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[Laboring Over Concurrent Trademark Registrations & Frozen Trademark Rights](#)

Posted on September 6, 2010 by [Steve Baird](#)



Today marks the end of the 2010 Minnesota State Fair.

Sad day, but Happy Labor Day!

It also marks an opportunity to talk a bit about the frequently encountered question of trademark priority, frozen trademark rights, the creation of common law trademark rights, and the frequently forgotten concurrent registration trademark tool, using my favorite frozen custard stand at the MN State Fair, as a laboratory and an example:



No doubt, a [clever play on words](#), and a great [inherently distinctive](#) name and mark for a frozen custard business.



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Turns out, a frozen custard [business in the Kansas City, Missouri area](#) thought so too, so what to do? Who was first and where, and whether any federally-registered rights exist, will have a lot to do with the respective naming rights and the geographic scope of any common law trademark rights.

Since the folks in Kansas City had the foresight to [federally register](#), they filed a federal registration application on August 30, 2001, a couple of years after their claimed first use on November 5, 1999, with a registration certificate issuing on November 12, 2002, and without knowing when the use began in Minnesota, and assuming the dates set forth in the registration are accurate, here is a proposed three-way framework of analysis and some thoughts to consider, depending which side of the fence you might find yourself or your client, in a fact pattern like this:

Scenario A: MN-CLS's First Use Predates KC-CLS's First Use Date of November 5, 1999 --

1. Normally one with priority -- like MN-CLS has in [Scenario A](#) -- may petition to cancel a confusingly similar trademark registration (thereby freeing itself of any impairment to expand), but since KC-CLS's registration is more than five years old, MN-CLS is unable to do so based on priority and likelihood of confusion, it is limited to seeking cancellation on other less commonly viable grounds such as fraud and/or abandonment;
2. This delay by MN-CLS may be costly to its rights because its common law rights may be frozen (no pun intended) to the geographic scope of those rights as of KC-CLS's filing date of August 30, 2001, making any later geographic expansion a possible violation of KC-CLS's rights;
3. MN-CLS's best position for having the freedom of geographic expansion is to seek a concurrent use registration, requesting some equitable allocation of the entire area within the United States; and
4. If MN-CLS doesn't care about geographic expansion, the use it had prior to KC-CLS's filing date of August 30, 2001, most likely, is safe, and most likely, cannot be disturbed by KC-CLS.

Scenario B: MN-CLS's First Use After KC's First Use, But Before Filing Date of August 30, 2001 --

1. As was the case in [Scenario A](#), since KC-CLS's registration is protected by the five year statute of limitations, running from the date of registration in 2002, and for the additional reason that MN-CLS lacks priority over KC-CLS's first use, cancellation of KC-CLS's registration is not possible on priority and likelihood of confusion grounds, so the most likely remaining way to attempt to knock out KC-CLS's registration (to avoid impairment of its ability to freely expand) would be on fraud and/or abandonment grounds;
2. As such, MN-CLS may want to probe whether KC-CLS ceased operations for a period of time sufficient to abandon rights, since a Section 8 Declaration of Use was filed (which only requires current use to maintain the registration), without the typical accompanying Section 15 Declaration (which more strenuously requires continuous use for the preceding five years, etc.), so this may be a possible abandonment red flag to explore;
3. Assuming KC-CLS's registration is not subject to cancellation, MN-CLS's common law rights are most likely frozen to where they were as of KC-CLS's filing date of August 30, 2001, unless MN-CLS pursues and obtains a concurrent use registration; and



4. If MN-CLS doesn't care about expansion, the use it had prior to KC-CLS's filing date of August 30, 2001, most likely, is safe, and most likely, cannot be disturbed by KC-CLS, provided MN-CLS was a good faith adopter in an area geographically remote from KC-CLS's prior common law rights.

Scenario C: MN's First Use After KC's Filing Date of August 30, 2001 --

1. MN-CLS may have stepped in it, and it is probably living on borrowed time without being in control of its own destiny, assuming there is no basis upon which to cancel KC-CLS's registration;
2. Even if MN-CLS had no actual knowledge of KC-CLS, its continued use in Minnesota is vulnerable to a complaint by KC-CLS, since the registration KC-CLS obtained treats KC-CLS as though it constructively used the "Custer's Last Stand" mark throughout Minnesota as of the filing date of August 30, 2001, prior to MN-CLS's first use in Minnesota.

Takeaways:

So, this framework of analysis doesn't necessarily cover all possible factual scenarios and outcomes, but it is a good starting point for evaluating the respective rights of the parties in these all-too-common trademark fact patterns, where many forget about the concurrent use registration angle.

At least one more takeaway from this framework should be apparent: Those who register their rights early -- and for those who don't, but who monitor the Trademark Office filings, taking appropriate action within the first five years of a prior conflicting registration -- generally are rewarded under the trademark law more than those who sleep on their rights and delay their registration efforts.

Perhaps, no surprise, at least, until you and/or your client steps in the chocolate custard.

What kind of success have you encountered when pursuing concurrent use registrations to avoid the freezing effect of otherwise conflicting trademark registrations?

