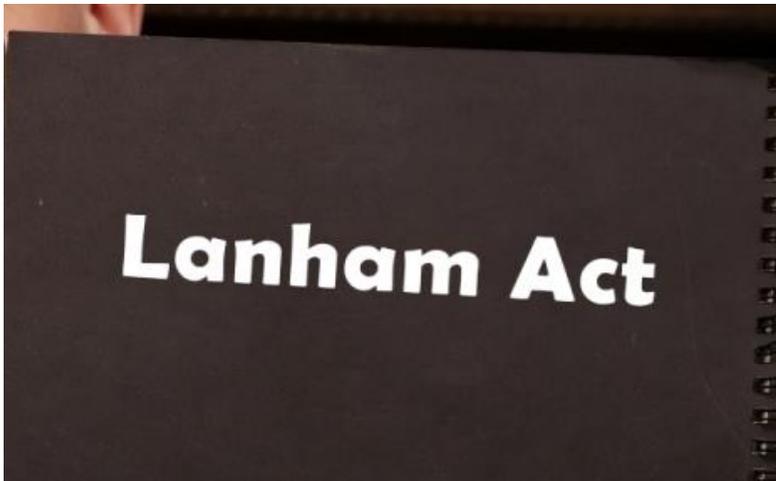




Brand owner's friend: the Lanham Act at 75

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The Trademark Act of 1946 has changed over the decades but remains a bedrock of US trademark law, says Cindy Walden of Fish & Richardson.

As we celebrate the 75th anniversary of the Lanham Act this year, it is widely acknowledged as the most important piece of legislation that has been enacted in the US to help trademark owners protect and enforce their trademarks and to protect consumers from confusion in the marketplace.

While trademarks have been used and enforced in some manner in the US for centuries, the first comprehensive federal legislation governing the registration and enforcement of trademarks was not enacted until 1946. Congressman Frederick Garland ("Fritz") Lanham, a member of the US House of Representatives from the state of Texas, first introduced this legislation in 1937 in his role as the chair of the House Committee on Trademarks.

Nine years later, the Lanham Act (Trademark Act of 1946), 15 USC §1051, was signed into law by President Harry Truman on July 5, 1946. The purpose of this legislation was to create a federal trademark registration system and provide rules that would govern the enforcement of trademark rights on a nationwide basis, with the dual goal of helping businesses protect their valuable trademark rights

and helping protect consumers from confusion in the marketplace. Back in 1946, the Lanham Act was a major and exciting new piece of legislation, and it was seen as an important tool to help US businesses develop and protect their brands and grow their businesses. When reflecting on the important role the Lanham Act has played over the years, it is notable how well it has withstood the test of time, but also how it has been modified and adapted over the years when needed in order to keep pace with new issues and challenges facing trademark owners and the marketplace. The Lanham Act was, and still is, the cornerstone of trademark jurisprudence in the US.

Changes to the Lanham Act

The Lanham Act has been modified several times over the years to address new issues and challenges facing both brand owners and consumers arising from developments in the marketplace as well technological. The most significant revisions to the Lanham Act are:

1984—Trademark Counterfeiting Act

This act was enacted to address the serious and growing problem of trademark counterfeiting that was costing US businesses dearly. The legislation that amended the Lanham Act to add these provisions to address trademark counterfeiting also included adding a new provision to Title 18 of the US Code (18 USC §2330) to make intentional trafficking or attempted trafficking in counterfeit goods a federal crime with stiff penalties including a prison sentence for up to five years and a fines of up to \$1 million with those penalties being trebled for recidivist counterfeiters.

1988—Trademark Law Revision Act

This included a number of updates to the Lanham Act, the most notable of which were: (1) permitting the filing of trademark applications based on the bona fide intention to use a trademark in commerce and setting the requirements for “intent to use” applications; (2) requiring deletion of marks off the register where in the 6th year the registrant does not file the required affidavit of use; and (3) codifying the 10-year duration of a federal trademark registration.

1995—Federal Dilution Act

This act created a federal cause of action to protect famous marks from unauthorised use and to prevent the dilution of the distinctive quality of such marks, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury. To establish a claim the mark must have become famous before use of the allegedly diluting mark began.

1999—Anticybersquatting Consumer Protection Act

This act provided a cause of action against anyone who with bad faith intent to profit from the goodwill of another’s trademark, registers, traffics in or uses a domain name that is identical or confusingly similar to a distinctive mark.

2020—Trademark Modernization Act

This was enacted to address several growing issues and frustrations with the obstacles created by registrations that are not in use and by fraudulent filings. The Trademark Modernization Act (TMA) created new tools for trademark owners to clean up “deadwood” off the register and challenge false or inaccurate claims of trademark rights (expungement and re-examination procedures). The TMA also provides for shorter time frames 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. Importantly, the TMA 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.

The Lanham Act has also recently been modified by two ground-breaking US Supreme Court decisions:

2017—*Matal v Tam*

In this case, the US Supreme Court ruled that a provision of Section 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*

In this case, the US Supreme Court ruled that the provision of Section 2(a) of the Lanham Act that denied registration to any trademarks consisting of immoral or scandalous matter, was an unconstitutional restriction of applicant’s freedom of speech.

Over the past 75 years, the Lanham Act adapted to the times, while building upon and refining the core framework for protecting and enforcing trademark rights in the US. As technology and innovation have created new and different products and services and as the marketplace evolves, so to have the needs of brand owners and consumers to be able to protect their trademarks and to be free from infringement and marketplace confusion.

Future potential modifications

While the recent Trademark Modernization Act included measures to enable brand owners to take action to address the obstacles created by registrations for marks not in use and fraudulent filings, given the increasing number of fraudulent filings at the USPTO there will likely be a push for further modifications of the Lanham Act to incorporate more restrictions designed to prevent and invalidate fraudulent filings.

Another area where the trademark landscape is constantly evolving due to technological advancements and the crafty sophistication of infringers and counterfeiters, and where the law will inevitably need to be amended to provide enhanced protections, is the infringement and counterfeiting of trademarks in the global digital marketplace. The ever-increasing volume of business done online and the ease and speed with which trademark infringers and counterfeiters can reach a broad audience and execute their fraudulent schemes and sales of infringing and counterfeit products is a growing problem that impacts US brand owners and consumers alike.

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Amendments to the Lanham Act that to provide additional regulations and stiffer penalties for trademark counterfeiters and those conducting fraudulent schemes through the unauthorised use of the trademarks, business names and domain names of others would not be a surprising development in the coming years.

Given the current trends in trademark cases related to First Amendment and free speech issues, it is possible that there will be some further amendments to the Lanham Act that attempt to grapple with and clarify the balance between the rights of brand owners to protect their valuable trademarks and the free speech protection afforded to expressive works.

Finally, as the US continues to engage in discussions with other countries regarding free trade agreements, it is possible that there will be amendments to the Lanham Act designed to further harmonise US trademark law with trademark laws in other countries and to clarify the extraterritorial reach of the Lanham Act. There have been several cases over the years that have relied on the extraterritorial effect of the Lanham Act to enforce rights of US trademark owners when there is a “substantial effect” on US commerce or a US 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 US commerce (see, e.g., *Trade Joe’s Co v Hallatt* [2016]) (where the infringing sales were solely made outside the US, but the conduct was alleged to fit within the broad scope of “all commerce that may be regulated by Congress”).

Summary

The Lanham Act has played a pivotal role in helping brand owners protect and enforce their valuable trademark rights in the US over the past 75 years. It has provided a solid, reliable and sophisticated framework the registration and enforcement of trademark rights and it has withstood the test of time while evolving, when necessary, through amendments that have been enacted based on marketplace issues and the need for better tools to address them. The beauty of the Lanham Act is that it is robust, and it continues to evolve to the benefit of brand owners and consumers alike.

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