

Q&A: Fish & Richardson's Cindy J. Walden on the Lanham Act's 75th Anniversary

By Patrick H.J. Hughes

JUNE 4, 2021

(June 4, 2021) - Congress enacted the Lanham Act in the summer of 1946 and the legislation has managed to stand the test of time, despite many changes in the way businesses are run and trademarks are used.

Thomson Reuters asked trademark expert Cindy Johnson Walden to shed some light on the importance of the anniversary.

Thomson Reuters: Can you explain the legislative history behind the Lanham Act? For instance, how did the law get its name and what were the circumstances that brought about its enactment?

Cindy Johnson Walden: The Lanham Act was named after the congressman who introduced the legislation in 1937, Frederick Garland ("Fritz") Lanham, a member of the U.S. House of Representatives from the state of Texas and the chair of the House Committee on Trademarks.

The Lanham Act is the most important piece of legislation that has been enacted in the U.S. to help trademark owners protect and enforce their marks.

The Lanham Act ("Trademark Act of 1946") was signed into law by President Harry Truman in 1946. The purpose of this legislation was to create a nationwide trademark registration system to protect both American business and American consumers. The Lanham Act was the first comprehensive nationwide legislation that outlined a framework for the registration and enforcement of trademarks. It was a major and exciting new piece of legislation at the time and was seen as an important tool to help U.S. businesses develop and protect their valuable brands and grow their businesses.

TR: Why are we celebrating the event? And why is the anniversary important?

CJW: We are celebrating the 75th anniversary of the Lanham Act because it is the most important piece of legislation that has been enacted in the U.S. to help trademark owners protect and enforce their marks, and to protect the public from likelihood of confusion. It is important to reflect back on the origin of the act,

and to recognize and honor the important role the Lanham Act has played over the past 75 years. It is also important to recognize how this act not only has withstood the test of time, but has been modified and adapted to address new issues as needed over time in order to ensure the integrity of the registration system and its continuing role as a foundational piece of legislation to help U.S. businesses and consumers alike.

TR: Is the Lanham Act only important for trademark law practitioners? What aspects of the economy have benefited from the Lanham Act?

CJW: The Lanham Act is not only important for trademark law practitioners, it plays an important role for brand owners and consumers as well. I would say all aspects of the economy have benefited from the Lanham Act; brands are everywhere and touch every industry in America. They play a foundational role in how consumers engage in the marketplace and how companies differentiate themselves. Without a solid, reliable and sophisticated system for helping protect and enforce trademarks, it would be much harder for businesses to flourish and for consumers to be able to rely on trademarks as identifiers of source and quality.

Having a reliable framework for securing and enforcing trademark rights provides companies with confidence in the integrity of our system and in the ability to conduct business in an environment where these rights are valued and protected. The benefits of the Lanham Act are equally available to all brand owners, whether a small, start-up company or a large, well-established company. The same rules apply and I think that is an important aspect to recognize. In the U.S., rights flow from use and it is not the size of the company or the volume of use that dictates the outcome.

TR: How about internationally? Has the Lanham Act had an extraterritorial effect that the 1946 Congress did not predict?

CJW: The Lanham Act can be used in federal courts to allow jurisdiction in disputes when a U.S. trademark is exploited outside the U.S. There are many scenarios in which the extraterritorial reach of the Lanham Act comes into play, but the analysis ultimately revolves around a determination of whether the foreign activity has "substantial effects" in the United States, and whether exercising jurisdiction would interfere with the sovereignty of another nation.

There have been a number of cases over the years that have relied on the extraterritorial effect of the Lanham Act to enforce rights of U.S. trademark owners when there is a “substantial effect” on U.S. commerce or a U.S. trademark owner. Increasingly, courts have expanded the extraterritorial reach of the Lanham Act to apply even when the extraterritorial use has a minimal effect in U.S. commerce (see, e.g., *Trader Joe’s Co. v. Hallatt*, 835 F.3d 960 (9th Cir. 2016) (where the infringing sales were solely made outside the U.S., but the conduct was alleged to fit within the broad scope of “all commerce that may be regulated by Congress.”)).

TR: In what ways has the Lanham Act changed over the years?

CJW: The Lanham Act has been modified over the years to address new issues and challenges facing both brand owners and consumers.

The most significant revisions to the Lanham Act include:

1984 – Trademark Counterfeiting Act

1988 – Trademark Law Revision Act

1995 – Federal Dilution Act

1999 – Anticybersquatting Consumer Protection Act

2021 – Trademark Modernization Act

In addition, the recent U.S. Supreme Court decisions in the following cases have modified the Lanham Act:

- 2017 – *Matal v. Tam*, 137 S. Ct. 1744 (2017) – The U.S. Supreme Court ruled that a provision of Section 2(a) of the Lanham Act, 15 U.S.C.A. § 1052(a), that denied registration to trademarks seen as disparaging an individual or group was an unconstitutional restriction of applicant’s freedom of speech;
- 2019 – *Iancu v. Brunetti*, 139 S. Ct. 2294 (2019) – The U.S. Supreme Court ruled that a provision of Section 2(a) denying registration to any trademarks consisting of immoral or scandalous matter was an unconstitutional restriction of applicant’s freedom of speech.

Overall the Lanham Act has adapted to the times, while retaining the core framework for protecting and enforcing trademark rights. As technology and innovation have created new and different products and services and as the U.S. marketplace evolves, so too have the needs of brand owners and U.S. consumers to be able to protect their trademarks and to be free from infringement and marketplace confusion.

TR: You mention the Trademark Modernization Act. Will this legislation profoundly change the Lanham Act? And, if so, in what ways?

CJW: The Trademark Modernization Act (“TMA”) was enacted to address a number of growing issues and frustrations, including an effort to provide additional tools to help clean up the “dead wood” on the USPTO register, to submit letters of protest, and to challenge fraudulent filings.

The TMA also includes a provision that will shorten the time to respond to refusals, which should help brand owners obtain registrations more expeditiously and, conversely, move fraudulent or deficient filings out of the system more efficiently. One of the most important provisions of the TMA is that it restored the presumption of irreparable harm for trademark owners seeking an injunction in recognition of the fact that damage to reputation of a brand is difficult to quantify monetarily. These provisions should all be very helpful in improving the ability of brand owners to secure registrations and enforce rights more efficiently, though there is still much more work to be done to help address the problem of fraudulent filings at the USPTO.

The Lanham Act has adapted to the times, while retaining the core framework for protecting and enforcing trademark rights.

TR: The U.S. Patent and Trademark Office and the State Bar of Texas’ Intellectual Property Law Section are planning to commemorate the Lanham Act’s 75th Anniversary. Can you tell us a little about the event?

CJW: The USPTO and the State Bar of Texas have teamed up to offer a 75th Anniversary commemoration event to celebrate the passage of the Lanham Act on June 17-18, 2021. This virtual event includes an impressive roster of federal and Texas government officials, USPTO officials, lawmakers, judges and practitioners. U.S. Secretary of Commerce Gina Raimondo, Commissioner of Trademarks David Gooder, Register of Copyrights Shira Perlmutter, Chief Judge Gerard Rogers of the Trademark Trial and Appeal Board, and numerous other officials will share their thoughts and advice on U.S. trademark practice and important milestones in the practice of trademark law and the evolution of the Lanham Act that have occurred over the past 75 years.

This article was published on Westlaw Today on June 4, 2021.

ABOUT THE AUTHOR



Cynthia Walden is a principal in the Boston office of **Fish & Richardson PC** and the leader of the firm's trademark and copyright practice group. She advises clients in the U.S. and around the world on all aspects of brand protection and enforcement, and over the past 26 years has cultivated expertise in the array of issues that arise in connection with developing, using, registering, licensing and enforcing trademarks. She can be reached at walden@fr.com.

Thomson Reuters develops and delivers intelligent information and solutions for professionals, connecting and empowering global markets. We enable professionals to make the decisions that matter most, all powered by the world's most trusted news organization.