for summary judgment. Following the reasoning of *Medinol*, the TTAB held that the applicants knew or should have known that use of the mark in Australia was not the same as use in the U. S. The opposition was sustained and the application was held to be void *ab initio* based on the applicants’ fraudulent misrepresentations in their application that mark was in use, when in fact it was not in use in the U.S.

In a later decision, *University Games Corp. v. 20Q.net Inc.*, the TTAB expanded upon its statement in *Hurley* and held that “the fact that opposer amended its identification of goods during ex parte prosecution constitutes a rebuttable presumption that opposer lacked the willful intent to deceive the Office [PTO].” In that proceeding, University Games Corporation filed a Notice of Opposition against applications filed by 20Q.net Inc. for the marks 20Q and 20Q (stylized) for online games and relied on its registration for the mark *Twenty Questions* for board games. When University Games originally filed its use-based *Twenty Questions* application, however, the application claimed use on t-shirts and promotional items in addition to board games. During the prosecution of that application, in response to an Office Action, the application was amended to delete t-shirts and promotional items. During discovery in the opposition, in response to a 20Q.net interrogatory asking for the identification of all products or services on which the *Twenty Questions* mark had been used, University Games listed board games but did not include t-shirts and promotional items. 20Q.net moved for leave to amend its Answer to assert a counterclaim for cancellation of the *Twenty Questions* registration on the grounds that it was fraudulently procured and also moved for summary judgment. 20Q.net argued that since the *Twenty Questions* application was a use-based application, University Games committed fraud when it filed the application and that its subsequent amendment did not cure the fraud. The TTAB denied 20Q.net’s motion for summary

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US PTO Fraud

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judgment finding that 20Q.net failed to rebut the presumption of no intent to commit defraud that was created because the application was amended prior to publication.

Practice Tips

A few lessons can be learned from these decisions:

1. Prior to filing a use-based trademark application, it is essential to confirm that the mark is in fact in use with each and every good or service listed in the application. To the extent that some goods/services are not in use, it may be preferable to file the application as an intent-to-use application for all of the goods/services or file two applications, one based on use, and the other, based on an intent-to-use.
2. Similarly, for intent-to-use applications, before filing a Statement of Use after the issuance of a Notice of Allowance, it is important to verify that all of the goods/services listed in the Notice of Allowance are in use. If not, do not file a Statement of Use for all of the goods/services listed or the registration that issues will be subject to cancellation based on fraud.
3. Conduct a review of the entire trademark portfolio to assess whether any published applications or issued registrations are vulnerable. If so, file new applications. For applications not yet published, file amendments to delete the goods/services that are not in use.
4. Before asserting trademark registrations in an opposition or cancellation proceeding, make sure to review

the file history for each registration and confirm that no false statements were made either during the application process or when renewals were filed. In particular, for registrations that contain more than one type of good or service, confirm that the mark was in use for all listed goods and services at each time that a declaration was filed.

5. As a defendant in an opposition or cancellation proceeding, serve discovery requests that probe whether the mark in the applications/registrations asserted by the opposer/petitioner was in use for all of the goods/services listed at each point and time when a declaration was submitted to the PTO. This information may be requested in document requests, interrogatories and/or requests for admissions. If the mark was not in use for all goods/services listed, move for leave to amend the Answer to assert counterclaims for cancellation of the registration based on fraud and file a motion for summary judgment. ■

¹ *The TTAB's fraud standard has been challenged and several appeals are now pending before the U.S. Court of Appeals for the Federal Circuit. Until those appeals are decided, however, the TTAB's standard for fraud remains the law in TTAB opposition and cancellation proceedings.*

Yuval H. Marcus, ymarcus@grr.com, is an attorney at Gottlieb, Rackman & Reisman, with offices in White Plains, Manhattan and Garden City. He specializes in all aspects of intellectual property, namely, trademark, trade dress, patent and copyright matters. He is Co-Chair of the WCBA's Intellectual Property, Computer and Telecommunications Law Committee.

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