

A General Trademark Primer

A trademark is used to identify the source of particular goods or services, and is usually a word, phrase, symbol, design, or combination of these that distinguish the goods or services of one commercial enterprise from those of another. Trademark usage is not confined to commercial enterprises, however; any government or private agency or entity engaged in any public discourse or conduct where it desires recognition is inevitably using a textual or graphic symbol, such as its name or logo or symbol, in the manner of a trademark. This inherent desire to find a way to uniquely identify and distinguish something from among other similar things is apparent even in stories and movies; e.g., his fans know "Z" as the mark of "Zorro".

Trademark rights can also be based on other identifiers such as colors (e.g., Owens Corning pink fiberglass), scents, and even sounds (e.g., NBC chimes) because they help the public recognize the source of the goods or services with which they are associated.

There are various types of marks that are generally classified together as Trademarks, although there are distinctions between the classifications.

- Trademark - applied to commercial goods (e.g., "Coca-Cola")
- Service Mark - applied to commercial services (e.g., "Weight Watchers")
- Certification Mark - the mark given to goods or services meeting certain qualifications (e.g., "UL")
- Trade Dress - the overall impression of a package or product produced by the shape/packaging (e.g., Hershey's Kiss)
- Trade Name - the mark given to a business and its associated goodwill (e.g., "Shop 'n Save")

In the U.S., trademark rights are established based on commercial use of the mark in U.S. commerce, even with no registration. As long as commercial use of a mark is continuous, trademark rights will arise wherever the mark has been used in some substantial manner. These common-law trademark rights even allow a company to stop other companies from using a similar mark on similar goods/services. However, even though registration is not required in the U.S., it does offer significant benefits.

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For example, a federal trademark registration provides a legal presumption of the presence of the trademark nationwide, without the owner having to prove its usage in each and every state. The registration also provides notice to the public and precludes a junior user (one who adopts the same or a similar mark later in time) from claiming innocent infringement. Registration also creates a presumption of the trademark owner's rights, eliminating the need to prove the validity of the trademark in a court of law.

Thus, with a federal trademark registration, the defendant infringer has the burden of showing the plaintiff trademark owner has no protectable rights in the mark. In addition, damages under the federal Trademark Counterfeiting Act are only available if the trademark in question is federally registered. Furthermore, once a trademark registration is recorded with the U.S. Customs, this federal agency that protects our borders is empowered to seize imported goods bearing infringing marks at the point of entry into the country.

There are certain obstacles to the use or registration of a particular mark including prior and continuing use of the same or a similar mark by someone else. A clearing search reduces the risk that a selected mark will not conflict with an existing mark. In addition, a lack of distinctiveness associated with a mark may prohibit or limit the protection afforded by the mark. Generic or descriptive terms may be unenforceable as trademarks. There are also certain legal formalities associated with the registration process and maintenance of trademarks, for which one should consult a trademark attorney.

In summary, there are four basic steps to effective trademark administration, namely:

1. select a distinctive mark;
2. perform a trademark screening search;
3. register the mark; and
4. maintain the mark.

SELECT A DISTINCTIVE MARK

The distinctive characteristics of a mark are an important consideration when choosing a mark. For this reason, when selecting a mark, it is important to consider the four categories into which a trademark can be categorized: generic, merely descriptive, suggestive, and arbitrary or fanciful.

A **generic mark** is not really a trademark at all, in that a generic term cannot act as a source identifier. Such a term by definition is a noun that indicates or relates to the goods or services in a particular product category. As such, generic terms cannot be

protected under trademark law. Sometimes formerly good trademarks are degraded by common usage into generic terms. Classic examples of unenforceable generic "marks" include: aspirin, cellophane, elevator, thermos, and Internet. From these examples it is clear that if what was otherwise or originally a good trademark is not used properly, it may evolve into a generic term thereby forfeiting any protection afforded by trademark law.

For this reason, it is important to use a trademark as an adjective in conjunction with a generic noun or descriptive phrase for the goods or services, and not as a stand-alone noun that is understood to represent the goods/services involved. Several well-known marks are teetering on becoming generic, requiring expensive campaigns by the trademark owners to educate the public on the proper use of their trademark. These include, for example, Xerox (photocopiers, etc.), Jeep (sport utility vehicles), and Kleenex (tissues). You may have used these trademarks improperly yourself as nouns to represent the products with which they are associated.

Merely **descriptive marks** are considered to be nondistinctive, in that they describe a product or service based on its attributes. Because others selling similar goods/services must use similar descriptive terms to describe their goods to the public, the law tends to presume that such marks are not protectable as trademarks. However, a merely descriptive term is legally protectable as a mark if it can be demonstrated that the mark has acquired "secondary meaning," which means that through long use of the mark, consumers have learned to associate the merely descriptive mark with the goods/services of a particular supplier. Note that the consumers need not know the name of the particular supplier, but only that the goods/services come from a single source. Proper names (e.g., McDonald's), laudatory terms (e.g., Best Bagels), and geographical indicators (e.g., Maine Lobster Pie) used in connection with goods/services also are presumed merely descriptive marks, and are not protectable absent a showing of secondary meaning.

Suggestive marks are considered inherently distinctive. Thus, they are entitled to protection upon use. A suggestive mark does not explicitly describe the goods/services, but rather only provides a hint. The consumer must therefore employ a degree of imagination or thought to determine the nature of the goods/services. An example of a suggestive mark is "Quicken" (accounting programs). Trademark owners tend to like suggestive marks because they are both easily associated with the products or services, and they are registerable and enforceable.

Arbitrary or fanciful marks are also inherently distinctive. From a legal standpoint, they are considered the strongest marks. An arbitrary mark is a word or term that is in common linguistic use but not in connection with the particular goods at issue (e.g., Apple Computer). Fanciful marks are often effectively made up words (e.g., Exxon, Google, Maytag), or otherwise not well-known terms.

An experienced trademark attorney should be consulted as to the suitability of candidate marks, prior to selection and use. The value of a trademark cannot be underestimated. Some marks, such as IBM and Coca-Cola, are so valuable that they represent a large percentage of a company's intangible assets. Imagine the cost associated with being forced to change your mark after you have already established a public presence, not to mention the litigation costs and possible court assessed damages.

TRADEMARK SCREENING

It is important to pick a mark that:

- is capable of acquiring distinctiveness;
- satisfies current trademark laws;
- is not confusingly similar to another mark already in use that is associated with a similar product or service; and
- is not in use in any potential foreign markets and preferably the domain name is available.

A trademark search should check existing, pending, issued, and abandoned federal applications, state registrations, common-law non-registered uses such as trade directories, trade name directories, specialized directories, buyer's guides, phonebooks, telephone directories, search engines, domain directories, and international sites. Simply stated, the greater the scope of the search, the greater the level of confidence in the mark.

It is always helpful for a client to prescreen candidate marks before approaching the trademark attorney. We have prepared additional information to help you perform a Trademark Screening Search. Retain the results for your attorney.

TRADEMARK REGISTRATION PROCESS

The typical trademark registration process, if successful, takes approximately one year from filing to registration, although the filing secures the priority date for the mark. There are two ways to file, namely: 1) Use-based application and 2) Intent-to-Use (ITU) application. The use based application requires that the mark be in actual use in U.S. Commerce at the time of filing the application, while an ITU application can be filed at anytime as long as the trademark owner has a 'good faith' basis for filing in this manner.

A use-based application for federal registration has a \$335 government filing fee for each class. A formal rendition of the mark is required if the mark is stylized or contains a logo or design. For Use-based applications, several examples of the mark in actual use are required for each class being sought. The law firm fees vary.

The ITU application does not require specimens at the time of filing, but an additional filing fee of \$150 is required for submitting the required proof of use and Statement of Use to complete the application process. A basic ITU application for federal registration has the same \$335 government filing fee for each class. Law firm fees vary.

Several months after filing, the application is examined by a trademark examiner. There will likely be additional costs to prosecute (e.g., responding to an examiner's rejection, called an Office Action) the application before a registration is issued. The trademarks are subject to careful scrutiny by trademark examiners, there are numerous grounds for possible rejection, and common rejections include likelihood of confusion based on existing applications and registrations and merely descriptiveness. The goods/services description is also typically amended during the process and the specimens and submitted mark must satisfy rigid standards. The Office Action is typically received about 3-5 months after filing, with a set period of six months to respond. Depending upon the rejection, the office action response generally takes several hours to draft, for which the lawyers' fees vary.

If the trademark office allows the mark, it is published for opposition. The opposition period lasts thirty days, during which time anyone can file an opposition (or extension to oppose) if they believe they will be harmed by the registration. An opposition proceeding, if required, will be an additional cost.

Once the application passes the opposition stage, a Use-based application and ITU applications that have Statements of Use accepted, will receive a trademark registration several months thereafter. ITU applications that have not filed a Statement of Use will get a Notice of Allowance and have six months to file the specimens and Statement of Use. There is a mechanism to buy additional time to submit the specimens.

TRADEMARK MAINTENANCE

Unregistered marks should be tagged with the letters "TM" in superscript (e.g., ProductTM) on all uses of the mark associated with your goods or services. This can be done regardless of whether you file for federal registration. It merely puts the world on notice of your intent to claim the mark as your trademark. Similarly, for trademarks

used to identify services rather than products, you may use superscript "SM" with your trademark, to designate a service mark.

Upon registration, and ONLY upon registration, you can use the superscript ® with the mark in all usages within the classification of the registration.

Trademark rights last as long as the mark is continuously used in commerce. Note, however, that the federal registration must be renewed every ten years, and additional filings must be filed after five years of continuous use. Other filings are also possible and should be considered when filing the affidavits.

Trademark ownership is an affirmative right, and trademark owners are responsible to police their marks and make sure offending usage is stopped. There are trademark monitoring services that track all trademark applications and registrations so that the owner can oppose or cancel marks that are offensive. In addition, any usage of the mark by third parties should be carefully administered and licensed.

Trademarks are extremely valuable assets, where marks such as Coca-Cola and Microsoft are valued in excess of \$50 million dollars each. A trademark program is one piece of an Intellectual Property Plan that can greatly enhance the image of a company and add value to the business.
