

15.13 Infringement—Elements—Ownership—Generally

The law entitles the trademark owner to exclude others from using that trademark. A person acquires the right to exclude others from using a trademark by lawfully using it first in the marketplace or by lawfully using it before the alleged infringer. [A person also acquires the right to exclude others from using a trademark if industry or public usage creates, for a majority of [relevant] consumers, an association between the person and the mark prior to the alleged infringer's use.]

[If you find the plaintiff [name]'s [describe trademark] to be valid [that is, inherently distinctive] you must consider whether the plaintiff [name] used the [describe trademark] as a trademark for plaintiff [name]'s [identify the plaintiff's product] before the defendant [name] began to use the [describe trademark] to market its [identify the defendant's product] in the area where the plaintiff [name] sells its [identify the plaintiff's product].]

[A trademark is “used” for purposes of this instruction when it is transported or sold in commerce and the trademark is attached to the product, or placed on its label or container [or if that is not practical, placed on documents associated with the goods or their sale].]

[If the plaintiff [name] has not shown by a preponderance of the evidence that the plaintiff [name] used [describe trademark] before the defendant [name], then you cannot conclude that the plaintiff [name] is the owner of the trademark [for purposes of Instruction [insert number of instruction regarding Infringement—Elements—Presumed Validity and Ownership—Registered Marks, e.g., 15.8].]

Comment

This instruction is for use in a case involving an inherently distinctive mark. It reflects the traditional concept that trademark rights belong to the party who first makes an actual use of the trademark in business. *See Rolley v. Younghusband*, 204 F.2d 209 (9th Cir. 1953). However, if the trademark at issue is not inherently distinctive (but its validity was shown by proof of it acquiring secondary meaning), this instruction is not appropriate. In such a case, priority is established by the party who first uses the mark with secondary meaning. Accordingly, the plaintiff must prove the existence of secondary meaning in its trademark at the time and place that the junior user first began use of that mark. *Carter-Wallace, Inc. v. Procter & Gamble Co.*, 434 F.2d 794 (9th Cir. 1970).

In trademark law, the standard test of ownership is priority of use. *See Sengoku Works Ltd. v. RMC Int'l, Ltd.*, 96 F.3d 1217, 1219 (9th Cir. 1996). “To acquire ownership of a trademark it is not enough to have invented the mark first or even to have registered it first; the party claiming ownership must have been the first to actually use the mark in the sale of goods or services.” *Id.* A person also acquires the right to exclude others from using a trademark if a person acquires a “constructive use date” under 15 U.S.C. § 1051, or an “extension of protection” under 15 U.S.C. § 1141. *Lodestar Anstalt v. Bacardi & Co.*, 31 F.4th 1228,

1237-38 (9th Cir. 2022). The test of ownership is different if a person acquires a right to exclude under either of those statutes. *See id.*

Sometimes, mark ownership is a jury question. When the jury is to determine the ownership of a mark between manufacturer and distributor, see *Sengoku Works Ltd.*, 96 F.3d at 1219 (reviewing jury instructions and factors for determining such mark ownership). *See* Comment to Instruction 15.17 (Trademark Ownership—Merchant or Distributor). *See also* Instruction 15.16 (Trademark Ownership—Licensee). In such a case, this instruction should be revised accordingly. The determination of priority of ownership is a question for the jury when it is a genuine issue of material fact. *See Grupo Gigante SA De CV v. Dallo & Co., Inc.*, 391 F.3d 1088, 1093-94, 1098-99, 1106-07 (9th Cir. 2004) (expressing no opinion as to whether evidence presented in case was sufficient as matter of law to establish that mark was famous for application of trademark priority principles).

In cases when the validity of the trademark is a result of its acquiring secondary meaning (*e.g.*, a descriptive mark with secondary meaning), add the following in lieu of the third and fourth paragraphs:

If the plaintiff [*name*]'s [*describe trademark*] is not inherently distinctive, but the plaintiff [*name*] has shown that the trademark is descriptive and that the trademark has acquired secondary meaning, the plaintiff [*name*] has the burden of showing by a preponderance of the evidence that the plaintiff [*name*]'s [*describe trademark*] had gained secondary meaning before the defendant [*name*] first began to use the [*describe trademark*].

Trademark priority and the right to exclude others from using a trademark depend not merely on first use but on *lawful* first use. *See AK Futures LLC v. Boyd St. Distro, LLC*,
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F.4th 682, 689 (9th Cir. 2022) (citing *CreAgri, Inc. v. USANA Health Scis., Inc.*, 474 F.3d 626, 630 (9th Cir. 2007)). However, “illegal activity of insufficient gravity or connection to a mark’s use in commerce might not defeat an otherwise valid trademark.” *Id.*

Under the “Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks,” June 27, 1989, T.I.A.S. No. 03-1102, commonly known as the “Madrid Protocol,” an individual or entity that possesses trademark protection in another country can apply for an extension of protection in the U.S., which will function like trademark registration in the U.S., without requiring use of the mark in U.S. commerce. *Lodestar Anstalt*, 31 F.4th at 1237-38. Any such applicant will receive protection, even if the applicant is unable to show that it has used the relevant mark in U.S. commerce, so long as the applicant declares a bona fide intent to use the mark in U.S. commerce. *Id.* at 1238. However, a failure to file a statement of use in commerce within the applicable time period will result in the cancellation of the extension of protection under 15 U.S.C. § 1141. *Id.* at 1238. *See* 15 U.S.C. § 1127

(defining “commerce” to include “all commerce which may lawfully be regulated by Congress.”).

However, under the Madrid Protocol, an entity or individual with a right of priority will only be entitled to bring an infringement action after it begins actual use (as opposed to mere constructive use) of the mark in question. *Id.* at 1250. Moreover, that entity or individual will be entitled to bring an infringement action, even if it only began to use the mark after the competing user had already begun to do so. *Id.* That said, to retain a right of priority, the mark’s use must be a bona fide use and a genuine commercial endeavor, rather than a mere effort to retain rights in the mark. *Id.* at 1255. And, to assert a claim for infringement, the individual with a right of priority would still have to demonstrate the requisite likelihood of confusion and prevail against the defendant’s applicable defenses. *Id.* at 1251. When considering likelihood of confusion, the Ninth Circuit has held it is erroneous to adopt a categorical temporal rule that excludes consideration of uses of the trademark made by the senior trademark holder *after* the infringer uses the mark. *Id.* at 1253.

Revised March 2024