Accuracy is crucial to the trademark registration process. Registrants are required to submit truthful applications to the United States Patent and Trademark Office (“PTO”) or face fraud liability. Pursuant to the Lanham Act, fraud liability is initiated by the submission of “false or fraudulent” statements in a trademark application. This language presents a critical problem for registrants because the terms “false” and “fraudulent” are not the same, and it is unclear what actually satisfies fraud liability. As a result, the requirements for fraud liability and the corresponding standards for fraud have been in fluctuation over the past ten years. In 2009, the Federal Circuit decided In re Bose and implemented a standard for fraud that allows the submission of false statements to the PTO. This comment examines the conflicting standards for fraud that arise from this inconsistent statutory language and proposes a way to reconcile these terms.
ACCEPTABLE FRAUD? HOW FALSITIES AND MISSTATEMENTS CAN ESCAPE THE SCOPE OF THE NEW FRAUD STANDARD

JACOBI M. FIELDS

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ACCEPTABLE FRAUD? HOW FALSITIES AND MISSTATEMENTS CAN ESCAPE THE SCOPE OF THE NEW FRAUD STANDARD

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INTRODUCTION

Fraud on the United States Patent and Trademark Office ("PTO") is perpetrated by the submission of "false or fraudulent" statements in a trademark application.¹ The terms "false" and "fraudulent," however, are not interchangeable.² In an attempt to reconcile the differences between these terms, courts have implemented various standards for the single action of "fraud" on the PTO.³

In the past ten years, there has been a drastic transition in the requisite standard for fraud on the PTO. First, courts recognized a specific intent standard, then they recognized a negligence standard, and finally, courts again recognized a specific intent standard.⁴ A specific intent standard for fraud is satisfied by a "fraudulent" submission to the PTO during the application process.⁵ Under this standard, a party challenging a trademark registration’s validity is required to prove that the trademark registrant knowingly submitted a false statement to the PTO with the specific intent to deceive the PTO.⁶ In contrast, under a negligence standard for fraud, the submission of a "false" statement to the PTO satisfies liability without regard to the registrant’s intent or knowledge.⁷

Both of the standards mentioned above arise from language in the Lanham Act.⁸ As long as the phrase "false or fraudulent" is used to establish fraud liability in the Lanham Act, courts will continue to transition between fraud standards. As a result of this transitioning, trademark holders’ rights will be uncertain and, therefore, compromised.

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⁵ In re Bose, 580 F.3d at 1243; Kemin Indus., Inc., 192 U.S.P.Q. (BNA) at 329; Karlyn A. Schnapp, The Importance of Being Earnest: When Filing Trademark Registration Documents, INTELL. PROP. COUNS., Jan. 2010.

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Part I of this comment discusses fraud liability as established by the Lanham Act, a registrant’s duty to be truthful when dealing with the PTO, and the Federal Circuit’s recent transition back to a specific intent standard for fraud. Part II analyzes this recent transition by conducting a comparative case study. Part III proposes an amendment to the Lanham Act designed to clarify the contradictory language currently enacted, which will result in more accurate trademark applications and stronger protection for trademark holders.

I. BACKGROUND

The standard for fraud on the PTO during the trademark registration process has fluctuated throughout the past decade. In 2003, the Court of Appeals for the Federal Circuit (“CAFC”) implemented a negligence standard for fraud with its holding in Medinol v. Neuro Vasx, which resulted in a six-year surge of trademark cancellations. In an attempt to end this surge of cancellations, CAFC overruled the Medinol negligence standard for fraud (the “Medinol standard”) and implemented a new, specific intent standard for fraud (the “Bose standard”) in the case In re Bose. As a result of this transition, the requirements for truthful dealing with the PTO and for fraud liability have been in flux.

This section defines a registrant’s duty to truthfully deal with the PTO and explains how a disregard of this duty results in fraud liability. Additionally, this section examines the key issue in Medinol that the court in Bose declined to address—a reckless disregard for the truth.

A. Trademark Law and Fraud on the PTO

The Lanham Act governs federal trademark law. The federal registration application process is outlined in § 1051(a)(1). A key provision in this section

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11 In re Bose, 580 F.3d at 1245; Mertzel, supra note 3; at 1–3.
12 See Mertzel, supra note 3, at 1–3.
14 Medinol, 67 U.S.P.Q.2d (BNA) at 1210; In re Bose, 580 F.3d at 1246; Davis, supra note 9, at 1; 1A ALEX LINDEY & MICHAEL LANDAU, LINDEY ON ENTERTAINMENT, PUBLISHING, AND THE ARTS § 2:32.70 (3d ed. 2004).
16 15 U.S.C. § 1051(a)(3)(B). Section 1051 reads as follows:

The owner of a trademark used in commerce may request registration of its trademark on the principal register hereby established by paying the prescribed fee and filing in the Patent and Trademark Office an application and a verified statement, in such form as may be prescribed by the Director, and such number of specimens or facsimiles of the mark as used as may be required by the Director.

Id.
requires the registrant to submit a verification statement, which is an oath confirming the accuracy of the assertions contained in the application. Thus, under the Lanham Act, all assertions contained in a registrant’s application must be truthful. A failure to be truthful when dealing with the PTO results in fraud liability and possible trademark cancellation. Section 1120 of the Lanham Act establishes fraud liability:

Any person who shall procure registration in the Patent and Trademark Office of a mark by a false or fraudulent declaration or representation, oral or in writing, or by any false means, shall be liable in a civil action by any person injured thereby for any damages sustained in consequence thereof.

As stated, fraud liability arises when “false or fraudulent” statements are submitted to the PTO. The terms false and fraudulent, however, are not defined in the Lanham Act. Instead, trademark applicants are to interpret the terms to have their common meanings. Accordingly, the term fraudulent connotes both knowledge and a specific intent to deceive, while the term false does not insinuate knowledge or intent.

B. The Problem with Intent and Knowledge

Traditional common law fraud places the burden of proof on the party alleging fraud on the PTO (“challenger”). Thus, the challenger must prove that the trademark registrant knowingly submitted a material false statement to the PTO with the intent to deceive. Furthermore, the challenger must prove the PTO relied

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17 15 U.S.C. § 1051(a)(1); see also 37 C.F.R. § 2.33 (2010) (explaining that every trademark application must be accompanied with a statement that has been verified and signed by the registrant); 37 C.F.R. § 2.20 (explaining that a declaration may be submitted in lieu of the application oath); U.S. PAT. & TRADEMARK OFFICE, U.S. DEP'T OF COMMERCE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 804.01(b) (7th ed., Oct. 2010) [hereinafter TMEP] (allowing a sworn declaration to be submitted instead of an application oath).


22 Id.

23 Id.

24 See id.; Simmonds Aerocessories, Ltd. v. Elastic Stop Nut Corp. of Am., 158 F. Supp. 277, 278 (D.N.J. 1958) (explaining that the terms “false” and “fraudulent” should be interpreted to have their common meaning).

25 Simmonds Aerocessories, 158 F. Supp. at 278.

on the registrant's false statement, and the challenger subsequently suffered damages as a result of the PTO's reliance.\textsuperscript{27} Both the \textit{Medinol} standard and the \textit{Bose} standard utilize these common law fraud elements.\textsuperscript{28} These standards differ in their applications of intent and knowledge.\textsuperscript{29}

\textbf{I. Medinol v. Neuro Vasx}

Under the \textit{Medinol} standard, a registrant could be found liable for fraud without actual knowledge of the false submission. Instead, the registrant's knowledge was inferred if the registrant "should have known" of the false submission.\textsuperscript{30} In \textit{Medinol}, the registrant ("Neuro Vasx") filed an application with the PTO claiming the use of its NEUROVASX trademark in connection with neurological stents and catheters.\textsuperscript{31} The plaintiff ("Medinol") moved to cancel\textsuperscript{32} Neuro Vasx's mark because Neuro Vasx falsely included stents in its statement of use.\textsuperscript{33} Neuro Vasx admittedly never sold such stents, despite verifying the accuracy of this statement by oath.\textsuperscript{34} Later, Neuro Vasx claimed the false statement was unintentional and sought to cure the defect by deleting stents from its trademark registration.\textsuperscript{35}

The Trademark Trial and Appeal Board ("TTAB") found Neuro Vasx was negligent in submitting its application because it "knew or should have known"\textsuperscript{36} of its false submission to the PTO.\textsuperscript{37} Furthermore, the TTAB found that Neuro Vasx demonstrated a reckless disregard for the truth by knowingly submitting false statements to the PTO.\textsuperscript{38} As a result, the TTAB invalidated Neuro Vasx's entire trademark registration for being fraudulently procured.\textsuperscript{39}

The \textit{Medinol} case ushered in the "should have known"\textsuperscript{40} era.\textsuperscript{41} During this era, a registrant's knowledge of fraud was inferred if he was in a position where he \textit{should}...
have had such knowledge. Under this standard, courts almost always inferred the registrant's knowledge because all registrants should know the content of their trademark applications. Based on this inference of knowledge, courts would have then presumed that the registrant intended to deceive the PTO with its submission. This inference of knowledge and presumption of intent established a simple negligence standard for fraud with a low burden of proof for challengers. As a result, numerous trademark registrations were canceled during the six-year period when Medinol controlled.

2. In re Bose Corp.

On August 31, 2009, the “should have known” era came to an end with the holding in In re Bose. Unlike the knowledge and intent requirements established in Medinol, the court in Bose found that a trademark registrant must have actual knowledge of a false submission to the PTO. Furthermore, the court held that intent must be demonstrated apart from knowledge, as opposed to being presumed from knowledge. Thus, this standard would require actual knowledge of a false representation with a specific intent to deceive. In Bose, the registrant appealed the cancellation of its trademark WAVE after the TTAB found a false mark-product association in its trademark registration. In this case, the registrant claimed a use in commerce for its trademark, under the belief that the statement was truthful. The registrant believed that repairing audiotape players was a legitimate use in commerce, because the law was not yet settled on use in commerce requirements. The court in Bose settled the issue and held that repairing a product does not constitute a use in commerce. Therefore, the registrant submitted a false statement when it claimed use in commerce. On appeal, CAFC reversed the TTAB’s holding, and concluded that the registrant did not have actual knowledge that its

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43 Id. at 1209. This era focused on the registrant’s objective manifestations of intent, where the act of submitting a falsity to the PTO evidenced the registrant’s intent to deceive the PTO. Id.
44 Id.
45 Id.; Mertzel, supra note 3, at 3.
47 In re Bose, 580 F.3d at 1246; Mertzel, supra note 3, at 1.
48 In re Bose, 580 F.3d at 1245–46; Mertzel, supra note 3, at 2–3; 1A LINDEY & LANDAU, supra note 14, § 2:32.70.
49 In re Bose, 580 F.3d at 1245–46.
50 Id. at 1242–43.
51 Id.
52 Id. at 1246.
C. The Issue In re Bose Forgot—a Reckless Disregard for the Truth

Although the court in Bose overruled the Medinol standard, it declined to address the issue of reckless disregard for the truth.\(^5\) A reckless disregard for the truth occurs when a registrant has actual knowledge of a false submission but acts indifferently to that knowledge.\(^5\) The issue of reckless disregard for the truth never arose in Bose because at the time, the registrant did not have knowledge that its submission was false.\(^5\)

In contrast to Bose, a reckless disregard for the truth was a key issue in Medinol.\(^5\) In that case, the registrant tried to obtain an overly expansive trademark by claiming in its application that it produced stents. The registrant, however, knew that it never actually produced stents featuring its mark.\(^5\) The TTAB found a reckless disregard for the truth because the registrant submitted a statement to the PTO that it knew to be false.\(^5\) The failure of the court in Bose to address the reckless disregard issue, although it did not directly apply to the facts, has led to inconsistent holdings in the trademark application process.

II. ANALYSIS

First, this section will provide a comparison of the Medinol and Bose standards for fraud by applying them to the fact pattern in the case One True Vine v. Wine Group which is currently pending before the Ninth Circuit.\(^6\) This comparison will highlight substantive differences between these two standards by emphasizing the relationship between the intent and knowledge elements for fraud liability.\(^6\)

\(^{53}\) Id.


\(^{55}\) Garrison v. Louisiana, 379 U.S. 64, 74 (1964) (finding that a reckless disregard for the truth occurs when a person makes a statement they know to be false or similarly, doubt the accuracy of the statement but fail to determine its truthfulness); see also State v. O'Neil, 879 P.2d 950, 952 (App. Ct. Wash. 1994) (finding a reckless disregard when a person submits a statement that deceives another without determining the accuracy of that statement).

\(^{56}\) In re Bose, 580 F.3d at 1246.

\(^{57}\) Id.; Medinol, 67 U.S.P.Q.2d (BNA) at 1210.

\(^{58}\) Medinol, 67 U.S.P.Q.2d (BNA) at 1210; Emmerth, supra note 10, at 20–21; Thorton, supra note 31, at 1–2.


\(^{60}\) Id. at 1208–10; One True Vine v. Wine Grp., LLC, No. 09-1328, 2009 WL 3707512, at *2–3 (N.D. Cal. Nov. 4, 2009). The fact pattern in One True Vine is practically identical to the fact pattern in Medinol. In One True Vine, the registrant filed an application claiming the mark LAYERCAKE in connection with red and white wine. Id. The registrant admittedly never used the mark in association with white wine. Id. This falsity was made known during an opposition proceeding when the opposed party moved to cancel the registrant’s mark for being fraudulently procured. Id.

\(^{61}\) Compare In re Bose, 580 F.3d at 1244–46, with Medinol, 67 U.S.P.Q.2d (BNA) at 1209.
Second, this section will demonstrate how the inconsistent guidance found in § 1120 of the Lanham Act is directly responsible for these differing standards.

A. The Effect of the Medinol Standard on One True Vine

If the Ninth Circuit applies the Medinol standard in One True Vine, the registrant will be found liable for fraud. As mentioned, under this standard knowledge is presumed if the registrant knew or should have known that it was submitting a “false” statement to the PTO. As a result, actual knowledge is not required for fraud liability.

In One True Vine, the registrant knowingly submitted a false statement to the PTO. Although the registrant knew it never used its trademark in association with white wine, it falsely claimed this mark-product association in its application. A court applying the Medinol standard would find the registrant’s submission of false statements enough to satisfy the requirements for fraud liability. Even if the registrant claimed that its submission was a mistake, a court applying this standard would infer the registrant’s knowledge because it “should have known”. Further, as a result of this inference of knowledge, the registrant’s intent would automatically be presumed. Therefore, the registrant would be found liable for fraud, which could result in the cancellation of its entire trademark registration.

1. Advantages of the Medinol Standard

Accurate trademark applications were the main advantage under the Medinol standard. During the time when CAFC applied this standard, both trademark holders and applicants benefited from truthful dealings with the PTO. Under this standard, a lie, false statement, misstatement, or negligent submission resulted in the cancellation of an entire trademark registration. This imminent threat of cancellation caused registrants to diligently review applications prior to submission to the PTO and incentivized trademark holders to audit their registered marks and

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65 See One True Vine, 2009 WL 3707512 at *2.
66 Id.
67 See Medinol, 67 U.S.P.Q.2d (BNA) at 1208–10. While the fact pattern in this case mirrors that of Medinol, the Ninth Circuit declines to apply a Medinol standard. One True Vine, 2009 WL 3707512 at *5.
68 Id.; see Miriam Richter, The New Trademark Regime: Don’t Ask, Don’t Tell, 56 FED. LAW. 27, 27 (2009) (explaining that a finding of fraud would result in the cancellation of the entire mark).
69 Medinol, 67 U.S.P.Q.2d (BNA) at 1209–10; Richter, supra note 68, at 27–28; Thorton, supra note 31, 1–2 (explaining that mistakes, carelessness, and inadvertence will result in fraud under the Medinol standard).
correct past mistakes. Although this standard resulted in more work for the registrant, the benefit outweighed the extra effort, because it discouraged registrant’s from purposefully lying in their trademark applications and ensured accurate trademark registrations. Additionally, this standard curtailed unfair market competition by those who submit false statements to the PTO to obtain overly broad trademarks.

2. Disadvantages of the Medinol Standard

The main disadvantage of the Medinol standard for registrants was that it treated all misstatements alike. Fraud liability was met with the submission of a “false” statement regardless of knowledge and intent. Innocent mistakes rendered registrants liable for fraud as knowledge and intent were presumed for most registrants. This presumption of knowledge and intent severely jeopardized the rights of trademark holders. For example, foreign applicants who inadvertently submitted false statements to the PTO as a result of a language barrier would have been found liable for fraud under this standard.

B. The Effect of the Bose Standard on One True Vine

Alternatively, under the Bose standard, liability arises upon the submission of “fraudulent” statements under § 1120 of the Lanham Act. As a result, if the Ninth Circuit applied the Bose standard for fraud in One True Vine, the registrant would escape fraud liability. In contrast to the Medinol standard for fraud, the Bose standard requires the challenger to prove that the registrant actually knew the statement was false and then submitted that statement to the PTO, with the intent to deceive, to the PTO. This standard places a significant burden on the challenger to prove the registrant’s intent.

While one could argue that the registrant’s actions in One True Vine constitute a reckless disregard for the truth, such an argument would not find support in Bose, because the court did not address whether a reckless disregard for the truth satisfies

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70 Thorton, supra note 31, at 1–2; Emmerth, supra note 10, at 24; Richter, supra note 68, at 27–28.
71 See Mertzel, supra note 3, at 1–2; Emmerth, supra note 10, at 20–24; Thorton, supra note 31, at 2–3; Julia A. Matheson, The US Trademark Reality: Use It or Lose It, 7 INTELL. PROP. & TECH. L.J. 1, 3–4 (2009).
72 Medinol, 67 U.S.P.Q.2d (BNA) at 1209–10; Thorton, supra note 31, at 1–2.
73 Mertzel, supra note 3, at 1–3; Emmerth, supra note 10, 21–24.
74 See Emmerth, supra note 10, 20–24.
75 Id. at 24; Mertzel, supra note 3, at 2; Matheson, supra note 71, at 3; see also Hachette Filipacchi Presse v. Elle Belle, LLC, 85 U.S.P.Q.2d (BNA) 1090, 1094 (T.T.A.B. 2007) (holding the registrant liable for a misstatement despite it being a product of a language barrier); Hurley Int’l Inc. v. Volta, 82 U.S.P.Q.2d (BNA) 1339, 1345–46 (T.T.A.B. 2007) (finding fraud and canceling the registration despite the fact that the registrant was a foreign citizen and attributed its false statement to its unfamiliarity with English).
76 In re Bose Corp., 580 F.3d 1240, 1246 (Fed. Cir. 2009).
77 In re Bose, 580 F.3d at 1243; Mertzel, supra note 3, at 2–3; Schnapp, supra note 6, at 1.
the intent requirement for fraud liability. Instead, a court applying the Bose standard would have to find that the registrant in One True Vine was not liable for fraud because of the mistaken inclusion of white wine in the registrant’s application. Under the Bose standard, a claim of mistake can excuse the submission of false statements because it negates a showing of intent. Regardless of actual knowledge, a court will not find a registrant’s false submission to be fraudulent without a showing of intent.

1. Advantages of the Bose Standard

The primary advantage of the Bose standard is that protects registrants who make honest mistakes in their trademark applications. This protection arises out of the requirement that the challenger prove actual knowledge and intent separately to establish fraud liability. Under this standard, the submission of a false statement is not enough to satisfy the requirements for fraud liability. As a result, the PTO will not automatically cancel a registrant’s trademark upon the occurrence of a mistaken submission to the PTO.

Furthermore, upon a finding of fraud, only the particular fraudulent statement is deleted as opposed to the entire registration. In contrast to the Medinol standard where the entire trademark registration is canceled, under the Bose standard only the falsity is deleted while the rest of the registration remains intact. This higher standard for fraud affords extra protection to both domestic and foreign trademark holders.

2. Disadvantages of the Bose Standard

Honest applicants are severely disadvantaged under the Bose standard because lies submitted to the PTO do not automatically result in fraud liability. In fact, lies only result in fraud liability when the challenger can prove the registrant had both knowledge and intent when it submitted the false statement. As a result, this standard is exceedingly difficult for the challenger to prove.

While the requirement that only the false statement be deleted from an application upon a finding of fraud may be beneficial to some applicants, it also acts as a disincentive to deal truthfully with the PTO. A registrant faces no real consequences from submitting a false statement to the PTO if it can avoid fraud

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78 See generally One True Vine, 2009 WL 3707512 at *1–2.
79 Id. at *1–3.
80 In re Bose, 580 F.3d at 1246; Mertzel, supra note 3, at 3; Schnapp, supra note 6, at 1.
81 In re Bose, 580 F.3d at 1244–45; Mertzel, supra note 3, at 1–3.
82 In re Bose, 580 F.3d at 1244–45; Mertzel, supra note 3, at 1–3.
83 In re Bose, 580 F.3d at 1244–45.
84 Id.
85 Id.
86 Id.
87 Id. at 1243; Mertzel, supra note 3, at 2–3.
liability by simply deleting the false statement. In fact, the registrant will be put in the same position he would have been in had he truthfully submitted his application the first time. Not only does this standard allow for the submission of false statements in trademark applications, but it also inadvertently encourages registrants to lie because it is just too difficult of a standard for challengers to prove.89

C. The Cause of these Conflicting Fraud Standards

The contradictory language in § 1120 of the Lanham Act is directly responsible for the different applications of knowledge and intent found in the above fraud standards. Under § 1120, fraud liability arises by the submission of either “false or fraudulent” statements.90 The Medinol standard reflects the understanding that the negligent submission of a “false” statement will result in fraud liability.91 Alternatively, the Bose standard’s intent and knowledge requirements reflect the understanding that fraud liability arises upon the submission of “fraudulent” statements.92

The advantages and disadvantages of these standards, as outlined above, are a direct result of judicial attempts to rectify the contradictory language in § 1120. The Medinol standard was implemented to ensure truthful dealing with the PTO.93 The TTAB, however, went too far in its holding, by utilizing a reckless disregard standard of intent while presuming knowledge.94 As a result, the Medinol standard endangered the rights of registrants because the standard was relatively easy for the challenger to prove.95 The Bose standard was implemented to correct this problem.96 While this standard affords extra protection to trademark holders, it also removed liability for the submission of “false” statements to the PTO.97

As long as the conflicting language of § 1120 remains, courts will continue to address the issue of false submissions to the PTO with inconsistent results. As a result of this confusion, both the rights of trademark holders and the duty to truthfully deal with the PTO will be compromised. The best way to establish a uniform standard for fraud is an amendment to the Lanham Act that has a clear intent and knowledge requirement.98 Clarifying this requirement is the most efficient way to balance the registrant’s rights while ensuring accuracy in trademark applications. The next section of this comment proposes this necessary amendment.

89 See In re Bose, 580 F.3d at 1242–44; Richter, supra note 68, at 28.
93 Medinol, 67 U.S.P.Q.2d (BNA) at 1209–10; Emmerth, supra note 10, at 21.
94 Id.; Emmerth, supra note 10, at 20–21.
95 Medinol, 67 U.S.P.Q.2d (BNA) at 1209–10; Emmerth, supra note 10, at 20–21.
96 In re Bose, 580 F.3d at 1243–44; Mertzel, supra note 3, at 2–3.
97 In re Bose, 580 F.3d at 1243–44; Mertzel, supra note 3, at 2–3.
III. PROPOSAL

The above fraud standards will not suffice. Thus, an amendment to the Lanham Act, which establishes a clear requirement for intent and knowledge, is necessary. This amendment will effectively harmonize the irregularities in the above standards. Furthermore, implementing a reckless disregard level of intent will mandate truthful dealings with the PTO, while simultaneously safeguarding the rights of trademark holders.

A. Section 1120 of the Lanham Act Should be Amended

The appropriate place for the proposed amendment is in §1120 of the Lanham Act. The current language contained in §1120 is incongruous, as the terms “false” and “fraudulent” are conflicting. The term “false” implies a negligence fraud standard, while “fraudulent” implies some level of both intent and knowledge. These two terms are not synonymous and therefore, cannot be reconciled. As a result of this incongruity, courts vary greatly in their applications of intent and knowledge.

B. A Reckless Disregard Standard Should be Implemented

Implementing a reckless disregard standard for fraud is the ideal way to eradicate the problems discussed above. A reckless disregard for the truth standard would presume the registrant’s intent if he has actual knowledge that he was submitting a false statement to the PTO but acted indifferently to that knowledge. This standard would utilize the knowledge requirement found in the Bose standard and the intent requirement found in Medinol standard. Applying these elements, the reckless disregard standard would establish a clear requirement for both the knowledge and intent.

Additionally, a reckless disregard standard would be instrumental in safeguarding the rights of trademark holders while requiring truthful submissions to the PTO. First, a reckless disregard standard would afford extra protection to those who make mistakes in their trademark applications because knowledge of the falsity...
is required for liability. Second, a reckless disregard standard would ensure that registrants deal truthfully with the PTO because intent would be presumed if the registrant had knowledge that he was submitting a false statement to the PTO.\textsuperscript{106} A registrant will be able to avoid fraud liability if he can prove he diligently reviewed his application prior to submission and did not find, or have knowledge, of any false statement.

\textit{C. Proposed Statutory Amendment}

The current language of the Lanham Act is ineffective as it allows both “false” and “fraudulent” submissions to satisfy fraud liability.\textsuperscript{107} Clarifying the knowledge requirement in the statute would correct the existing flaws. Furthermore, drafting the language to implement a reckless disregard standard would prevent against the intentional submission of lies that arise under the \textit{Bose} standard, and the punishment of honest mistakes that arose under the \textit{Medinol} standard.\textsuperscript{108} The language of § 1120 should be modified as follows:

Any person who shall procure registration in the Patent and Trademark Office of a mark by a false declaration or representation, oral or in writing, with a reckless disregard for its truth, shall be liable in a civil action by any person injured thereby for any damages sustained in consequence thereof.

Replacing the phrase “false or fraudulent” with the underlined language implements a reckless disregard standard for fraud. This standard establishes a clear knowledge and intent requirement for fraud liability. Furthermore, this standard will curb the submission of lies to the PTO and afford extra protection to diligent trademark holders.

\textbf{CONCLUSION}

The existing standards for fraud on the PTO during the trademark registration process are deficient. These standards are arbitrary, inconsistent, and lenient on lies.\textsuperscript{109} The proposed amendment to § 1120 of the Lanham Act corrects these problems. First, the proposed amendment reconciles the current fraud standards by unifying the knowledge and intent requirement for fraud throughout the United States. Second, the proposed amendment establishes a reckless disregard standard, which would reestablish the duty to truthfully deal with the PTO during the trademark registration process. Finally, the proposed amendment will provide extra protection to trademark holders by requiring the registrant have actual knowledge of the false submission to be liable for fraud.

\textsuperscript{109} In re Bose, 580 F.3d at 1244–45; Medinol, 67 U.S.P.Q.2d (BNA) at 1209.