The Concurrent Use of Trademarks in Different Geographical Locations

Generally, trademark owners have exclusive rights to use their mark to label or identify their goods and/or services. However, trademarks may overlap under either of the following circumstances:

1. In different industries; or
2. In different geographical locations.

The most frequently litigated of these exceptions has been the concurrent use of trademarks in different geographical locations, as courts have had to determine the appropriate geographical scope of territorial priority rights in a particular trademark.

Concurrent Use in Different Geographical Areas

Although two companies must typically use an entirely different mark in order to avoid confusing the public as to who makes what, courts have typically permitted concurrent use of the same or similar mark by restaurants in different parts of the country. The rationale behind permitting concurrent use of a mark in different geographical areas is that there is little likelihood of confusion.

For example, in *Weiner King, Inc. v. Wiener King Corp.*, the federal district court permitted concurrent use of "Weiner King" as a mark for restaurants featuring hot dogs in New Jersey and "Wiener King" as a mark for restaurants in North Carolina. Similarly, in *Pinocchio's Pizza Inc. v. Sandra Inc.*, the court permitted concurrent use of "PINOCCHIO'S" as a mark for restaurants in Maryland and "PINOCCHIOS" as a mark for restaurants located elsewhere in the country.

Concurrent Use Application and Proceedings

The Trademark Trial and Appeal Board (the Board) holds a concurrent use proceeding to determine whether an applicant is entitled to concurrent registration of a trademark. In order to initiate a concurrent use proceeding, a concurrent user must submit a concurrent use application, in which the applicant meets the following criteria:

1. Concedes that its use is not exclusive
2. Specifies the goods and/or services and area or mode of use for which the applicant desires registration
Identifies one or more persons which concurrently use the same or similar mark for the same or similar goods or services.

Provides certain information concerning use of the mark by each listed concurrent user.

Under Section 1052(d) of the federal Lanham Act, the Board Director may issue concurrent registrations upon finding 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."

Further, an applicant is only entitled to concurrent registration if they have used the mark in commerce prior to the applicable date specified in the provision.

**Priority of Use Test to Determine Ownership**

The generally accepted rule on how to determine ownership of trademark rights is by the "first use date." Specifically, the priority of use standard dictates that the first to actually use a mark in the sale of goods or services gains exclusive rights to the mark in the geographic area in which the mark is actually used.

In addition to gaining ownership rights in a trademark by way of actual use of the mark in a specific geographical area, ownership rights may also come from "constructive use." Under this theory, federal registration of a trademark with the U.S. Patent and Trademark Office (PTO) raises the presumption that the registrant owns the mark, and fixes the registrant's nationwide priority rights in the mark. However, federal registration of a mark does not give the registrant priority over others who have previously used the mark in commerce. As such, federal registration by one mark user places the burden on a concurrent user to show their prior and continued use of the mark.

**Geographical Range of Prior Use**

The Lanham Act requires the Board Director to "prescribe conditions and limitations as to the mode or place of use of the mark" in issuing concurrent registrations. Typically, the Director will grant territorial priority in a mark to the "senior user" who has applied for federal registration (as discussed above). However, the territorial rights of a senior user are subject to the rights of a "junior user" who has used the mark prior to the senior user's application for federal registration.

When actual use of a mark by a senior user has been limited, courts frequently consider four factors to determine territorial priority in a mark, including:

1. The volume of sales of the product in a particular geographical location
2. Growth trends in the area
3. The market penetration as a function of the total product market
4. The amount of advertising
If a senior user satisfies the aforementioned criteria, actual use of a mark in a territory is not necessary to establish priority in the mark. Because pre-existing federal registration gives a registrant nationwide priority in a mark, it is important to conduct a trademark search before becoming committed to a particular trademark and using it in a particular geographical location.

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