

15.17 Trademark Ownership—Merchant or Distributor

A [merchant] [distributor] may own a trademark that identifies products the [merchant] [distributor] sells even though the products are manufactured by someone else.

Comment

When a dispute arises between a manufacturer and distributor, the courts first look to any agreement between the parties regarding trademark rights. *Sengoku Works Ltd. v. RMC Int'l, Ltd.*, 96 F.3d 1217, 1220-21 (9th Cir. 1996). In the absence of an agreement, the manufacturer is presumed to own the trademark. *Id.* See also *Watec Co., Ltd. v. Liu*, 403 F.3d 645, 652 (9th Cir. 2005) (noting that, in a case between a foreign manufacturer and a former exclusive American distributor who had an incontestably registered mark in U.S., one issue to consider as to ownership of the mark was whether the parties had entered into a contract that disposed of rights in the mark, and that issue was properly determined by the jury).

That presumption—in the absence of an agreement the manufacturer is presumed to own the trademark—can be rebutted. To rebut the presumption, the following factors may be considered:

- (1) which party invented and first affixed the mark to the product;
- (2) which party's name appeared with the trademark;
- (3) which party maintained the product's quality and uniformity;
- (4) which party does the public identify with the product and make complaints to; and
- (5) which party possesses the goodwill associated with the product.

See *Sengoku Works Ltd.*, 96 F.3d at 1220-21, and *Premier Dental Prods. Co. v. Darby Dental Supply Co.*, 794 F.2d 850, 853-54 (3d Cir. 1986).

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