

## ALERT

**DON'T PRESUME A PRESUMPTION WILL APPLY:  
FOREIGN MANUFACTURER FOUND NOT TO OWN TRADEMARK**

Disputes can arise between the party that manufactures a product and the party that sells the product regarding ownership of the product trademark. This seems to occur most typically in situations involving a foreign manufacturer and an exclusive domestic distributor. In these disputes, there is a legal presumption that the manufacturer is the trademark owner in the absence of an agreement to the contrary. But the presumption is indeed rebuttable as demonstrated by a recent decision of the Trademark Trial and Appeal Board finding in favor of the US seller of a product ("Petitioner") and cancelling a trademark registration owned by the foreign manufacturer ("Respondent"). *UVeritech, Inc. v. Amax Lighting, Inc.*, Cancellation No. 92057088 (TTAB June 29, 2015). [Click Here](#)

**TTAB cancels registration owned by the foreign manufacturer of the product, finding the presumption of ownership does not apply.**

Petitioner sells UV light bulbs under the trademark UVF861 for use in connection with equipment used to detect counterfeit currency as also sold by Petitioner. After learning that Respondent, the foreign manufacturer of the light bulbs, had obtained a US registration for the mark, Petitioner commenced a cancellation proceeding. The stated ground for cancellation was likelihood of confusion but everyone seemed to acknowledge the real issue was ownership of the mark. Respondent's principal argument was that it is the owner of the mark because it is the foreign manufacturer of the product whereas Petitioner is merely the U.S. distributor and the presumption of ownership should be applied in its favor. There was no written agreement regarding trademark ownership.

The Board acknowledged the existence of the presumption but noted it was rebuttable. In making a determination with respect to ownership, the Board considered the following factors:

1. which party created and first affixed the mark to the product;
2. which party's name appeared with the trademark on packaging and promotional materials;
3. which party maintained the quality and uniformity of the product, including technical changes;
4. which party does the consuming public believe stands behind the product, e.g., to whom customers direct complaints and turn to for correction of defective products;
5. which party paid for advertising; and
6. what a party represents to others about the source or origin

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of the product.

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(continued)

While observing that the “the record is hardly a model of clarity”, the Board found all of the factors to favor Petitioner except factor 5 which was neutral, i.e. there was no evidence regarding payment for advertising.

In particular, the Board found the evidence established that Petitioner conceived the mark and designed the product sold under the mark. Petitioner then contracted – although not in writing – with Respondent to manufacture the product to Petitioner’s specifications as updated by Petitioner from time to time. The product literature indicated that Petitioner was the source of the product. Customers approached Petitioner, not Respondent, with product complaints and Petitioner took the initiative to address those complaints. And, in what the Board found to be the “most telling” piece of evidence, when Petitioner became dissatisfied with the quality of the products provided by Respondent in 2007, it temporarily transferred production of the product to another foreign manufacturer - without any claims being raised by Respondent as to ownership of the mark.

Based on this evidence, the Board had little difficulty concluding that even if it were “persuaded by Respondent’s manufacturer/distributor argument, the legal presumption of ownership in Respondent as the manufacturer is rebutted by the evidence of record.”

It should be noted, as suggested by the Board, this is not a situation where a manufacturer of a product selects an exclusive distributor to sell a product in which case the presumption might be more likely to be applied. To the contrary, based on the findings of the Board, it appears that the US seller is not really a “distributor” of someone else’s branded product at all. Instead, the US seller appears to be no different than any other US trademark owner who selects a mark, develops a product and then contracts with a foreign manufacturer to produce that product. However, the lack of clarity in the parties’ relationship and, in particular, the lack of written documentation with respect to trademark ownership, created enough uncertainty to foster the dispute.

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