

PRIORITY RIGHTS IN TRADEMARKS: ANALYSIS OF THE 'FIRST-TO-USE' AND 'FIRST-TO-FILE' PRINCIPLES

Adashov Khojiboy,
Independent Researcher (PhD)
University of Public Security of the Republic of Uzbekistan

Abstract

This article explores the legal concept of priority rights in trademark law by comparatively analyzing the “first-to-use” and “first-to-file” principles. The study examines how the United States, the United Kingdom, Japan, Germany, and Russia regulate trademark registration and establish priority, drawing on statutory frameworks such as the Lanham Act, the Trade Marks Act 1994, and the Trademark Act of 1959. It also evaluates the role of international treaties, particularly the Madrid Agreement and the Madrid Protocol, in harmonizing cross-border trademark protection. Scholarly perspectives from McCarthy, Tushnet, Lemley, Schriker, Beier, and others are reviewed to highlight the advantages and drawbacks of each model. The analysis concludes by identifying core legal challenges—such as evidentiary burdens, territorial limitations, and registration-based trolling—and offers policy recommendations aimed at balancing formal registration with genuine commercial use in both national and international contexts.

Keywords: Trademark priority, first-to-use, first-to-file, Lanham Act, Trade Marks Act 1994, Madrid Protocol, trademark registration, legal harmonization, unfair competition, international trademark law, constructive use, foreign priority, trademark trolling, USPTO, UKIPO, JPO, DPMA.

Introduction

In the United States, the procedure for trademark registration is governed by the 1946 Trademark Act (Lanham Act) and administered by the United States Patent and Trademark Office (USPTO). The process typically takes between 12 to 18 months and begins with the submission of an application through the Trademark Electronic Application System (TEAS). The application must include a depiction of the mark, a list of goods or services classified according to the Nice Classification, and a legal basis for filing—either Section 1(a) (use in commerce) or Section 1(b) (intent to use). If the application meets the formal requirements, it undergoes substantive examination within 3 to 6 months. During this stage, the examiner evaluates whether the mark is distinctive and not confusingly similar to existing registered marks. If the examination is successful, the mark is published in the Official Gazette (TMOG) for a 30-day opposition period, during which third parties may file objections. If no opposition is filed or if any opposition is resolved in favor of the applicant, the mark is registered directly under Section 1(a), and a certificate of registration is issued within 3–4 months. For

applications filed under Section 1(b), the USPTO issues a Notice of Allowance, and the applicant is required to submit a Statement of Use within six months. This deadline may be extended up to five times, six months at a time. This process provides clear legal conditions for protecting the applicant's trademark rights. The determination of the priority date for a trademark in the U.S. is based on several factors: actual use, constructive use, and foreign priority, as codified under the Lanham Act. These legal grounds ensure that priority rights are established in accordance with recognized principles of U.S. trademark law.

In the United States, trademark priority is determined based on three main principles: actual use, constructive use, and foreign priority. In cases of actual use, priority is based on the date of first use in commerce, meaning the mark must have been used in a bona fide commercial context. Even without formal registration, such use may confer common law rights to the trademark holder, but only within the specific geographic area where the mark was first used. Under the doctrine of constructive use, pursuant to Section 7(c) of the Lanham Act, the filing date of the application establishes nationwide priority, provided that the application matures into a registration. In the case of intent-to-use applications filed under Section 1(b), full trademark rights are only granted after the applicant submits a Statement of Use, demonstrating actual use in commerce. Foreign priority is governed by Section 44(d) of the Lanham Act, which allows a trademark applicant to claim priority based on an earlier-filed application in a country that is a member of the Paris Convention. To benefit from this provision, the U.S. application must be filed within six months of the foreign application. If so, the U.S. application is granted the same priority date as the foreign filing. This framework ensures that priority rights in the U.S. trademark system are both flexible and rooted in international legal standards.

In the United Kingdom, the registration of trademarks and the determination of priority rights are governed by the Trade Marks Act 1994. According to the Act, a trademark may consist of a word, logo, shape, or colour that can be represented graphically and is capable of distinguishing the goods or services of one undertaking from those of another (Section 1(1)). If a mark lacks distinctiveness or consists of generic or descriptive terms (e.g., "Apple" for fruits), it will be refused registration under Section 3(1)(a–c). Additionally, an application will be refused under Section 5 if the mark is identical or similar to a previously registered trademark and is likely to cause confusion among the public. Once an application is submitted to the UK Intellectual Property Office (UKIPO), the goods or services listed are classified according to the Nice Classification, and the application is examined for legal compliance (Section 37). If accepted, the mark is published in the Trade Marks Journal, and third parties are granted a two-month opposition period (Section 38). If no opposition is filed during this period, or any filed opposition is unsuccessful, the mark proceeds to registration and a certificate is issued (Section 40). Priority rights are generally determined based on the filing date of the application. However, under the Paris Convention, an applicant may claim foreign priority if the UK application is filed within six months of an earlier application in a Convention country (Section 33). In such cases, the date of the earlier foreign filing is recognised as the priority date in the UK.

In Japan, the registration of trademarks and the determination of priority rights are governed by the Trademark Act of 1959 and administered by the Japan Patent Office (JPO). A trademark may consist of visible or perceptible elements such as words, logos, shapes, colours, sounds, or any combination thereof, provided that it is capable of distinguishing one product from another. To qualify for registration, the mark must possess distinctiveness. The application procedure is regulated by Article 18 of the Trademark Act. The application must be submitted to the JPO and must specify the class of goods or services for which protection is sought, in accordance with the Nice Classification. Upon receipt, the application is examined under Articles 3 and 4. If the mark is found to be contrary to public order or likely to mislead consumers—as defined under Article 4—it will be refused. If the mark meets the statutory requirements, it is published for opposition. Following publication, under Article 43, third parties have a period of two months to file oppositions against the registration. If no opposition is filed, or if any filed opposition is dismissed, the trademark is registered pursuant to Article 18.

Japan follows the “first-to-file” principle, as established under Article 8 of the Trademark Act, meaning that trademark priority is determined based on the date of filing the application. If a trademark has already been registered in another country, the applicant may claim foreign priority in Japan under Article 9, provided that the Japanese application is filed within six months of the original foreign application in accordance with the Paris Convention. Once registered, the trademark owner is granted the exclusive right to use the mark and to prohibit others from using identical or confusingly similar marks under Articles 25 and 26. The term of protection is 10 years from the date of registration (Article 19), and it may be renewed for successive 10-year periods under Article 41.

Today, the international protection of trademarks is primarily governed by the Madrid Agreement and the Madrid Protocol. Although both treaties are interrelated, they differ in terms of legal effect and procedural application, each presenting its own advantages as well as limitations.

The Madrid Agreement, adopted in 1891, represents the first international mechanism for the registration of trademarks at the international level. Under this Agreement, a trademark must first be registered with the applicant’s national patent office—known as the “basic registration”—before it can be submitted for international protection. This requirement often delays the process of obtaining international protection and limits its applicability to a restricted group of countries. Furthermore, the Madrid Agreement mandates that all applications be filed exclusively in French, which poses linguistic and procedural barriers for applicants and may complicate the filing process. One of the most significant drawbacks of the Agreement is the so-called “central attack” principle: if the basic registration is cancelled or otherwise invalidated within the first five years after international registration, the international registration automatically becomes void. This creates legal uncertainty and considerable risk for trademark owners, particularly in cross-border commercial activities.

The Madrid Protocol, adopted in 1989, is regarded in practice as a modern and flexible alternative to the Madrid Agreement. Unlike the Agreement, the Protocol allows an applicant

to file for international registration based merely on a national application—rather than requiring a prior national registration. This greatly simplifies access to the international trademark system. Additionally, applications may be submitted not only in French, but also in English and Spanish, significantly broadening its usability at the international level. Member states of the Madrid system have a standard 12-month period to decide whether to grant or refuse protection for an internationally registered mark within their territory. However, under Article 5(2)(b) of the Madrid Protocol, a country may notify the World Intellectual Property Organization (WIPO) of its intent to extend this period to 18 months. If an official examination or a third-party opposition is pending, the refusal period may extend even further, allowing the state to issue a decision after the 18-month period. This situation typically arises when an opposition is filed within the prescribed period. Nonetheless, the Protocol is not without flaws. The refusal process can often be lengthy, and the “transformation” procedure—whereby an international application is converted into national applications if refused—can be costly and burdensome. Moreover, some jurisdictions have not fully acceded to or implemented the terms of the Protocol or the Madrid system as a whole, thereby creating limitations in securing comprehensive international protection for trademarks.

In Russia, the issue of trademark priority has been the subject of discussion among various legal scholars, with most opinions centered around the “first-to-file” principle. Notably, Y.F. Vaskovsky emphasizes that Russian legislation adheres to the first-to-file approach, underlining the importance of the filing date in determining priority¹. O.A. Gorodov supports this view, stating that the date of application submission serves as the legal basis for priority. In his opinion, the first-to-file system in Russia ensures legal certainty and predictability². In contrast, A.P. Sergeev advocates for a more flexible approach to determining priority. While acknowledging that the first-to-file principle remains the dominant standard, he argues that courts may consider the notoriety of the mark and its history of use in practice³. This position diverges from the formalist views of Vaskovsky and Gorodov. Similarly, I.A. Bliznets supports Sergeev’s perspective and emphasizes the significance of judicial practice in resolving trademark disputes. According to Bliznets, if a mark has been illegally registered or there is evidence of unfair competition, a court may transfer priority rights to another party, thus introducing a practical balance to the rigid first-to-file framework. S.A. Sudarikov, in turn, highlights the international legal dimension of trademark priority in Russia. Referring to the Paris Convention, he notes that if a trademark has been registered abroad, Russia recognizes a six-month priority period, provided that the application is filed within this timeframe. This view aligns with Gorodov’s emphasis on the filing date but extends it into the international legal sphere⁴. In conclusion, Vaskovsky and Gorodov underscore the strict legal foundations of the first-to-file system, while Sudarikov reinforces this principle through international treaty

¹ Вацковский Ю.Ф. Доменные споры. Защита товарных знаков и фирменных наименований. – М.: Статут, 2009. – С.54.

² Городов О.А. Право интеллектуальной собственности. – М.: Проспект, 2011. – С.237.

³ Сергеев А.П. Право интеллектуальной собственности в Российской Федерации. – М.: ТК Велби, 2005. – С.412.

⁴ Близнец И.А. Интеллектуальная собственность и закон. – М.: Проспект, 2008. – С.103.

obligations. On the other hand, Sergeev and Bliznets promote a more nuanced approach, allowing for judicial flexibility based on prior use and the specifics of each case.

In the United States, trademark priority is determined based on the “first-to-use” principle. Under this system, it is not registration that establishes rights, but rather the first commercial use of the mark. Experts have comprehensively analyzed the advantages, complexities, and global implications of this model, forming a nuanced legal perspective. J. Thomas McCarthy emphasizes that in the U.S., trademark rights arise from actual use in commerce, asserting that “it is not registration, but real use that matters, because the system protects the genuine user and ensures fairness”⁵. Rebecca Tushnet also supports this approach, noting that “registration can be a useful tool in disputes, but the core trademark rights stem from prior commercial use”⁶. Accordingly, use defines the legal right, while registration reinforces it. Mark A. Lemley, however, criticizes the “first-to-use” system, arguing that it creates legal uncertainty for later users⁷. He also points out that this model diverges from the internationally prevalent “first-to-file” system and introduces geographic limitations under the U.S. common law framework. Barton Beebe builds on Lemley’s critique, emphasizing that territorial restrictions can hinder business expansion. Tushnet similarly cautions that while acquiring rights through use is economically efficient, such rights are territorially limited and may obstruct broader market access⁸. The critical perspectives of Lemley and Beebe align with Tushnet’s cautious stance, revealing the legal and practical complexities of the first-to-use system. Thus, while McCarthy and Tushnet highlight the system’s reliability and fairness, Lemley and Beebe draw attention to its operational difficulties and territorial constraints. Together, these scholars present a comprehensive view of both the theoretical and practical dimensions of trademark priority in the U.S. context.

German and British scholars, when analyzing trademark priority, examine their respective legal systems, highlighting the core principles, advantages, and practical implications inherent in each. German scholars predominantly adhere to the “first-to-file” system, whereas British scholars emphasize the “first-to-use” principle, rooted in the common law tradition. These two approaches, though distinct, interrelate and collectively reflect the unique characteristics and broader framework of their national legal systems⁹. Gerhard Schricker, for instance, underscores that in Germany, trademark priority is based on the first-to-file principle. He argues that registration establishes rights on a formal and unequivocal basis, serving as a crucial mechanism for protecting the reputation of well-known marks against dilution. His viewpoint is supported by Friedrich-Karl Beier, who regards the German system of registration as a fundamental mechanism for ensuring commercial stability and legal certainty¹⁰. Schricker’s

⁵ McCarthy J.T. McCarthy on Trademarks and Unfair Competition. – 5th ed., 2017. – Vol. 2, p. 16-5.

⁶ Tushnet R. Registering Disagreement: Registration in Modern American Trademark Law. – Harvard Law Review, 2004. – P. 867.

⁷ Lemley M.A. The Modern Lanham Act and the Death of Common Sense. – Yale Law Journal, 1999. – P. 1697.

⁸ Beebe B. Intellectual Property Law and the Sumptuary Code. – Harvard Law Review, 2010. – P. 845.

⁹ Schricker G. Protection of Famous Trademarks Against Dilution in Germany. – International Review of Industrial Property and Copyright Law, 1980. – P. 166.

¹⁰ Beier F.K. Basic Features of Anglo-American, French and German Trademark Law. – International Review of Industrial Property and Copyright Law, 1975. – P. 285.

emphasis on protecting famous marks aligns with Beier's broader concern for systemic reliability, thereby illustrating the structured and formal nature of the first-to-file model. Ansgar Ohly further connects this system with Germany's unfair competition law (UWG), arguing that while registration is the primary basis for rights, supplementary protection for well-known marks is necessary—a position grounded in Section 9 of the German Trademark Act (MarkenG)¹¹. Ohly's views complement Schricker's on the need for mark protection and resonate with Beier's emphasis on legal certainty, showing a coherent framework where trademark registration and unfair competition law operate in tandem.

Legal scholars in the United Kingdom emphasize that trademark priority is established based on the "first-to-use" principle and rooted in the common law tradition. According to Lionel Bently, while the Trade Marks Act 1994 provides for registration, it is the first commercial use that determines priority rights¹². However, he also acknowledges the practical difficulties in identifying the first user in real-world disputes. David Kitchin further notes that this system is designed to protect the genuine user of the mark, while registration serves primarily as a means to reinforce and formalize those rights¹³.

In conclusion, German scholars (Schricker, Beier, Ohly) associate trademark priority with formal registration, emphasizing the importance of the "first-to-file" system in ensuring legal certainty, stability, and the protection of well-known marks. In contrast, British scholars (Bently, Kitchin) highlight the practical advantages of the "first-to-use" system, stressing the significance of rights derived from genuine commercial use and the foundational role of common law principles. The divergence between these two approaches reflects the broader distinction between the formalistic legal tradition in Germany and the pragmatic, use-based legal culture in the United Kingdom. While the German system relies on strict legal formalities, the British model is rooted in real-world commercial practices and judicial precedent.

Thus, based on the above analysis, trademark priority in the United States is grounded in the "first-to-use" principle. However, this system also gives rise to several practical challenges.

First, proving who used a mark first in commerce is often difficult. Such cases require substantial evidence—such as advertising materials, sales reports, invoices, and other commercial documentation. This evidentiary burden can be particularly demanding for small businesses, requiring considerable time and financial resources. According to data from the United States Patent and Trademark Office (USPTO), in 2023, 15% of such disputes failed to conclusively establish the date of first use.

Second, U.S. companies often face challenges in the international arena, especially in jurisdictions that follow the "first-to-file" system (such as China and the European Union). In those countries, the decisive factor is who registers the mark first—not who uses it first. U.S. businesses, which frequently prioritize commercial use before seeking registration, risk losing priority abroad and may be deprived of their trademark rights, thereby reducing their competitive advantage in global markets.

¹¹ Ohly A., Sattler A. 120 Jahre UWG im Spiegel von 125 Jahren GRUR. – GRUR, 2016. – S. 1238.

¹² Bently L., Sherman B. Intellectual Property Law. – 5th ed., Oxford University Press, 2018. – P. 892.

¹³ Kitchin D. et al. Kerly's Law of Trade Marks and Trade Names. – 15th ed., Sweet & Maxwell, 2011. – P. 123.

Third, although trademark priority in the U.S. is based on actual use, the Lanham Act (1946) provides additional legal protections to registered marks. These include presumptive validity in court, recognition as official evidence, and, in some cases, federal-level enforcement. As a result, the system may generate conflicts between use-based priority and registration-based rights. For instance, if one party uses a mark first but does not register it, and another party later registers the same mark, legal disputes over ownership may arise. This reflects one of the inherent contradictions in the U.S. trademark system.

Thus, while the U.S. “first-to-use” system is designed to ensure fairness and protect the genuine user of a trademark, it also presents several practical challenges and lacks harmonization at the international level. In contrast, Germany follows the “first-to-file” principle, where the person who first files an application for trademark registration is considered the rightful owner. This system is regulated through the EU Trademark Regulation 2017/1001, aligning German law with European Union standards. However, the first-to-file model also raises a number of legal and practical concerns.

First, the registration process does not necessarily account for actual commercial use of the mark. If a person registers a mark but does not use it, others are prevented from using it as well, potentially stifling competition and disrupting normal market activity.

Second, the phenomenon of trademark “trolling” or “squatting”—where individuals register potentially valuable or popular names with the intent to sell them later—has also become prevalent in Germany. The German Patent and Trade Mark Office (DPMA) received approximately 92,000 trademark applications in 2022, a significant portion of which were reportedly filed for speculative purposes¹⁴.

Third, a registered trademark in Germany may conflict with earlier use-based rights in other EU member states. For instance, if the name “EcoFresh” was first used in France but registered in Germany, a legal conflict may arise between the earlier user in France and the registrant in Germany. Although EU law recognizes national rights, such discrepancies between use-based and registration-based systems often lead to legal disputes, illustrating the complex interplay between national and supranational trademark regimes.

In the United States, trademark priority is based on the “first-to-use” principle, regulated by the USPTO under the Lanham Act of 1946, whereby legal rights arise from the first actual use of the mark in commerce within a specific geographic area. Although this approach offers meaningful protection for entrepreneurs, it also presents significant challenges, such as geographic limitations and conflicts with countries that follow the “first-to-file” principle. In the United Kingdom, trademark protection is governed by the Trade Marks Act 1994 and administered by the UKIPO. While the system recognizes the “first-to-use” doctrine to some extent, rights are primarily granted through registration, and proving prior use remains procedurally complex. In Japan, under the Trademark Act of 1959, the “first-to-file” rule prevails, meaning that the filing date—not actual use—determines priority. The Madrid System, governed by WIPO through the Madrid Agreement (1891) and the Madrid Protocol (1989), allows international registration through a single application, but its effectiveness is

¹⁴ DPMA Jahresbericht 2022.

limited by dependence on the basic national registration, differences in national laws, and inconsistencies in opposition proceedings. Russia and Germany also apply the first-to-file principle, but courts and legal practice—especially under the Paris Convention—consider prior use to maintain balance between formal registration and genuine use. These diverging principles create cross-border disputes in private international law. For instance, the burden of proof in the U.S., the evidentiary difficulties in the UK, the disregard of use and the rise of trolling in Japan and Germany, and the conflicts between national and international standards within the Madrid System illustrate key systemic issues. To address these, reforms are recommended: easing the evidentiary burden and better integrating use-based rights in the U.S.; strengthening recognition of actual use and imposing stricter anti-trolling measures in Germany and Japan; and standardizing procedural requirements and harmonizing legal approaches within the Madrid System.

Conclusion

The comparative analysis of the “first-to-use” and “first-to-file” principles in trademark law reveals that each system reflects the legal culture and policy priorities of its jurisdiction, while simultaneously presenting unique advantages and challenges in both national and international contexts.

Conclusion

In the United States, the “first-to-use” principle prioritizes actual commercial use over formal registration, thereby protecting genuine market participants and promoting fairness. However, the system creates legal uncertainty due to evidentiary burdens, geographic limitations, and inconsistency with the “first-to-file” models dominant in other jurisdictions. While registration under the Lanham Act enhances protection, it can also lead to legal conflicts where use and registration diverge.

In Germany, Japan, and Russia, the “first-to-file” principle ensures legal certainty and administrative clarity by prioritizing the earliest filing date. This system aligns with international instruments such as the EU Trademark Regulation and the Paris Convention. However, it is vulnerable to speculative registrations (trademark trolling), neglects genuine commercial use, and may hinder market competition when unused marks block others from entry. Efforts in these jurisdictions to incorporate elements of prior use into litigation or opposition procedures reflect an evolving recognition of the practical limits of pure formalism. The United Kingdom presents a hybrid model: while based on registration under the Trade Marks Act 1994, its common law tradition acknowledges prior use, albeit with procedural complexities and limitations in scope. The need to prove use can be a significant barrier, particularly for small businesses.

At the international level, the Madrid System offers a valuable mechanism for simplifying international trademark registration. However, its dependency on national systems, vulnerability to “central attack,” and divergence in member state practices continue to pose obstacles to its full effectiveness.

The cross-border implications of these diverging principles are particularly pronounced in the field of private international law, where priority disputes often arise due to inconsistent recognition of use-based versus file-based rights. These discrepancies underscore the need for greater international harmonization.

References

1. Вацковский Ю.Ф. Доменные споры. Защита товарных знаков и фирменных наименований. – М.: Статут, 2009. – С.54.
2. Городов О.А. Право интеллектуальной собственности. – М.: Проспект, 2011. – С.237.
3. Сергеев А.П. Право интеллектуальной собственности в Российской Федерации. – М.: ТК Велби, 2005. – С.412.
4. Блинец И.А. Интеллектуальная собственность и закон. – М.: Проспект, 2008. – С.103.
5. McCarthy J.T. McCarthy on Trademarks and Unfair Competition. – 5th ed., 2017. – Vol. 2, p. 16-5.
6. Tushnet R. Registering Disagreement: Registration in Modern American Trademark Law. – Harvard Law Review, 2004. – P. 867.
7. Lemley M.A. The Modern Lanham Act and the Death of Common Sense. – Yale Law Journal, 1999. – P. 1697.
8. Beebe B. Intellectual Property Law and the Sumptuary Code. – Harvard Law Review, 2010. – P. 845.
9. Schricker G. Protection of Famous Trademarks Against Dilution in Germany. – International Review of Industrial Property and Copyright Law, 1980. – P. 166.
10. Beier F.K. Basic Features of Anglo-American, French and German Trademark Law. – International Review of Industrial Property and Copyright Law, 1975. – P. 285.
11. Ohly A., Sattler A. 120 Jahre UWG im Spiegel von 125 Jahren GRUR. – GRUR, 2016. – S. 1238.
12. Bently L., Sherman B. Intellectual Property Law. – 5th ed., Oxford University Press, 2018. – P. 892.
13. Kitchin D. et al. Kerly's Law of Trade Marks and Trade Names. – 15th ed., Sweet & Maxwell, 2011. – P. 123.
14. DPMA Jahresbericht 2022.