

# WHAT YOU NEED TO KNOW IN ORDER TO PROTECT YOUR TRADEMARK

## OVERVIEW:

A trademark indicates the name of the source of the product or, if a service mark, the source of the service. It should be a symbol of your reputation for quality, dependability, and value. It is who you want to be known as.

Trademarks provide the owner the legal right to prevent others from using confusingly similar symbols but only if your mark is considered “distinctive”. Conversely, GENERIC marks [the product name itself (noun)] are never protectable. DESCRIPTIVE marks [i.e., they describe the mark] can become a registered mark but only if they become INHERENTLY DISTINCTIVE [e.g. Chicago Pizza®].

In the U.S.A., common law rights for unregistered marks are based on use of the mark where the first user [senior user] has priority over later users [junior users]. However, registering your mark with the U.S. Patent and Trademark Office [“PTO”] has significant benefits over common law rights. The benefits to a federal registration of your trademark are that the registered owner gets national priority rights, public notice of ownership, exclusive right to use the mark, federal court jurisdiction for infringement of claims, and the right to record it with U.S. Customs Service to prevent counterfeit imports, statutory remedies, and the right to use the symbol ® after the mark.

A registered trademark can be very valuable. For example, the President of the COCA COLA® was quoted as saying that all their buildings, factories, equipment and vehicles were worth less than their trademark. Which would make the trademark worth over 50 Billion Dollars. [Trademarks identified in this ebook are the registered trademarks of their respective owners. The information in this ebook is not nor intended to be specific legal advice. You should consult your **attorney for individual legal advice regarding your own situation.**]

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## DESCRIPTION:

- 1.** A Trademark is any name, symbol or device used by a manufacturer or dealer to identify its goods and distinguish them from the goods manufactured or sold by others.

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- 2.** Trademarks can be words (e.g., Pepsi®), letters (NBC®), numbers (Chanel No. 5®), slogans (Just Do It!®), distinctive symbols (McDonalds® golden arches), container configurations (the shape of a Coca Cola® bottle) and even sounds (the 3-note NBC® chime).

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- 3.** As a rule, a different trademark is used for each product, but a single "house mark" may be used on an entire line of products along with a family of individual, product oriented, brand marks. A company name, or trade name, may serve as that company's house mark, [e.g. Xerox®]. The Kodak® house mark is used in conjunction with brand marks, such as Kodachrome® and Kodacolor®, to distinguish between different types of film.

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- 4.** Other marks that are treated like trademarks include:
  - (1) service marks, which are used to identify services rather than goods. For example, laundries, railroads, and insurance companies would use service marks rather than trademarks;
  - (2) Certification marks, which usually represent an endorsement (by the owner of the mark) of goods and services provided by others [e.g. the Good Housekeeping® "Seal"].

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## CATEGORIES:

There are four (4) general categories of trademarks. In generally decreasing order of protection allowed by the courts, they are:

- 1.** Coined Names -These are unique combinations of letters, numbers, etc.; the words formed are not previously defined in a dictionary. For example, Xerox®, Kodak®, and Exxon® were meaningless until they were adopted to identify companies and goods.

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- 2.** Arbitrary Marks -These are dictionary words that have no connection with the product, such as Comet cleanser and Apple computers.

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- 3.** Suggestive Marks -These do not directly describe a product, but suggest some desirable property, such as Coppertone® tanning oil and Wrangler® jeans.

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- 4.** Descriptive Marks -Terms such as Cottontips® and Extra-dry® are afforded the least protection. In general, they are not protected as trademarks unless they acquire "secondary meaning" (i.e., unless consumers through usage come to identify them strongly with a particular product). Even if protected, they are constantly in jeopardy of becoming "generic" and entering the public domain.

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## TRADEMARKS TO AVOID:

These trademarks should generally be avoided for the reasons below:

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- 1.** Descriptive or laudatory terms, such as tough, strong, shiny, transparent, etc., or misspellings (e.g. the term "Superglue" itself was declared to be descriptive).

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- 2.** Deceptive terms will not be sustained as valid trademarks. For example, the following marks were invalidated as being deceptive or deceptively misdescriptive: "Old Country" soap, for soap manufactured in the United States; "Glass Wax" for a window cleaner without wax; "Bromo Quinine" for a medicine containing no bromide.

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- 3.** Family names should generally be avoided since other people with the same name may have the right to use it in connection with their products. For example, a man named Stetson might be allowed to sell inferior quality hats under a Stetson® label, as long as his label somehow distinguished his hats from the famous Stetson brand.

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- 4.** Geographical words should generally be avoided, because other manufacturers may be allowed to use similar words that geographically describe their products or businesses.

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## COMMON MISTAKES:

- 1. Mistake #1:** Waiting to use the mark before registering it. Since 1989 the PTO allows Intent To Use applications.

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- 2. Mistake #2:** Not searching your mark (i.e. clearance) to see if it is infringing another mark.

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- 3. Mistake #3:** Not using your mark the same way it was registered.

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- 4. Mistake #4:** Not monitoring and enforcing your mark [you can lose your rights].

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- 5. Mistake #5:** Filing only for a domain name or state trademark. Domain names do not automatically create trademark rights. State registration is good for that state only.

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## TRADEMARK v. COPYRIGHT LAW:

- 1.** Copyright law covers such things as advertising copy, catalogs directories, price lists and other compilations of information.

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- 2.** Copyright law generally does not protect names, titles or short phrases; these are covered by trademark law. Copyright law and trademark law most commonly intersect in advertising copy.

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- 3.** Trademark law may protect the product or service name or logo, any distinctive slogans used in the advertising, and the distinctive features associated with the name or logo, such as its color or lettering style. Copyright law may protect any additional literal expression that the advertisement contains such as the artwork and overall composition.

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- 4.** Copyright law and trademark law also intersect on graphic designs used as logos. Trademark law generally protects the aspect of the logo that is used as a trademark. Copyright law generally protects the creativity “expressed” in the design. So in certain cases, a similar design can’t be used as a trademark by anyone else when customer confusion would result (trademark law) and even absent customer confusion the identical design can’t be used without the design owner’s permission (copyright law).

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## ACQUIRING RIGHTS:

- 1.** Trademark rights generally arise as a result of use of the mark in connection with the sale of goods or provision of services to identify and distinguish those goods or services from others. Such common law rights will arise only in the geographic areas of usage.

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- 2.** In the case of a conflict, the party with the first date of "use" will prevail. Starting in 1989, certain trademark rights may also arise upon filing an application asserting an Intent to Use ("ITU") the trademark.

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- 3.** Once established, trademark rights do not end after a specific period of time, as do patents and copyrights; instead, a trademark remains the property of the owner as long as the owner continues to use it properly as a trademark. This is true whether or not the owner has obtained federal registration of the mark but if federally registered it must be renewed.

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- 4.** An application for registration may be based either upon actual use of the trademark or an Intent to Use the trademark. While Federal registration is not necessary to create rights in a trademark, and it does not allow the registrant to infringe the prior-established rights of others, it has several significant advantages to the registrant.

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- 5.** The filing of an application based on Intent to Use, will give the applicant a constructive nationwide "use" of the mark as of the filing date. In addition, the Certificate of Registration is evidence of the validity of the registered mark and evidence of registrant's ownership of an exclusive right to use the trademark in interstate commerce. A registration also provides the potential for obtaining an incontestable right to use the mark.

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## FEDERAL REGISTRATION:

To file an application for federal trademark registration the following information needs to be addressed for each mark:

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**1.** The full name, address and entity of the applicant, and if an individual, his or her country or citizenship; if a partnership, the names, addresses and citizenships of the general partners; if a corporation, the state of incorporation.

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**2.** A description of the mark.

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**3.** A list of the goods and/or services offered under the mark.

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**4.** The date the mark was first used for each of the goods and services listed above.

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**5.** The date the mark was first used in interstate commerce.

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**6.** Samples of the goods or tags, labels, cartons or packages for the goods, and advertisements, brochures or other promotional materials for the service showing use of the mark in connection with the goods and services ("Specimens"). (An ITU application may be filed before the mark is actually used in connection with the goods or services of your trademark provided you commence use within a specified time after the date of the Notice of Allowance. (If you intend to file on an "ITU" basis, items 4, 5, and 6 are not relevant.))

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## GENERAL USAGE:

- 1.** A strong trademark may be invalidated if it becomes "generic". The test for whether a mark is generic focuses upon what buyers understand by the word. If the trademark owner used them to describe its goods rather than to describe itself as the source of certain goods they will enter the public domain. (e.g., Aspirin, Linoleum, Zipper, Cellophane, Shredded Wheat and YoYo) By contrast, the 3M Company is careful to refer to Scotch clearance brand tape rather than Scotch tape.

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- 2.** To protect a trademark from becoming generic, it must be used properly. In text and speech, it should always be used as a brand adjective ("a Xerox® photocopier" or "a Xerox® brand photocopier") and not as a noun ("the Xerox® is broken"), or as a verb ("Xerox® this paper") or in the possessive form ("Xerox®'s reliability"). On the product, the mark should serve no function other than that of a source indicator. Although the mark may be followed by a generic term as in text, such a generic term is not required. The mark should not be used as a tradename on the product; (i.e., it should not be associated with such terms as "company" or "Inc." or with an address).

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- 3.** If a trademark is proposed for use in connection with an entirely new product or line of products, two names should be selected. One name can serve as a trademark, and the other can designate the type of product as a generic term. (e.g. the manufacturers of Cuisinart® food processors designate their product as a "food processor", thus protecting their trademark "Cuisinart®".)

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- 4.** Registered marks should always be accompanied by the symbol ®. Unregistered marks should be accompanied by the symbol "TM".

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## UNREGISTERABLE COMPONENTS:

- 1.** The PTO may require the applicant to disclaim any unregistrable component of a mark otherwise registerable.

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- 2.** The purpose of a disclaimer is usually so the applicant can avoid a rejection of a composite mark as descriptive or that the applicant can obtain registration of a composite even though it contains matter not inherently distinctive.

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- 3.** The disclaimer does not have the effect of removing from the registered mark the matter disclaimed. It disclaims only a claim that the federal registration gives exclusive right in those disclaimed words or symbols per se. Another way, you are claiming the whole composite mark as your property but you make no claim as to the disclaimed word.

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- 4.** Even if a portion of a composite registered mark has been disclaimed the total composite mark will be considered by the PTO in determining the likelihood of confusion with the composite mark.

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## “LIKELIHOOD OF CONFUSION”:

Generally speaking, the PTO and any potential opposer, looks at these key factors for possible infringement based on consumer confusion as to the source:

- 1.** The similarity or dissimilarity of the marks in their entirety as to appearance, sound, connotation and commercial impression.

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- 2.** The similarity or dissimilarity, and nature, of the goods or services as described in an application or registration or in connection with which a prior mark is in use.

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- 3.** The similarity or dissimilarity of established, likely to continue trade channels.

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- 4.** The conditions under which, and buyers to whom, sales are made, (i.e., "impulse" vs. careful, sophisticated purchasing).

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- 5.** The fame of the prior mark (sales, advertising, length of use).

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- 6.** The number and nature of similar marks in use on similar goods.

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## “LIKELIHOOD OF CONFUSION”: continued

- 7.** The nature and extent of any actual confusion.

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- 8.** The length of time during and conditions under which there has been concurrent use without evidence of actual confusion;

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- 9.** The variety of goods on which the mark is or is not used (house mark, "family" mark, product mark).

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- 10.** The market interface between applicant and the owner of a prior mark: (a) a mere "consent" to register or use; (b) agreement provisions designed to preclude confusion, i.e., limitations on continued use of the marks by each party; (c) assignment of mark, application, registration and goodwill of the related business; (d) laches and estoppel attributable to the owner of prior mark and indicative of lack of confusion.

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- 11.** The extent to which applicant has a right to exclude others from use of its mark on its goods.

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- 12.** The extent of potential confusion, (i.e., whether de minimus or substantial).

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- 13.** Any other established fact probative of the effect of use.

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## FINAL THOUGHTS:

Three [3] final thoughts regarding trademarks that you should know:

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**REMEDIES FOR INFRINGEMENT:** An injured party can file in court for an injunction to stop the sale of similar goods, can sue for damages[including costs and attorneys fees], and can even request treble damages if the use was done in bad faith.

**LEGAL USE OF A SIMILAR MARK:** Two major use exceptions to infringement are [i] Fair Use, and [ii] Parody. Fair Use usually results from use of the registered mark by another to merely identify the mark for comparison purposes. It is usually only allowed if the mark is used as reasonably necessary to identify the mark. The second common use that is legal is for parody purposes when the mark is mentioned to simply parody it.

**TRADEMARK DILUTION:** Preventing someone from using your mark can also be done by alleging dilution of same. It applies to famous marks only. The gist of a dilution claim is the alleged diluter is “BLURRING” your registered mark. Courts consider such things as the degree of distinctiveness of your mark, duration, extent of use, and publicity of the famous mark.

Remember trademarks are considered intellectual property either yours or someone else’s. So if your trademark is important to you then you should protect it. It is extremely important that you work with a trademark attorney to come up with a strategy to secure your trademark property rights.