

The Untold Story of the Concurrent Use Trademark Registration

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Usually buried in footnotes of textbooks and law review articles, the “concurrent use” trademark registration rarely is the topic of a thoughtful legal discussion among practitioners. Sure, it is in the Lanham Act, and yes, there might be more Bigfoot sightings than the number of concurrent use registrations.¹ However, are they plausible options for trademark owners?² This article unveils that mystery and tells the untold story of the concurrent use registration.

To set the stage, consider the following hypothetical. For decades, a family has owned and operated the local MARCA’s restaurant, which has developed a loyal following in its town. Tired of the weekly grind of running the restaurant, the parents want to step back and let their children take over the business. Although the children hope to carry on the MARCA’s name in honor of their parents’ blood, sweat, and tears in running the business, they lack interest in running the restaurant day-to-day and instead suggest franchising.

This proposal sounds like a great plan until the family discovers *another* MARCA’s restaurant 2,000 miles away, operating on the other side of the country. Yes, the marks for each restaurant are identical. And yes, the marks both identify restaurants. However, neither the family nor the owners of the other MARCA’s restaurant have federally registered the MARCA’s mark in connection with restaurant services. The family now wonders whether it



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1. To better understand the rarity of concurrent use registrations, see Barton Beebe & Jeanne C. Fromer, *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion*, 131 HARV. L. REV. 945 (2018) (explaining that, of the 5.9 million federal trademark applications for the Principal Register at the United States Patent and Trademark Office (USPTO) between 1985 and 2014, 604 applications resulted in concurrent use registrations). According to one website, there are that many Bigfoot sightings in Washington state alone. See Trevor Wheelwright, *States with the Most Bigfoot Sightings*, SATELLITEINTERNET.COM (July 20, 2020), <https://www.satelliteinternet.com/resources/states-with-the-most-bigfoot-sightings>.

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even has a trademark or whether it can register the MARCA's mark now that it knows of the other restaurant. The family not only questions whether franchising is still an option, but it also questions whether it can continue using the MARCA's name for its own restaurant.

Unfortunately for this hypothetical family, the actual answers—like all things in the law—will depend on many factors. This article strives to unpack these questions and concerns.

I. The Basics of Trademarks and Why to Register Them

A trademark is a word, name, design, symbol, slogan, sound, or smell (or some combination thereof) that (1) *identifies* a single source of certain goods or services; and (2) *distinguishes* those goods and services from others.² Trademarks in the United States are created from *use* of a mark in connection with specific goods and services. This reality—that use creates trademark rights—means that trademarks can exist even if not registered at the state or federal level. Without a federal registration, however, the trademark owner's rights are limited to the area where the trademark has been used and, depending on the case law, where the trademark owner's "zone of natural expansion" extends.³

When a trademark's "use" (or its intended use) comprises "use in commerce" falling within Congress's power under the Commerce Clause,⁴ the trademark owner can apply to register the mark with the United States Patent and Trademark Office (USPTO) to protect its mark throughout the entirety of the United States.⁵ The registration gives the trademark owner priority over others who adopt a confusingly similar mark after the application filing date, even if they are in other parts of the country where the trademark owner has not yet "used" the mark. Registrations are still subject to anyone else's common-law trademark rights that existed before the application filing date.⁶

In the context of franchising, franchisors should register their marks with the USPTO for several reasons. These reasons include that the franchisor (1) will increase its ability to expand use of the mark across the country; (2) will strengthen its enforcement capabilities against infringing third parties and holdover franchisees; (3) can mitigate the risk of its, and its franchisees', infringement of other parties' marks; (4) can take advantage of exemptions

2. 15 U.S.C. § 1127.

3. See 5 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 26:20 (5th ed. 2017).

4. Larry Harmon Pictures Corp. v. Williams Rest. Corp., 929 F.2d 662, 664 (Fed. Cir. 1991) (citing U.S. CONST. art. I, § 8).

5. The three forms of "commerce" captured by the Commerce Clause are (1) interstate commerce; (2) territorial commerce (i.e., commerce with a U.S. territory, such as Guam, Puerto Rico, American Samoa, or the U.S. Virgin Islands); or (3) commerce between the United States and a foreign country. See, e.g., U.S. PATENT & TRADEMARK OFFICE, U.S. DEP'T OF COMMERCE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 901.03 [hereinafter TMEP].

6. See 5 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, *supra* note 3, § 16:18.50.

from certain state business opportunity laws;⁷ and (5) can avoid the need to include certain statutory language in Item 13 of the Franchise Disclosure Document (FDD), as required by the Federal Trade Commission's Franchise Rule.⁸ In addition, and although not specific to franchisors, a federal registration will require the USPTO to block subsequent applications for confusingly similar marks, which further deters parties from using infringing marks. Just having a registration—which is easily locatable through the search function on the USPTO's website⁹—gives notice to others and may stop similar applications from even being filed.

Furthermore, trademarks registered on the USPTO's Principal Register receive certain benefits, such as the presumptions of validity, ownership, and exclusivity to the mark, along with the possibility of the mark becoming incontestable.¹⁰ Registration on the Principal Register also helps with certain online enforcement activities, such as on the Amazon[®] Brand Registry,¹¹ and also with enforcement by U.S. Customs.¹² As is well known and reiterated in the franchise world, franchisors consistently point to their principal registered trademark or service mark as one of their most valuable assets.

Federal trademark registrations are aimed to grant exclusivity throughout the country to one owner of a particular mark for use with designated goods and services. Congress, however, also created a mechanism that affords multiple users of the same mark in completely separate geographic areas the chance of each obtaining a federal registration.¹³ As a result, a “middle ground” took shape in the form of concurrent use trademark registrations granted to more than one owner.

7. Franchisors who offer franchises pursuant to a franchise disclosure document (FDD) that complies with the Federal Trade Commission's Franchise Rule will not be subject to a majority of state business opportunity laws; however, if a franchisor federally registers its trademark or service mark, the business opportunity laws of the following states may also be exempt: Connecticut (CONN. GEN. STAT. ANN. § 36b-61), Georgia (GA. CODE ANN. § 10-1-410), Louisiana (LA. STAT. ANN. § 51:1821), Maine (ME. REV. STAT. tit. 32, § 4691), North Carolina (N.C. GEN. STAT. ANN. § 66-94), and South Carolina (S.C. CODE ANN. § 39-57-20).

8. 16 C.F.R. § 436.5 (providing that, if the franchisor's trademark is not registered on the Principal Register of the USPTO, the FDD must include the following statement in Item 13: “We do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.”).

9. See UNITED STATES PATENT AND TRADEMARK OFFICE, TRADEMARK ELECTRONIC SEARCH SYSTEM, <https://www.uspto.gov/trademarks/search> [hereinafter TESS].

10. 15 U.S.C. §§ 1057(b), 1065, 1115(a), 1115(b).

11. Amazon has launched a service called the Amazon Brand Registry (<https://brandservices.amazon.com/>), which allows trademark owners to “register” their marks with Amazon to help mitigate infringing uses in Amazon's marketplace.

12. TMEP, *supra* note 5, § 801.02(a); see also U.S. Customs & Border Protection, *How to Obtain Border Enforcement of Trademarks and Copyrights*, <https://iprr.cbp.gov> (last visited Oct. 25, 2021).

13. See 15 U.S.C. §1052(d).

II. Procedural Aspects of Concurrent Use Trademark Registrations

15 U.S.C. §1052(d) codifies the USPTO's power to grant concurrent registrations for similar marks that are not likely to confuse the public, and it states:

[I]f the [USPTO] Director determines that confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods on or in connection with which such marks are used, concurrent registrations may be issued to such persons when they have become entitled to use such marks as a result of their concurrent lawful use in commerce prior to (1) the earliest of the filing dates of the applications pending or of any registration issued under this chapter. . . .

The United States Trademark Trial and Appeal Board (TTAB) has since taken steps to set the standard for granting concurrent use registrations.¹⁴ Under the TTAB's standard, two conditions precedent must exist: (1) the parties must be entitled to concurrent lawful use of the marks in commerce, and (2) there must be no likelihood of confusion, mistake, or deception in the marketplace as to the source of the goods or services resulting from the marks' concurrent use.¹⁵ In practice, three primary routes lead to a concurrent use registration: (a) if the applicant raises the issue in an application; (b) if the issue arises in opposition or cancellation proceedings before the TTAB; or (c) when a court determines that more than one person is entitled to use the same or similar marks in commerce.¹⁶

For the first route, an applicant believing it is entitled to a concurrent use registration can raise the issue in its own trademark application with the USPTO. To do so, the applicant should provide (a) the geographic area, the goods or services, and the mode of use with respect to its desired registration; and (b) to applicant's knowledge, the details of others' concurrent lawful use, including the names and addresses of each, whether the others own any relevant applications or registrations, and where, and for how long, the others have used their marks.¹⁷ These other users are the "excepted users."¹⁸ The applicant could include the concurrent use request in the initial application or could amend an unrestricted application to one seeking a concurrent use registration.¹⁹

Unless the applicant relies on a court or TTAB decision, or on the consent of the other party holding a registration, the applicant must show that its "date of first use in commerce is before the filing date of the pending applications or of any registrations issued under the Trademark Act of

14. *America's Best Franchising, Inc. v. Abbott*, 2013 WL 3168104, at *8 (T.T.A.B. 2013).

15. *Id.* at *8 (citing *In re Beatrice Foods Co.*, 429 F.2d 466, 473-74 (C.C.P.A. 1970)).

16. See U.S. PATENT & TRADEMARK OFFICE, U.S. DEP'T OF COMMERCE, TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE § 1102.02 (citing 15 U.S.C. § 1052(d)) [hereinafter TBMP].

17. *Id.* § 1102.02; see also TMEP, *supra* note 5, § 1207.04.

18. TMEP, *supra* note 5, § 1207.

19. *Id.* § 1207.04(b).

1946.²⁰ This includes the filing date of any federal application that may be filed by any excepted users.²¹

If the basic requirements for a concurrent use application are met and there are no other issues with the application, it is published for opposition with a qualifier that the bounds of any concurrent use remain subject to review. If no opposition is filed, or if any opposition that is filed is dismissed or withdrawn, the TTAB will institute the concurrent use proceeding and determine such available concurrent use rights.²²

Applicants cannot rely on an intent-to-use filing basis under 15 U.S.C. § 1051(b) (a “Section 1(b) filing”) or a foreign asset filing basis under 15 U.S.C. § 1126 (a “Section 44” filing) or 15 U.S.C. § 1141f(a) (a “Section 66(a)” filing) for concurrent use proceedings.²³ Only applicants that allege actual use under 15 U.S.C. § 1051(a) may proceed. This approach makes sense, because the applicant seeks a concurrent *use* registration, so it must already use the mark. In addition, applications for registration on the Supplemental Register cannot mature into concurrent use registrations.²⁴

A second route to a concurrent use registration comes in opposition and cancellation proceedings among disputing trademark owners.²⁵ An opposition occurs where a third party opposes an applicant’s registration on the Principal Register during the publication period in the USPTO’s *Official Gazette*.²⁶ While similar to an opposition, a cancellation occurs after the mark has been federally registered, where a third party seeks to cancel the registration.²⁷ In both situations, the third party must claim that it believes it will be “damaged” by the registration.²⁸ If concurrent use issues arise in these cases, the opposition or cancellation proceeding is not converted into a concurrent use proceeding *per se*, but, rather, the instituted opposition or cancellation proceeding is terminated and a subsequent concurrent use proceeding is immediately instituted thereafter.²⁹

The USPTO’s *Trademark Manual of Examining Procedure* (TMEP) sets forth four common examples of concurrent use issues arising in opposition

20. *Id.* § 1207.04(c).

21. *Id.*

22. *Id.* § 1207.04(e)(1).

23. *Id.* § 1103.01(a); *see also* TBMP, *supra* note 16, § 1105.

24. TBMP, *supra* note 16, § 1105. The Supplemental Register is a secondary register that allows marks to become federally registered that have not yet proven their distinctiveness from other sources in the marketplace. *See* 15 U.S.C. §§ 1091–1096. For example, an applicant who applies for an otherwise descriptive mark on the Principal Register will often amend the application to be registered on the Supplemental Register until the applicant can prove that its mark has distinctively identified the applicant’s goods or services from competitors. Often, and depending on the mark, the USPTO will accept five years of continuous use of the mark as *prima facie* evidence that the mark has acquired the necessary distinctiveness to be worthy of the Principal Register. *See* 15 U.S.C. § 1052(f).

25. TMEP, *supra* note 5, § 1113.01.

26. TBMP, *supra* note 16, § 301.01.

27. *Id.*

28. *Id.*

29. *Id.* § 1113.01–1113.02.

proceedings: (1) a specified party in the applicant's concurrent use application opposes the application;³⁰ (2) an unspecified party opposes the applicant's concurrent use application and files a concurrent use application in parallel, naming the applicant's use as an exception;³¹ (3) an unspecified party opposes the applicant's concurrent use application, but does not file a concurrent use application, whereby the applicant amends its application to exclude the opposing party's use;³² and (4) a party opposes the applicant's *unrestricted* application (i.e., not a concurrent use application) and the applicant moves to amend its application to a concurrent use application.³³

Where concurrent use issues arise in cancellation proceedings, typically the third party files a concurrent use application and also petitions to cancel an existing registration in parallel, upon which the TTAB may defer to the concurrent use proceeding and terminate the cancellation proceeding.³⁴ However, if the cancellation proceeding is not terminated, and a decision in the cancellation proceeding is adverse to the respondent, the respondent may still be able to file a new application seeking a concurrent registration with the petitioner.³⁵ That said, a registrant may not file a request under 15 U.S.C. § 1057(e) (a "Section 7(e)" filing) to amend the territoriality of the existing registration, whether a cancellation proceeding has been filed or not.³⁶ Additionally, even "incontestable" registrations are subject to concurrent use registration proceedings.³⁷

Through all these examples, the core factual disputes typically involve (1) whether a senior user only used its mark in one geographical area, while a junior user used the mark in a different one, such that there was no meaningful likelihood of confusion among the public; and (2) in which parts of the country each party is entitled to a registration. In some cases, the junior user may even receive a much larger territory than the senior user if the senior user has, "through its failure to expand over a long period of time," abandoned its right to use the mark throughout the entire United States.³⁸

30. See *id.* § 1113.01 (explaining that an applicant who admits that it is not entitled to an unrestricted registration warrants a concurrent use proceeding rather than an opposition proceeding).

31. See *id.* § 1113.01 (explaining that the TTAB will suspend the opposition until the opposer's concurrent use application is published and there are no oppositions).

32. *Id.* § 1113.01.

33. See *id.* (providing that if the opposer consents to the amendment, the opposition will be dismissed without prejudice, and the concurrent use proceeding will be instituted).

34. *Id.* § 1113.02.

35. *Id.*

36. *Id.* § 1114.

37. *Id.* § 1105 (providing, however, that "any registration issued to the concurrent use applicant against the owner of an incontestable registration will be limited (even if applicant is the prior user) to applicant's area of actual use prior to actual or constructive notice of registrant's rights, unless the parties stipulate otherwise.").

38. See *id.* § 1103.01(d)(2).

A third route to concurrent use registrations is a judicial decision that “more than one person is entitled to use the same or similar marks in commerce.”³⁹

Regardless of the route, either the TTAB or a court will have to decide whether both parties are entitled to registration and whether consumers are unlikely to be confused, mistaken, or deceived as to the source of the goods or services resulting from the continued concurrent use of the marks. The case law, discussed in the next section, contains a number of important decisions that have fleshed out the law surrounding concurrent use applications and registrations.

III. The Relevant Case Law

A. *The Foundation: The Weiner King Case*

One of the foundational cases discussing concurrent use is *Weiner King, Inc. v. Wiener King Corp.* from the U.S. Court of Customs and Patent Appeals, a predecessor to the Federal Circuit.⁴⁰ The case has a detailed factual and procedural history, but provides a great discussion of basic concepts of concurrent use rights and is routinely cited by subsequent concurrent use cases.⁴¹

The “original” Weiner King began using its mark in 1962 for a restaurant in Flemington, New Jersey.⁴² It opened additional restaurants in Flemington and had other locations in New Jersey.⁴³ However, it did not apply to register its trademark until 1975.⁴⁴

Unaware of the “original” Weiner King, a different restaurant in North Carolina began using its own Wiener King mark in 1970.⁴⁵ That junior user, “Wiener King North Carolina” or “WKNC” (as the court labeled it), obtained three federal trademark registrations without opposition covering the WIENER KING marks.⁴⁶ By 1972, WKNC had eleven company-owned restaurants in operation using the marks.⁴⁷ After WKNC learned about the “senior” Weiner King, it nonetheless continued expanding and began offering franchises.⁴⁸ By 1975, WKNC’s system had more than one hundred facilities in twenty states that were either open, under construction, or under site development.⁴⁹

WKNC filed applications to register additional WIENER KING marks, later seeking to amend those applications to carve out certain counties in

39. See *id.* § 1102.02.

40. *Weiner King, Inc. v. Wiener King Corp.*, 615 F.2d 512 (C.C.P.A. 1980).

41. *Id.* at 514–19.

42. *Id.* at 515.

43. *Id.*

44. *Id.*

45. *Id.*

46. *Id.* at 516.

47. *Id.*

48. *Id.*

49. *Id.*

New Jersey where the “original” Weiner King was located.⁵⁰ Soon thereafter, the “original” Weiner King petitioned to cancel WKNC’s existing registrations, filed its own territorially unrestricted applications, and sued WKNC in the U.S. District Court for the District of New Jersey.⁵¹ The USPTO declared concurrent use proceedings between the parties before the TTAB, which consolidated and stayed all the proceedings pending the outcome of the federal court litigation.⁵²

The result of the civil litigation was to grant the “original” Weiner King an injunction against WKNC, but only in the areas of the “original” Weiner King’s use.⁵³ The remaining issues concerning registration and concurrent use were left for the TTAB to decide.⁵⁴

The TTAB then granted the “original” Weiner King’s petitions to cancel to the extent that WKNC’s registrations were restricted to exclude the “original” Weiner King’s trading area in New Jersey (as determined by the TTAB).⁵⁵ The TTAB also granted WKNC’s new applications, subject to an amendment restricting them to exclude that same “original” Weiner King’s trading area.⁵⁶ In short, the TTAB determined that the application of the “original” Weiner King, although the senior user, was limited to its trading area in New Jersey.⁵⁷

On appeal, the Court of Customs and Patent Appeals (in the role now held by the Federal Circuit) affirmed most of the TTAB’s decision.⁵⁸ The court observed that, even though the “original” Weiner King was the “first to adopt and use its mark,” WKNC “innocently adopt[ed] its mark . . . in a market area remote from that of [the ‘original’] Weiner King’s market area. Under such circumstances, it is settled law that each party has a right to use its mark in its own initial area of use.”⁵⁹

The court explained how trademark cases are based on equity, and equity, like nature, “abhors a vacuum.”⁶⁰ In such a situation, the TTAB had the “task of balancing the equities between a prior user who remained content to operate a small, locally oriented business with no apparent desire to expand, and who, until recently, declined to seek the benefits of Lanham Act registration, and a subsequent user, whose expressed purpose has been, from its inception, to expand into a nationwide franchising operation, and who has fulfilled that purpose, taking advantage of registration under the Lanham Act in the process.”⁶¹ Also, notably, the court further explained that it was

50. *Id.*

51. *Id.*

52. *Id.*

53. *Id.* at 516–17.

54. *Id.* at 517.

55. *Id.* at 519.

56. *Id.*

57. *Id.*

58. *Id.* at 521–26.

59. *Id.* at 522.

60. *Id.*

61. *Id.*

not bad faith, under the specific facts of the case, for WKNC to expand after learning of the “original” Weiner King’s trademarks, as “mere knowledge of the existence of the prior user should not, by itself, constitute bad faith.”⁶²

Against this backdrop, the court set out certain criteria relevant to “who gets what territory,” explaining that “actual use in a territory was not necessary to establish rights in that territory.”⁶³ The inquiry should focus on the following for each party:

- (1) previous business activity;
- (2) previous expansion or lack thereof;
- (3) dominance of contiguous areas;
- (4) presently planned expansion; and, where applicable,
- (5) possible market penetration by means of products brought in from other areas.⁶⁴

The court also emphasized that WKNC was the first to seek registration and confirmed that “there is a policy of encouraging prompt registration of marks by rewarding those who first seek registration under the Lanham Act.”⁶⁵ The court also looked to the purpose of the Lanham Act, which is to prevent consumer confusion.⁶⁶ Considering this purpose, the court referred to the TTAB’s finding that, outside of the “original” Weiner King’s “little enclave,” the Wiener King brand was identified with WKNC, which had expanded considerably to many other states.⁶⁷ Giving the “original” Weiner King rights beyond its “enclave” would risk creating confusion with WKNC, which is what the Lanham Act was intended to prevent.⁶⁸ The court did conclude that the “original” Weiner King had shown rights to its zones of reputation and natural expansion in portions of New Jersey, but otherwise found in favor of WKNC as to the rest of the United States, even though WKNC was the junior user.⁶⁹

Weiner King may be an older case, but it lays out many important principles about concurrent use. It also describes a situation in which, depending on the equities, the junior user may end up with greater geographic rights than the senior user, which is significant.

62. *Id.* Additionally, in a footnote, the court further explained that “[w]hile it is clear that appropriation of a mark with knowledge that it is being used by another is not in good faith, it does not follow that a later user who has adopted in good faith must forego any further expansion after learning of the prior user.” *Id.* at 522 n.6.

63. *Id.* at 523 (citing *In re Beatrice Foods*, 429 F.2d 466, 475 (C.C.P.A. 1970)).

64. *Weiner King, Inc. v. Wiener King Corp.*, 615 F.2d 512, 523 (C.C.P.A. 1980).

65. *Id.*

66. *Id.* at 524.

67. *Id.*

68. *Id.*

69. *Id.* at 524–26.

B. *Taking Weiner King to Modern Media: The Copy Club and Tribolite Cases*

In 2006, in *CDS, Inc. v. I.C.E.D. Management, Inc.*, the TTAB relied on *Weiner King* in a concurrent use case involving THE COPY CLUB mark for use in connection with various document copying, processing, and publishing services.⁷⁰

There, the junior user, CDS, filed a concurrent use application for THE COPY CLUB to cover the states of Utah, New Jersey, New York, Connecticut, Pennsylvania, Kansas, and Missouri.⁷¹ The senior user, I.C.E.D. Management, Inc. (ICED), owned an unrestricted federal registration for COPY CLUB.⁷² Nevertheless, and despite having a first use date in 1992, ICED did not apply for its registration until 2004.⁷³ In the meantime, CDS began using its mark in 1993, outside of ICED's area, satisfying the TTAB's requirement for jurisdiction in a concurrent use proceeding (i.e., the junior user began lawful use of its mark outside of the senior user's area before that senior user's application for registration).⁷⁴ ICED (the senior user) had not used its mark in any of the seven states that CDS claimed in its concurrent use application, and, by the time of the proceedings before the TTAB, CDS had stopped any use in areas overlapping with those of ICED.⁷⁵

In its decision, the TTAB explained the general rule that ICED, "as the registrant and prior user is entitled to a registration covering the entire United States, including areas of its use and non-use, subject only to the exception of geographic areas where the junior user can prove prior use. The junior user is, in effect, frozen in its area of prior use."⁷⁶ However, and referring to *Weiner King*, the TTAB clarified that "the area of 'prior use' includes more than areas of actual use," because "actual use in a territory was not necessary to establish rights in that territory."⁷⁷ Analyzing the evidence in light of the five factors set forth in *Weiner King*, the TTAB concluded that CDS had not established its use in the states of Utah, New Jersey, New York, Connecticut, and Pennsylvania, but had established use across Kansas and parts of Missouri.⁷⁸

However, the TTAB then considered the likelihood of confusion between the marks if the parties received registrations for these respective territories: Kansas and part of Missouri for CDS, and the rest of the United States for

70. *CDS, Inc. v. I.C.E.D. Mgmt., Inc.*, 2006 WL 1968616 (T.T.A.B. 2006).

71. *Id.* at *1. CDS initially asked to include Texas and California, but later dropped those states. *Id.* at *1 n.2.

72. *Id.* at *1-2.

73. *Id.* at *3, *8.

74. *Id.* at *8.

75. *Id.* at *8-9.

76. *Id.* at *9 (quoting *Enter. Rent-A-Car Co. v. Advantage Rent-A-Car, Inc.*, 330 F.3d 1333 (Fed. Cir. 2003)).

77. *CDS, Inc. v. I.C.E.D. Mgmt., Inc.*, 2006 WL 1968616, at *9 (T.T.A.B. 2006) (quoting *Weiner King, Inc. v. Wiener King Corp.*, 615 F.2d 512,523 (C.C.P.A. 1980)).

78. *CDS, Inc.*, 2006 WL 1968616, at *11.

ICED.⁷⁹ Both parties advertised on the Internet, and ICED believed that this fact could still lead to confusion.⁸⁰ The TTAB commented that it did not believe “that the creation of the Internet has rendered the concurrent use provision of the Trademark Act moot” and referred to pre-Internet cases in which marks could be used in different territories, even if advertising and customer solicitation occurred in overlapping areas.⁸¹ The TTAB also noted a disclaimer on CDS’s website explaining that it only did business in the seven states claimed in its application, states in which ICED had not done business.⁸²

Based on the full record, the TTAB concluded that concurrent use registrations could issue, with CDS (the junior user) having rights in Kansas and parts of Missouri, and ICED (the senior user) having rights in the rest of the United States.⁸³

Almost eight years later, the TTAB decided *Turdin v. Trilobite, Ltd.*, in which it relied on the principles set out in *Weiner King* to determine that concurrent use registrations were inappropriate for the mark TRILOBITE for use with audiovisual recording and production services, even in areas where the parties’ actual use did not overlap.⁸⁴

The senior user of the TRILOBITE mark was Trilobite, Ltd., formed in 1982 in Michigan.⁸⁵ It had used the TRILOBITE mark for videos regarding sporting events and news stories, fictional works, and animations, and had worked with companies that produced content for cable television shows, such as Food Network, “DIY,” and “HDTV.”⁸⁶ Based on its use, Trilobite Ltd. filed geographically unrestricted applications to register TRILOBITE in 2009.⁸⁷

The junior user, Peter Turdin, started using TRILOBITE PICTURES in January 2000 in Connecticut.⁸⁸ He claimed to use the mark in the fictional film and media industry, including directing films, writing scripts, editing films, and film animation.⁸⁹ He sought a concurrent use registration giving him rights in Connecticut and New York City.⁹⁰

Although Trilobite, the senior user, had not performed any work in or received any orders from Connecticut, it claimed its “products” had appeared in Connecticut and been consumed by customers there.⁹¹ It also claimed to have “a lot” of clients in New York City, including NBC, ABC, CBS, and Fox.⁹²

79. *Id.* at *12.

80. *Id.*

81. *Id.*

82. *Id.* at *13.

83. *Id.* at *15.

84. *Turdin v. Trilobite, Ltd.*, 2014 WL 343270 (T.T.A.B. 2014).

85. *Id.* at *3.

86. *Id.*

87. *Id.* at *1 nn.2–3.

88. *Id.* at *3.

89. *Id.*

90. *Id.* at *2.

91. *Id.* at *3.

92. *Id.*

The TTAB determined that Turdin met the threshold requirement for a concurrent use proceeding because he had begun lawful use of his mark before the filing of Trilobite's application.⁹³ The TTAB then concluded that Trilobite had used its mark in various locations, including New York City, but not Connecticut, while Turdin had used his mark in Connecticut and New York City.⁹⁴ Therefore, there was territorial overlap in New York City, but not in Connecticut.⁹⁵

After establishing the territories of use, the TTAB then discussed the likelihood of confusion if the parties used their marks in their respective territories.⁹⁶ The TTAB determined that there would be likely confusion in New York, especially given the overlapping territory.⁹⁷ As to Connecticut, Trilobite (the senior user) had no evidence of any previous business activity or planned expansion there, but the senior user testified about an overlap of people who live in Connecticut and work in New York, where it did use the TRILOBITE mark.⁹⁸ Under these facts, the TTAB felt that Turdin, the junior user, had not carried his burden and refused the concurrent use registration.⁹⁹

The TTAB had noted the "well established" rule that, "where the trading territories of concurrent users overlap in actual use, that fact precludes the granting of concurrent use registrations."¹⁰⁰ Here, even though the territories of actual use did not completely overlap, and even though the junior user had used the mark in a distinct geographical area before the senior user's application to register, the TTAB found the junior user not entitled to a concurrent use registration at all.

C. *Concurrent Use in the Franchise World: The America's Best Franchising Case*

In 2013, the franchise legal community witnessed a practical example of concurrent use proceedings in action in *America's Best Franchising, Inc. v. Abbott*.¹⁰¹ In that case, America's Best Franchising, Inc. (ABF), a franchisor of several hotel brands, filed three intent-to-use applications to register the 3 PALMS mark (and certain designs), initially without any geographic limitations.¹⁰² Roger Abbott (Abbott), who owned a hotel through his "related company" that was also using a 3 PALMS mark in Scottsdale, Arizona, opposed ABF's applications based on his prior use of that mark.¹⁰³ In response to the oppositions, ABF moved to amend its applications to cover the entire United States

93. *Id.* at *5.

94. *Id.* at *5–9.

95. *Id.* at *9.

96. *Id.* at *9–13.

97. *Id.* at *12.

98. *Id.*

99. *Id.* at *13.

100. *Id.* at *5.

101. *America's Best Franchising, Inc. v. Abbott*, 2013 WL 3168104 (T.T.A.B. 2013).

102. *Id.* at *1.

103. *Id.* at *1 n.2, *3.

except the state of Arizona and conceded Abbott's prior use of the mark in Arizona.¹⁰⁴ The TTAB then instituted the concurrent use proceeding in light of ABF's amendment.¹⁰⁵

Abbott argued that ABF was not entitled to concurrent use registration of the 3 PALMS mark, because, although Abbott only used the mark in connection with a Scottsdale hotel, "the Internet marketing, advertising and promotion of hotels by necessity has expanded [Abbott's] territory nationwide or to something significantly greater than the state of Arizona."¹⁰⁶ Further, Abbott claimed that approximately fifty percent of his hotel's customers came from outside of Arizona and "100 percent of [its] business [came] from online marketing."¹⁰⁷

Citing to *Weimer King* and *CDS*, the TTAB held that the first condition precedent was met, because "ABF adopted its marks in good faith, in its own geographic area of Central Florida, and without knowledge of Abbott's prior use of 3 PALMS."¹⁰⁸ Additionally, the TTAB concluded that ABF began using the mark before the date that Abbott filed his own geographically unrestricted application.¹⁰⁹ However, the next step in the analysis led the TTAB to review what *registerable* rights the parties were entitled to receive.¹¹⁰ The TTAB, quoting a Court of Customs and Patent Appeals decision, stated:

We have concluded that in concurrent use proceedings in which neither party owns a registration for the mark, the starting point for any determination as to the extent to which the registrations are to be territorially restricted should be the conclusion that the prior user is prima facie entitled to a registration covering the entire United States. Such a prior user, who applies for a registration before registration is granted to another party, is entitled to a registration having nationwide effect no less than if there were no concurrent user having registrable rights. His rights and, therefore, his registration, should be limited only to the extent that any other subsequent user, who can establish the existence of rights earlier than the prior user's application for registration, can also prove a likelihood of confusion, mistake or deception.¹¹¹

The TTAB then analyzed whether confusion was likely.¹¹² It found the services were identical and the literal elements of the marks were in part identical.¹¹³ Although "consumers may very well be confused if the parties' marks were used in the same geographic area," that question was not before the TTAB.¹¹⁴ The question, instead, was "whether a likelihood of confusion would be avoided by a geographic restriction."¹¹⁵

104. *Id.* at *1.

105. *Id.*

106. *Id.*

107. *Id.* at *4–5.

108. *Id.* at *9.

109. *Id.*

110. *Id.* at *10.

111. *Id.* (quoting *In re Beatrice Foods*, 429 F.2d 466, 474 (C.C.P.A. 1970)).

112. *Id.* at *10–11.

113. *Id.*

114. *Id.* at *11.

115. *Id.*

The TTAB held that, so long as the geographic restriction was appropriate, confusion was unlikely for several reasons.¹¹⁶ First, many marks incorporating the term PALM identified hotel services across the Internet and other marketing channels and could co-exist on the Principal Register, proving Abbott's mark to be quite weak, which "significantly minimize[d] the likelihood of consumer confusion."¹¹⁷ "Second, and perhaps more importantly, a geographic restriction would make confusion unlikely, especially where purchasers have been conditioned, when faced with hotel marks containing the terms PALM or PALMS, or designs comprised of palm trees, to consider other factors when choosing a hotel."¹¹⁸ Consumers may see advertisements online for certain hotels, but the services that such mark owners provide are aligned with specific locations.¹¹⁹ The mere "fact that both parties' services are promoted and offered online is not enough to result in a likelihood of confusion."¹²⁰ Lastly, despite certain overlap on the Internet for approximately four years, it did not purport to result in actual consumer confusion, and the TTAB held that to be "at least somewhat relevant."¹²¹

Having found confusion unlikely, the TTAB set out to define the parties' respective territories.¹²² Citing to *Weiner King*, the TTAB explained that ABF should be rewarded with the greater territory, as it was the first party to file for registration and was actively expanding, while Abbott's use of the 3 PALMS mark had remained static in Scottsdale, Arizona.¹²³ As a result, the TTAB awarded ABF the entire United States except the state of Arizona, which remained with Abbott.¹²⁴

IV. Practical Takeaways After Understanding the Landscape

Trademark cases are necessarily fact-dependent and not susceptible to bright-line rules. That said, these cases allow for a few observations.

Parties can have concurrent rights and can be entitled to concurrent use registrations. This reality means that junior users may have an option to seek such rights rather than re-branding their concept, so long as the junior party began lawful use of its mark in its own area before the senior user's application and if the parties' concurrent uses are unlikely to cause confusion. As in *Weiner King* and *America's Best Franchising*, the equities may favor a junior

116. *Id.*

117. *Id.* (citing, among other authority, *King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 1401 (C.C.P.A. 1974)).

118. *Id.* at *12.

119. *Id.* ("Hotel services are by definition rendered in a particular geographic location, even if they are also offered, by the same ultimate source, in other geographic locations under the same mark. In fact, a hotel's physical location is among its most salient features. . . .")

120. *Id.* at *14.

121. *Id.* at *15.

122. *Id.* at *15-17.

123. *Id.* at *17.

124. *Id.* at *18.

user who applies first to register and has shown a more diligent effort to expand use nationwide, essentially “flipping the script” and giving greater territorial rights to the junior user, even if “actual use” has not occurred in all of the requested territory.

However, practitioners should know that the parties’ goods and services, and the proximity of their respective territories will play a critical role. Sometimes, as in *CDS*, the parties’ territories may be physically separate such that confusion is unlikely, even if consumers in both territories are exposed to both parties’ advertising over the Internet.¹²⁵ In other cases, however, as in *Trilobite*, a junior user can start lawful use in its own territory, but may be so close to the senior user’s territory that confusion is still likely, at least to the point that the junior party cannot show its entitlement to a concurrent use registration.

For franchisors (and potential franchisors), the cases provide another reminder of the benefits of seeking federal registration early in the process. Concurrent use issues can be messy, but could usually be avoided if the senior user had applied to register prior to the junior user’s adoption of the mark. After all, for the TTAB to have jurisdiction to consider a concurrent use proceeding, the junior user must have begun lawful use of its mark outside of the senior user’s area *before* that senior user’s application for registration.¹²⁶ That said, the franchisor (or potential franchisor) may not always be the senior user. If that is the case, all may not be lost if the franchisor can still meet the concurrent use registration requirements. The franchisor, even if a junior user, may still be able to obtain the benefits of a federal registration, albeit one that is limited geographically.

V. What About the Family-Owned MARCA’s Restaurant?

Returning to the hypothetical family looking to franchise the MARCA’s restaurant, the family will need to understand the timing and scope of how and when the other MARCA’s restaurant started using the mark, and whether the other MARCA’s has registered, or filed an application to register, the mark with the USPTO. These datapoints will help the family determine the bounds and potential coverage of its MARCA’s mark and its exclusivity, if any. Even if the other MARCA’s started using the mark first, the family may not be out of luck if the other MARCA’s has not applied to register the mark—or applied after the family started its use—and as long as the parties’ territories are distinct so that confusion is unlikely. The family could consider filing a concurrent use application, listing the “other” MARCA’s as an

125. For a more detailed analysis regarding the Internet’s impact on the co-existence of marks, see Matthew Bender & Company, Inc., *Proving Ownership Online . . . And Keeping It: The Internet’s Impact on Trademark Use and Coexistence* (2014), https://www.brinksgilson.com/files/gilson_on_trademarks_article_2014.pdf.

126. See, e.g., *CDS, Inc. v. I.C.E.D. Mgmt., Inc.*, 2006 WL 1968616, at *8 (T.T.A.B. 2006).

excepted user in a specific location, which, of course, can be tailored according to the facts and in the best light reasonably possible for the family. Then, the process can take its course; the family may ultimately still obtain a federal registration, at least for part of the country, and it may set the stage for a larger negotiation with the other MARCA's about trademark and franchise rights. Concurrent use trademark registrations, therefore, may still provide a way forward, even for junior trademark users.