

TRADEMARK PROTECTION

A trademark is a word, name, symbol or device used by a manufacturer or merchant to identify his or her goods and distinguish them from others. A service mark is a word, name, symbol or device used by one offering a service in order to identify his or her service and distinguish it from others. Therefore, trademarks and service marks act as a source of origin of goods and services, as well as indicating the quality. For purposes of the following discussion, the word “trademark” will be used to refer to both trademarks and service marks. Trade names identify business entities and will not be discussed.

Federal or state registration does not create a trademark. Trademark rights can only be acquired by actually using the trademark in association with particular goods or services. However, as of November 16, 1989, a trademark can be “reserved” prior to actual use by filing a federal trademark application based upon an intent to use the trademark.

For most practical purposes, state registration of a trademark is meaningless. Since this area of law is controlled primarily by federal statute (the Lanham Act), existing state laws do not provide comprehensive trademark protection, if they provide any protection at all. Federal registration of a trademark, on the other hand, gives the registrant substantial procedural advantages if the trademark owner should ever be faced with the task of stopping a potential infringer. Filing an application for federal registration of a trademark typically costs approximately \$500 to \$1,000 if the services of an attorney are used. An individual may apply for federal trademark registration directly to the United States Patent

and Trademark Office without using an attorney. The government fee for filing a trademark application is currently \$335 per class of goods and services.

In order to obtain federal registration of a trademark, the mark must first be used in commerce. Use of the mark must be substantially continuous if rights in the mark are to be preserved, even after registration is obtained. Federal registration cannot be obtained until the trademark has actually been used on the goods and services in interstate commerce. Proper trademark use requires that the mark be placed on the goods directly, or their containers, or displays associated with the goods, or tags or labels that are affixed to the goods. If the mark is used in association with services, the mark must be used or displayed in association with the sale or advertising of the service.

As long as a trademark is being used properly, the trademark rights will last indefinitely, and any federal registration of the trademark may be renewed indefinitely. Proper use of a trademark requires that it always be used as an adjective, and never as a noun. For example, the word “zipper” was once a registered trademark and denoted a particular type of fastener. Proper use of that trademark would have been to always refer to the fastener as the “zipper fastener” and never simply as a “zipper.” Since this trademark was used improperly as a noun referring to the fastener itself, the word “zipper” lost its trademark status and simply became the “generic” word identifying a product, thereby giving anyone the right to use the word “zipper.”

Once a trademark has been federally registered, it should be identified either with the word “registered” or with the symbol ®. An unregistered trademark should be identified with the letters ™ placed in close association with the word or symbol which comprises the mark.

“RESERVATION” OF A TRADEMARK

As of November 16, 1989, trademark applicants also have the option of “reserving” a trademark, without actually having used the mark

in commerce, by filing for federal application of trademark. The applicant can apply based upon a good faith intention to use the proposed mark in commerce within a reasonable period of time. However, use of the trademark in an actual business context is required before a mark can be federally registered. Whether filing based on actual use or proposed use of a trademark, it is advantageous to file an application as quickly as possible.

TRADEMARK SELECTION

The selection of a trademark can be very important in terms of the trademark owner's ability to obtain registration and prevent others from using the mark. Trademarks can generally be classified into four basic categories: (i) generic, (ii) descriptive, (iii) suggestive, and (iv) arbitrary. A generic trademark is really not a trademark at all. An example of a generic trademark is the word "zipper," discussed earlier, which has lost its trademark significance and has come to be used by everyone speaking the English language to describe not the brand of a product, but rather the whole class of products. Thus, when choosing a trademark, it would be improper to choose a word which is defined in a dictionary to mean the type of product on which the trademark is used. In other words, if you develop a type of motor vehicle, don't choose a trademark such as "car" or "automobile" and expect to be able to prevent others from using your "trademark."

Descriptive trademarks are also usually poor choices if you intend to be able to prevent others from using an identical trademark. A mark is descriptive if it simply tells the public what the product is. For example, if your product is a telephone which may be used in an automobile, the trademark "car phone" would be considered descriptive, since it merely describes what you are selling. Similarly, a trademark such as "Minnesota Mineral Water" would be considered geographically descriptive, since any product coming from the state of Minnesota may be identified with the prefix Minnesota. There is generally no way that a person could prevent others who make a similar product in Minnesota from so identifying their products.

This is not to say that either generic or descriptive words cannot be used as trademarks, but rather, no exclusive trademark rights will be created. If one merely wishes to describe what it is they are selling, and is not particularly interested in uniquely identifying themselves as the source of that product, the generic and descriptive trademarks would be perfectly acceptable. Additionally, the strength of descriptive trademarks may be enhanced by establishing “secondary meaning,” which indicates consumer awareness of the trademark as an indication of source. The term “secondary meaning” simply means that a trademark is made up of a word that might be interpreted as merely descriptive, but because it has been used as a trademark for such a long time by a particular manufacturer, the public has come to associate that particular mark with the manufacturer in spite of its descriptive quality. An example of such a mark would be “Kentucky Fried Chicken®” which has come to signify chicken from a certain franchising organization, rather than as descriptive of all fried chicken originating in Kentucky. Since this particular trademark has acquired “secondary meaning” through use in the marketplace, other distributors of fried chicken, even if they are actually located in Kentucky, may not use this trademark which is, at first glance, merely a descriptive phrase.

Suggestive trademarks are stronger trademarks, especially if they hint at some quality of the product without actually telling exactly what the product is. For example, the trademark “hercules” might be a suitable trademark for a variety of goods since it conveys or suggests an image of durability and strength, but does not indicate what the product is that is being offered.

Arbitrary or fanciful trademarks are the best choice from a legal protection view point. These are words that have absolutely no meaning in the English language prior to their adoption by a particular manufacturer for use with their goods or services. These marks instantly become identified with the particular manufacturer and the exclusive right to use the mark is easily asserted against potential infringers. An example of an arbitrary or fanciful trademark is the trademark “KODAK®” for cameras.

The entire purpose of a trademark is to serve as a unique indicator of the origin of a product or service. Thus, members of the public will come to associate a particular trademark with a particular manufacturer of a product and will ask for the product by that particular name, thus giving the trademark great commercial importance. Therefore, when choosing a trademark, one should try to select a name that will lend itself to the task of serving as a unique identifier of a particular manufacturer in a competitive marketplace.

THE FEDERAL TRADEMARK REGISTRATION PROCESS

The registration of a trademark is not a mere formality. The applicant must first have used the trademark in association with goods or services in interstate commerce. The application process involves filing with the United States Patent and Trademark Office a fee, specimens of the trademark as it is actually used, and various required statements outlining when the mark was first used and the types of goods and services on which the mark is used.

Trademarks are categorized for registration purposes into several different classes, such as, for example, cosmetics, toys, or clothing. If a trademark is to be registered in more than one class, that is, it is used on both toys and clothing, then a separate registration fee must be paid for each class in which registration is sought.

Once the application is filed, the application is examined by Trademark Office personnel referred to as Trademark Examining Attorneys. The examination process is designed to determine if any other trademark is federally registered for similar goods and services which may be “confusingly similar” to the trademark in the application. One must keep in mind that trademark infringement may occur even if an identical mark is not being used. The legal standard states that a trademark is infringing if it is “confusingly similar” to an existing trademark used on similar goods and services, and so the Trademark Office bases all of its examinations on this particular standard.

If a Trademark Examining Attorney determines that the trademark is not confusingly similar to an already registered mark, the mark is “published” in a government magazine called the Official Gazette. This official publication gives members of the public an opportunity to “oppose” the registration of the mark if they feel that it is confusingly similar to some trademark that they are using, even if their mark is not already federally registered. After a waiting period of thirty days has elapsed, the trademark is granted federal registration (unless the mark was “reserved”, which would then require that a statement be filed that the trademark has actually been used). The trademark registration may still be canceled at a later time if it is not used properly, or if a prior user of the mark discovers only after the registration is granted that someone else is using its trademark. Commercial use is required to maintain a registration. A trademark registration issued after November 16, 1989 is good for an initial term of ten (10) years. If the mark is still in use in connection with the goods and/or services with which it is registered, then the registration can be renewed for additional ten year terms.

An important point to remember in selecting and using a trademark is that the adoption of a new trademark can entail a substantial expenditure of money. Therefore, prior to adopting and using a mark, it is usually a good idea to perform a “trademark search” to determine if a similar mark is being used anywhere in the country. Various organizations are available which can perform a professional trademark search, the cost typically being between \$400 and \$1,000. If the results of the trademark search are positive, use of the mark should begin immediately, including interstate use, so that the trademark can be registered federally.

TRADEMARK INFRINGEMENT

A trademark can be infringed even if the infringer is not using an identical mark. Trademark infringement occurs when another trademark is confusingly similar to the original trademark.

Whether the two trademarks are confusingly similar depends on a number of factors, including:

- The existence of actual confusion in the marketplace between the trademarks;
- Similarity of the appearance, sound and meaning of the trademarks;
- Similarity of the goods and services being identified by the trademarks;
- The degree of secondary meaning acquired by the trademarks;
- The sophistication of the consumers who buy the particular products or services;
- The similarity of the channels of distribution of the products or services (that is, are they both sold in the same types of stores);
- The degree of commercial competition between the two trademark users; and
- The distinctiveness of the trademarks (that is, are they somewhat descriptive or are they arbitrary and fanciful).

Since trademark rights are created by use of the trademark, one's rights in the trademark prior to federal registration or reservation are limited to those areas of the country where the mark has actually been used. Thus, in the absence of federal registration or reservation, it is perfectly permissible for two organizations to use identical marks on identical goods if each of them occupies mutually exclusive geographic market areas.

As with patents, the United States Patent and Trademark Office has no program for monitoring for the potential infringement of registered marks, and will not enforce trademark rights on behalf of the owner of a federally registered trademark. Once a trademark

owner determines that someone else is potentially infringing his or her trademark, the trademark owner must bear the expense of remedying the situation. Frequently, a simple letter to the infringer requesting that they cease use of the mark is sufficient. However, if the infringing party is not cooperative, the controversy is likely to end up in a federal court with all of its attendant legal expense. The commercial value of the trademark must necessarily be fairly substantial to justify the expense involved in conducting a full scale trademark infringement suit in federal court. Again, it must be emphasized that a descriptive trademark, even one having substantial secondary meaning, is much more likely to be successfully infringed than arbitrary or fanciful trademarks. Also, an arbitrary or fanciful trademark is likely to be much less expensive to defend in any legal battle, since its ownership will be more readily apparent to a court deciding the issue of infringement.

In addition to preventing others from using a confusingly similar mark within the United States, the owner of a registered trademark may also utilize the United States Customs Service for preventing products bearing confusingly similar trademarks from being imported into the United States.

SUMMARY

The owner of a trademark may prevent others from using a mark which is confusingly similar to the owner's mark. To determine whether or not another mark is confusingly similar, it is necessary to look at the sound, appearance and meaning of the trademark as well as the goods/services for which the mark is used. A trademark can be quite valuable in that it identifies the products/services carrying the mark as originating from a certain source. The public will begin to recognize a trademark as standing for a certain level of quality and may very well build an allegiance towards purchasing those products/services in the future.