

OpenAI vs Open AI

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OpenAI Inc ("OpenAI"), the originator of ChatGPT, has launched trade mark infringement and unfair competition proceedings in the USA against Open Artificial Intelligence Inc. and Guy Ravine (herein referred to as "Ravine's **OPEN AI**") for adopting and using a confusingly similar name, **OPEN AI**.

OpenAI alleges that Ravine's **OPEN AI** US registration is fraudulent and that the registration should be cancelled due to no *bona fide* use. These proceedings are a reminder of important considerations for brand owners:

- Choose a distinctive rather than a descriptive mark;
- Evidence of use and first dates of use claims in the USA;
- The importance of filing trade mark applications in relevant territories as soon as possible.

Background

According to media, the dispute began last year when OpenAI noticed Ravine's **OPEN AI** domain, open.ai, was redirecting to OpenAI's website openai.com. This led to the belief that Ravine's **OPEN AI** was associated and/or affiliated with OpenAI. Retaliating to an offer from OpenAI to purchase the domain open.ai, Ravine lodged Letters of Protest with the United States Patent and Trade Mark Office ("USPTO") against the trade mark application filed on behalf of ChatGPT for the word mark **OPENAI** in 2022, on the grounds that the **OPENAI** mark is confusingly similar to Ravine's **OPEN AI** US registration.

A trade mark application in the USA has to be filed on the basis of either Use (Section 1a), Intent to Use (Section 1b), or a Foreign mark (Section 44 (e)).

A search on the USPTO indicates that Ravine filed for the word mark **OPEN AI** on 11 December 2015 in class 42 covering "*Providing a website which enables internet users to share documents, images and videos*" claiming first use of 25 March 2015 and first use in commerce as of 11 December 2015.

Various refusals were raised by the USPTO against Ravine's **OPEN AI** application notably:

Inadequate evidence of use: The USPTO requires actual evidence of use of the mark as filed in commerce in relation to the goods/services for which registration is sought. Evidence of use on products includes photographs and specimens of labelled products as sold in the USA. For services, evidence should clearly show that the service is rendered to third parties in the USA, as opposed to merely incidental to conducting one's business. For example, advertising and promoting one's own goods/services on the web are inadequate. Those goods/services should be available to third parties in the USA, for example an online store or the rendering of IT services.

Ravine's evidence to support the first use claim of 25 March 2015 in the USA comprised the open.ai landing page but was named Website for Open AI (first image) and was therefore rejected. Two screenshots from two subdomains of open.ai were subsequently accepted (second image):



OpenAI contends that these screenshots were fabricated including content from an unrelated third-party website and therefore not *actual use in commerce* as of 11 December 2015.

Descriptive and non-distinctive

A trade mark should be distinctive and capable of distinguishing the goods/services from others thereby granting exclusivity to the owner. Although descriptive marks are registered, acceptance may be discretionary and usually only if supported by extensive evidence demonstrating acquired distinctiveness through use. The USPTO considered Ravine's **OPEN AI** mark descriptive, and therefore incapable of registration on the US Federal register. Ravine's **OPEN AI** was therefore only granted registration once moved to the US Supplemental register.

Benefits of a Supplemental registration in the US include:

1. Use of the ® once registered;
2. Unauthorised use of a same/similar mark can constitute trade mark infringement;
3. Presents an obstacle to a later filed same/similar application;
4. It is not published for opposition purposes;
5. It may be based on a foreign registration.

Disadvantages:

- i. There is no presumption of validity, ownership and exclusivity;
- ii. It cannot be used to prevent the importation of infringing or counterfeit products.

While OpenAI's various **OPENAI** word mark applications under objection by Ravine were only filed several years later in 2022, the first use claim of 15 December 2015 coincides with Ravine's **OPEN AI** first use claim of 11 December 2015. OpenAI contends that it is not by chance that Ravine lodged the **OPEN AI** application with the USPTO on 11 December 2015, being the same day that OpenAI announced that it had secured significant funding.

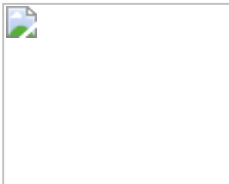
Our Comments

The allegations of fraudulent registration are serious and if founded will have far-reaching implications for Ravine. Case law indicates that the burden of proof to sustain a fraud claim is onerous. One must provide clear and convincing evidence showing that the applicant/registrant knowingly made false, material representations of fact, *with intent to deceive* the USPTO. Referring to *Nationstar Mortgage LLC v. Mujahid Ahmad (Case no. 91177036-OPP) TTAB 2014*, *intent to deceive* can be inferred from the surrounding facts and circumstances. The *Nationstar* case concerned the removal of a USA application on the grounds of fraud as the Applicant, having submitted a fabricated specimen of use, had filed a use-based application despite not having used the mark in connection with the services.

Should OpenAI succeed, Ravine's **OPEN AI** could be cancelled along with a claim for damages. The importance of filing authentic specimens of use cannot be overstated.

Regarding the mark OpenAI, while it is unlikely that any single entity can claim exclusivity to the acronym "AI", it is the combination of elements comprising a mark that renders it distinctive and capable of distinguishing.

OpenAI has a registration for –



and its application, comprising a device/logo –



does not appear to be under objection by Ravine.

Had OpenAI taken appropriate steps and filed applications for its mark **OPENAI** at the outset in December 2015 the uncertainty of the outcome of these proceedings, if any, would be somewhat different.

Please contact the Werksmans Intellectual Property Team for further assistance.



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