

## A New Standard For Fraud

By Darren Cahr

With a single opinion from the U.S. Court of Appeals for the Federal Circuit, fraud just became more difficult to prove as part of the trademark application process. This week, the Federal Circuit released its long-awaited opinion in *In re Bose Corp.*, Docket No. 2008-1448 (Fed. Cir. 2009) reversing the Trademark Trial and Appeal Board's controversial *Medinol* standard for findings of fraud.

That oft-criticized TTAB standard (in place at the TTAB since *Medinol Ltd. v. Neuro Vasx Inc.*, 67 U.S.P.Q. 2d 1205 (TTAB 2003)) required a finding of fraud when a trademark applicant "knew or should have known" that a material statement made to the United States Patent and Trademark Office was false. This week, the Federal Circuit strongly disagreed, instead holding that the TTAB's approach "erroneously lowered the fraud standard to a simple negligence standard." The Court instead held that the proper standard requires *intent to mislead*. Now, after *In re Bose*, "a trademark is obtained fraudulently under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO."

Even more critically, "[t]here is no fraud if a false misrepresentation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive. ... Unless the challenger can point to evidence to support an inference of deceptive intent, it has failed to satisfy the clear and convincing evidence standard required to establish a fraud claim." The Court acknowledged that direct proof of intent is rarely, if ever, available and that intent invariably must be inferred from available evidence. The Court did not identify, however, what type of evidence would support an inference of a willful intent to deceive the PTO.

If you have any questions, or require assistance in determining how to deal with fraud, intent or related issues, please contact either your regular contact in the Trademark Practice or Darren Cahr at (312) 569-1465 or [Darren.Cahr@dbr.com](mailto:Darren.Cahr@dbr.com).

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