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ALERT

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## The Price of Success: Fourth Circuit Affirms USPTO Award

***A party appealing a USPTO decision must pay the USPTO's expenses regardless of the applicant's success.***

Booking.com successfully overturned the United States Patent and Trademark Office's refusal to register its application for "BOOKING.COM." But now it must pay over \$76,000 in expenses, including attorney's fees incurred by the USPTO, according to a recent holding by the United States Court of Appeals for the Fourth Circuit in *Booking.com B.V. v. Iancu*, No. 17-2458 (4th Cir. Feb. 4, 2019).

The holding in *Booking.com* involves a provision of the Lanham Act, which provides that an applicant that decides to challenge the USPTO's ruling in district court must pay "all the expenses of the proceeding ... whether the final decision is in favor of such party or not." 15 U.S.C. § 1071(b)(3). Whether, and to what extent, "expenses" includes attorney's fees has been the subject of different treatment by the Fourth Circuit and the Federal Circuit.

Bound by Fourth Circuit precedent in *Shammas v. Focarino*, 784 F.3d 219 (4th Cir. 2015) that "expenses" within the meaning of 15 U.S.C. §1071 (b)(3) means attorney's fees, the Court awarded the USPTO its fees. However, as noted by the Court, such a position diverges from the Federal Circuit's *en banc* ruling in *NantKwest*, 898 F.3d 1177, *petition for cert. filed* (Dec. 21, 2018) (No. 18-801), which held under an analogous provision of the Patent Act that a patent applicant could seek district court review of a rejected application without having to pay the USPTO's legal fees.

The Fourth Circuit's decision in *Booking.com* is the latest in a series of cases involving whether an applicant that appeals a USPTO decision to a district court must pay the PTO's expenses, including attorney's fees, regardless of the applicant's success. The Federal Circuit's opposite conclusion in *NantKwest* is the subject of a pending petition for writ of certiorari to the U.S. Supreme Court filed by the USPTO. *Id.*

For now, trademark applicants need to consider whether to appeal the USPTO's refusal to register its mark to the district court as success may come at an added cost.



Meredith M. Wilkes  
Cleveland



Anna E. Raimer  
Houston

*Lauren E. Willens*, an associate in the Detroit Office, assisted in the preparation of this Alert.

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