

# INTELLECTUAL PROPERTY

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## SELECTING AND USING A TRADEMARK

This guide is intended to aid you in selecting and using a trademark. These general guidelines are not a substitute for legal advice, and you should consult trademark counsel for any specific advice.

### What is a Trademark?

A trademark distinguishes your goods and services from those of others and identifies such goods and services as originating from a single source. The term "trademark" in this guide refers both to trademarks (used to distinguish goods) and service marks (used to distinguish services).<sup>1</sup>

In the United States, rights in a trademark arise from use in commerce rather than from registration, although registering a trademark provides certain additional benefits (as discussed below). A trademark can consist of any element capable of identifying source, including words, logos, slogans, colors, sounds, and scents. While a company often uses its trade name (i.e., its corporate name) as a trademark, trade names and trademarks serve different purposes. A trade name identifies a company, whereas a trademark identifies a company's goods or services as originating from a single – but potentially anonymous – source. Registering a trade name with a Secretary of State or similar governmental authority, without more, does not establish trademark rights, nor does registering a domain name.

### Selecting a Trademark

The main purpose of your trademark is to distinguish your goods or services from those of others, so it is important to select a mark capable of being distinctive in the marketplace. In the United States, the strength of trademarks is viewed on a spectrum – from strongest to weakest – as follows:

**Fanciful** marks are made-up words with no other significance or meaning that are adopted exclusively for use as a mark in connection with goods and services. Examples include KODAK for cameras and XEROX for copying machines.

**Arbitrary** marks are common words or other elements applied to goods or services in a manner that has no actual connection to those goods or services. Examples include APPLE for computers and BLACKBERRY for mobile phones.

**Suggestive** marks evoke a characteristic or feature of the goods or services offered without describing them. Suggestive marks include WHIRLPOOL for dishwashers and JAGUAR for automobiles.

**Descriptive** marks describe in ordinary language a characteristic or feature of the goods or services offered. Elements that are merely descriptive generally are not protectible as trademarks because they often are necessary for describing all goods and services of a similar nature and are poor means of distinguishing among different sources of goods and services. Examples include VISION CENTER for optics stores and marks that include favorable phrases such as "strongest" and "best" (and do not otherwise qualify as "suggestive" or "arbitrary" marks).

**Generic** terms identify the type or category of goods or services and are not protectible as trademarks. Examples include "PEN" as a name for pens and "ACCOUNTING" as a name for accounting services.

The above categories of trademarks provide differing levels of protection. Fanciful, arbitrary, and suggestive marks are considered to be strong marks because they are "inherently distinctive," (i.e., they are capable of immediately distinguishing the source of goods or services upon their initial use in commerce.) Descriptive terms may be protected as trademarks

<sup>1</sup> Other types of marks include collective marks (used to indicate membership in an organization) and certification marks (used to certify or confirm certain characteristics of goods or services, such as regional origin, materials used, quality, etc.).

only if they acquire distinctiveness in the marketplace. Acquired distinctiveness, or "secondary meaning," is gained when the relevant portion of the public associates a descriptive term with a particular source of goods or services, rather than solely with its common descriptive meaning. A generic term cannot function as a trademark because it identifies the product or service itself, rather than signifying a single source of the product or service.

Selecting a trademark that is closer to the fanciful/arbitrary end of the spectrum will provide stronger protection. While for marketing or other reasons it may be tempting to choose a trademark that describes your product or service, doing so limits your ability to protect the trademark you choose. Descriptive terms are available for everyone to use (unless they have acquired distinctiveness), and your company's competitors may use the same or similar descriptive terms. Therefore, using descriptive terms to identify your goods and services potentially makes it more difficult to distinguish your goods or services from those of your competitors. Choosing an inherently distinctive trademark offers the broadest scope of protection and can help prevent confusion about the source of your goods and services.

Once you select a potential trademark – but before you begin to use the mark in the marketplace – it is very important to have a clearance search conducted to determine whether any existing trademarks may conflict with your choice. An existing trademark may raise a concern if it is so similar to your proposed trademark that the public is likely to be confused about the source of the applicable goods and services when the existing and proposed trademarks are used in commerce. Because rights in a trademark arise from use instead of registration, conflicting trademarks may be registered or unregistered. Accordingly, because the scope of potential conflicts is not limited to the trademark registrations identifiable in the online public records of the U.S. Patent and Trademark Office ("PTO"), it often is advisable to have the clearance search conducted by a professional trademark search provider that can identify and evaluate a broad array of potential conflicts.

## Protecting Your Trademark Rights

If your proposed trademark does not face any conflicts, you should consider applying for a federal trademark registration if you plan to use the trademark in interstate commerce (i.e., offering goods or services between two or more states or between the United States and another country). While U.S. trademark law protects unregistered (or "common law") trademarks, a federal registration provides even broader rights. For example, obtaining a federal registration establishes a presumption that you have the exclusive right to use the registered mark nationwide,<sup>2</sup> allows you to enforce trademark rights in federal court, and allows you to use statutory notices (including the registration symbol "®"). A statutory trademark notice puts the public on constructive notice that you own the trademark and allows you to collect enhanced monetary damages against those who infringe your trademark.

The federal trademark registration system is based on a classification of goods and services. That is, a registration does not protect a registered trademark for all goods and services, only those goods and services for which the trademark is used and are identified in the registration. To apply to register a trademark, you will need to identify the goods and services for which you are using the trademark and choose the appropriate class of those goods or services. You also may file an application if you are not yet using the trademark with the relevant goods or services but have a bona fide intent to do so (although a registration will not issue until you submit evidence of actual use of the trademark in commerce). During the application process, you must submit a document declaring (under penalties of perjury) that you are using the trademark with the stated goods and services. If the description includes any goods or services for which you are not actually using the mark, all or part of the registration may be invalidated.<sup>3</sup>

After you file an application, the PTO reviews the application to determine whether the trademark can be registered. During the examination process, the PTO may issue an "office action" raising either formal or substantive issues that must be addressed. If your response to the PTO's office action is successful, the PTO publishes a notice in the PTO's Official Gazette. Upon publication of the notice, if another party believes it would be damaged by registration of your trademark, that party may oppose your application. If that occurs, an opposition proceeding will be held before the Trademark Trial and Appeal Board (unless you are able to resolve the concerns in a settlement with the other party). If no party opposes within thirty days of publication, the PTO will issue a registration if you filed an application stating you were already using the mark. If you filed an intent-to-use application, the PTO will issue a Notice of Allowance. You will then have six months to submit evidence that you have begun using the trademark in interstate commerce, although you may request (with payment of a fee) five additional six-month extensions of time to use the trademark. If you do not submit evidence of use within the required period, the PTO will consider the application abandoned.

<sup>2</sup> Without federal registration, trademark protection is generally limited to the geographic area in which you use your trademark. If you use your trademark only with a local area and not in interstate commerce, you may consider applying for a state registration, which can provide certain benefits within the state.

<sup>3</sup> See *Medinol Ltd. v. Neuro Vasx, Inc.*, 67 U.S.P.Q.2d 1205 (T.T.A.B. 2003).

You can maintain a trademark registration as long as you continue to use it in commerce, you continue to use the trademark properly (as discussed in more detail below), and you make the required maintenance filings with the PTO (i.e., a declaration of continued use in the sixth year following registration and a renewal every ten years). Failure to use a trademark for three consecutive years may be considered evidence that you have abandoned your rights. After five years of continued and substantially exclusive use of your trademark, your trademark can become "incontestable," a status that forecloses many attacks on the validity of the trademark.

### Proper Use of Your Trademark

To acquire or enforce rights in a trademark, you must use the trademark properly. Trademark rights may be forfeited if a trademark no longer functions as a source identifier of goods or services. A trademark can lose this function through improper use by the trademark owner or by others.

For example, widespread improper use of a trademark as the name of a type of product instead of as the brand for your company's particular product can cause your trademark to become generic and free for use by anyone. Well-known trademarks that have become generic (and available for all to use) because of improper use include: aspirin, escalator, yo-yo, thermos, gold card, raisin bran, and cellophane. Accordingly, many companies vigilantly guard against trademark misuse through means such as distributing brand-use guidelines to their employees and advertising to the public, so that their marks are not used in a way that could cause them to become generic.

Following the guidelines below will help to avoid common pitfalls that might cause you to lose rights in your trademark.

**Use in Text.** Use your trademark as an adjective along with a noun (e.g., "BIC pen" instead of just "a BIC" or "KLEENEX tissue" instead of "a KLEENEX"). Consistent use of a noun or generic term teaches the consumer that the trademark "BIC" is the brand of the product, not the common or generic name of the product itself. Never use your trademark as a noun (e.g., "Write your best with a BIC") or a verb (e.g., "BIC your homework"). Using your trademark as a noun or verb is inconsistent with the purpose of the mark, i.e., to distinguish your goods and services from those of others.

Use your trademark in the singular form, never the plural (e.g., "look at this display of BICs") and do not make your trademark possessive (e.g., "BIC's superior ink"). Do not add prefixes, suffixes, or other adjectives to your trademark so that a new word or phrase is created.

Note that these rules apply only when you are using your trademark to identify the source of your goods or services. If your corporate name is the same as your trademark and you are referring to the corporation, you may make it plural, make it possessive, use it as another part of speech, or otherwise alter it.

In order to further distinguish your trademark from ordinary descriptive or generic terms, set off the mark from surrounding text by one of the following methods:

- Using all capital letters or initial capital letters,
- Using a different size and/or typeface such as italics,
- Using quotation marks around your trademark,
- Using a different color,
- Using the word "brand" immediately following the trademark, or
- Making claims of exclusivity in reference to the trademark (e.g., "KLEENEX tissue, only from Kimberly-Clark").

**Affixation.** Your trademarks should be affixed directly to your products or to their associated packaging, containers, labels, or promotional displays.<sup>4</sup> Your service marks should be displayed on signs, brochures, letterhead, invoices, advertisements, promotional materials, or other materials that describe or are used with the services.

Be careful when using your marks outside the United States. In some foreign jurisdictions it is illegal to include trademark notices on products and advertising literature unless the mark is registered in that jurisdiction. You should consult counsel about using notices if you intend to ship your goods or advertise your services in other countries if you have not registered your trademark in the relevant jurisdiction.

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<sup>4</sup> You must affix your trademark to Internet displays of a product that provides a means of ordering the product. You should include a picture of the relevant goods, show the mark sufficiently near the picture of the goods to associate the mark with the goods, and display the information necessary to order the goods.

## Proprietary Notices

There are multiple ways to give notice that you assert rights in your trademark, whether the trademark is federally registered, is the subject of a pending application, or is unregistered. Using these notices is not mandatory, but is strongly recommended because doing so informs the public that the mark is being used as a trademark (and is required to recover certain types of monetary damages).

**Notice for Unregistered Marks.** "TM" or "SM". Placing these notices after your trademark or service mark, respectively, is appropriate for marks that are not federally registered. Using these forms of notice indicates that the owner is claiming the term as a trademark or service mark, gives notice to customers, and may help to ward off competitors from using your mark. Alternatively, you can use an asterisk with a footnote at the bottom of the text. Typical credit line language is: "MARK is a trademark of YOUR COMPANY."

**Statutory Notices for Registered Marks.** ®, "Reg. U.S. Pat. & Tm. Off.," or "Registered in U.S. Patent and Trademark Office." Using these statutory notices indicates federal registration and is a prerequisite for a registrant seeking to recover certain types of monetary damages in an infringement action unless the infringer otherwise has had actual notice of the registration. If you do not use these notices, you risk losing the right to recover these monetary damages.<sup>5</sup> You should use the registration symbol or phrase only after the PTO confirms it has issued a registration (i.e., not before an application has been filed or while the application is pending) and only when the trademark is used with the goods or services for which it is registered.

**Using Proprietary Notices.** When using a trademark in text, these forms of notice need not be used every time a mark appears. Notice should be included at least the first time the trademark is used in a document, but it is not necessary to repeat the notice every time you use the trademark. When using a trademark on websites, slideshows, or other similar ways, you should include the notice at least the first time the trademark is on each page, not just the first page or slide, because the pages or slides may be viewed individually or out of order.

## Enforcement

Trademark law puts the burden on the trademark owner to continuously use its own trademarks and enforce its own rights, and you can lose rights in your trademarks if you fail to monitor their use by others in the marketplace. Accordingly, many companies protect their marks by undertaking trademark policing and monitoring programs to identify third-party applications to register confusingly similar marks in the PTO and unauthorized third-party uses of similar marks in connection with competitive products or services. Those efforts often include sending cease and desist letters to parties seeking to adopt infringing marks in order to persuade those parties to abandon their conflicting applications or stop their infringing uses.

You also should be aware that licensing your trademark could affect your rights to the mark, so it is important to consult your trademark counsel before giving anyone else permission to use your trademark. For example, you must always be vigilant in exercising control over the nature and quality of a licensee's goods or services used with the trademark and in requiring proper trademark use as described above. Failure to exercise adequate quality control can result in abandonment of the licensor's rights in the licensed mark. ♦

<sup>5</sup> Lanham Act §§ 29 and 35, 15 U.S.C. §§ 1111 and 1117.

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If you would like more information about this alert, please contact one of the following attorneys:

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