

TRADEMARK - FREQUENTLY ASKED QUESTIONS (FAQ)

By Andrew Holland – Thoits, Love, Hershberger & Mclean

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1. What is a Trademark?

The U.S. Patent and Trademark Office (USPTO) defines a trademark as “a word, phrase, symbol or design, or a combination of words, phrases, symbols or designs, that identifies and distinguishes the source of the goods of one party from those of another. A service mark is the same as a trademark, except that it identifies and distinguishes the source of a service rather than a product.”

In simple terms, a trademark is a brand name for your goods or a brand name for your services. A trademark can be almost anything, including a word, a slogan, a color, a sound, a person’s name, a product shape, a moving design or even a scent. As long as it identifies and distinguishes the source of goods or services from those of others, it can be a trademark.

Examples of trademarks include:

- MTV for cable television broadcasting
- BETCHA CAN’T EAT JUST ONE for potato-based snack food
- A moving image of a spinning globe for global positioning system receivers
- Amazon.com for on-line wholesale and retail distribution of books
- The sound of “a cat’s meow” for film and television broadcasts
- The colors “GREEN” and “PINK” for mascara
- A stylized “m” for candy

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2. Is a Trade Name also a Trademark?

A trade name is the name of your corporation, company or business. A trade name may, but does not always, function as a trademark or service mark. Two common examples of trade names that are also trademarks are GOOGLE and STARBUCKS COFFEE.

3. Do All Trademarks Provide the Same Protection?

No. All trademarks are not created equal. A strong trademark creates a distinct and memorable commercial impression in the mind of the purchasing public. Additionally, one-of-a-kind trademarks are unlikely to infringe the rights of others and are more protectable because of originality. Trademarks are often divided into four categories:

- Fanciful or coined - the strongest marks are made up. Examples include CHEERIOS, DORITOS, PROZAC, and ODWALLA
- Arbitrary - familiar words used randomly on goods and services. Examples include BLOCKBUSTER, APPLE, QUAKER, and BLACKBERRY
- Suggestive - marks that give us a feel for the product or services. Examples include MR. COFFEE, SUGAR IN THE RAW, URBAN OUTFITTERS, and THE PAINT BRUSH GLOVE
- Descriptive - marks that tell us a lot about the goods or services. Examples include HALLOWEEN SUPERSTORE, WE SELL TIRES

Fanciful or coined trademarks are given the greatest amount of protection. Arbitrary and suggestive marks rank next in order of strength. Arbitrary marks are given more protection than suggestive marks but less protection than fanciful or coined marks. Descriptive marks are considered the weakest marks and are provided little or no protection. In fact, descriptive marks are not registrable on the Principal Register (the main register) but in some cases may be allowed on the Supplemental Register.

The Supplemental Register is a secondary register established by the USPTO for marks not registrable on the Principal Register. While registration on the Supplemental Register does not afford all the rights of the Principal Register, it does permit use of the federal registration symbol ® and will preclude similar marks from being registered on the Principal or Supplemental Register. After five years of use and successful sales, a descriptive mark may acquire “secondary meaning” and may be registered on the Principal Register.

4. How Are Trademark Rights Created?

In the United States, rights in a trademark may be established through use in trade or commerce. These rights are called “common law rights” and are affixed as soon as the mark is used in commerce to describe a product or service.

Trademark rights may also be established by filing a trademark application in the United States Patent and Trademark Office (the “USPTO”) and demonstrating use of the trademark in

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commerce. The filing date of the application provides constructive nationwide notice of ownership in the mark.

Common law rights are limited to their geographic area of use (usually the state(s) where use occurs). In contrast, a registered trademark in the USPTO provides notice of registrant's right to use the mark throughout the entire United States and its territories.

Two types of applications can be filed in the USPTO. A first-use application is used when a mark is already being used in commerce. The first-use date is presumed to be the actual date the trademark was used in commerce for the first time as listed on the application. The second type of application is called an intent-to-use application. An intent-to-use application is used when a mark has not been used as a trademark in commerce but the applicant has a bona fide intent to use the mark shortly after filing. If an intent-to-use application is properly filed and prosecuted, the applicant's filing date will be deemed the date the trademark was used in commerce even if actual use does not occur until after the filing of the application. First-use dates are important because they are used to determine senior owner status (explained in detail in Question 6, below).

In many foreign countries, the first person to register the mark is deemed the owner and has prior rights in the mark. Thus, in those countries, common law rights are not recognized and a trademark owner must register to secure rights.

Trademark rights are territorial. If an international presence is sought for your mark, or if your mark will be licensed in foreign countries, registration in those countries should be made.

5. Why Should I Register a Mark if I Have Rights Through Use?

The significant benefits of a registration on the Principal Register include:

- a) There is a presumption of valid rights in the mark. Without a registration, you must prove when and where you used the mark to establish rights. This requires keeping diligent records of use.
- b) A registered trademark provides "national" constructive notice of the ownership of the mark against subsequent users, and "freezes" those with prior common law use in their specific geographic area.
- c) Use of the ® symbol, which is a powerful way of preventing others from using the same mark.
- d) Informs other potential users that you own a registered mark.
- e) After five years of continuous use and no lawsuits, certain rights in the mark become incontestable by others.
- f) If "willful" infringement of your registered mark is proved, recovery of attorney's fees and special damages is authorized.
- g) May allow you to stop somebody from registering your mark as a domain name.
- h) A registration or application may be required to file for registrations in other countries.
- i) May file a copy of the Certificate of Registration with the U. S. Customs to aid in the confiscation of infringing imported goods.

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- j) Registered trademarks may be attractive to potential investors in a financing, merger, or IPO.

6. Can Somebody Else Use My Trademark Without My Permission?

It depends. Someone may be able to use your trademark only if (a) use is (i) in a different channel of trade and/or (ii) unlikely to cause consumer confusion, or (b) the other party is deemed the senior owner of the trademark. Typically, the first party to use a mark to describe a product or service is deemed the senior owner of that mark as it relates to the product or services. For example, if Party A begins using the mark PACE in 1994 to describe herbicide, and Party B begins using the same or similar mark in 2004 to describe a similar product, Party A is the senior user and has prior use rights over Party B, the junior user. Thus, Party B can be forced to stop using the PACE mark to describe its product.

However, if Party B uses the PACE mark to describe exercise classes, Party A and Party B's marks probably are not likely to circulate in the same channels of trade and cause confusion (or deception) as to the source of the goods or services. Therefore, Party A and Party B probably can both use the PACE mark to describe their different goods or services.

7. What Obligations Do I Have as a Trademark Owner?

Trademark owners have a duty to properly use the mark, to police the mark, and to keep competitors from using the mark on similar goods and services.

Failure to use your mark in a meaningful and commercial way may create a presumption that you have abandoned the mark. "Use" of a mark means the bona fide use of such mark made in the ordinary course of trade, and not merely to reserve a right in a mark.

Rights may also be lost through misuse. For example, use of your mark as a noun or verb may cause your mark to be deemed generic of the goods or services and fall to the public domain. Trademarks in print or in the press should be used whenever possible with the generic terms of the goods or services, e.g., FRITOS corn chips or GOOGLE search engine. Rights in a mark may also be lost if you license your mark but fail to exert quality control over the goods and services licensed under the mark.

Rights may also be lost if your mark undergoes a material change (adding elements or deleting elements) which alters the commercial impression of the mark and leads others to believe that you have abandoned the original mark. Hence, failure to use the exact mark properly or to educate permitted users to use your mark properly may result in a loss of rights, though you may have common law rights in the new mark.

Failure to police the use of your mark by third parties may result in losing your trademark rights. Third parties may argue that you did nothing to stop conflicting uses of your mark, and thereby, contributed to the loss of your rights in the mark. Policing requires forcing others that use similar marks on similar goods and services to cease their use before the strength of your mark is diluted and its value is eroded. This may require a trademark owner to initiate litigation.

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8. Do I Really Need to Police My Mark?

Yes. Trademarks can only survive if owners prevent others from using confusingly similar marks. There is no such thing as the “Trademark Police”. A good way to police a mark is to order “watch notices” from a trademark search company. Alternatively, trademark owners should initiate internal policing policies to routinely search for potential infringers.

9. How Should I Use My Trademark?

Always use a trademark in a distinctive way: use capital letters, bold or large fonts, italics, stylized letters, contrasting colors, etc.

A trademark should always be used as an adjective to describe the product or service and should never be used as a noun or verb.

Most of all, use the mark in a consistent manner at all times on the goods or services. Even a small deviation of the mark may cause others to believe you have abandoned the original mark as applied for, registered or used in commerce.

10. How Long Do Trademark Rights Last?

Trademark rights can last in perpetuity as long as the trademark is continuously in use and does not fall into the public domain.

Rights to a mark are protected through the mark’s continued use and diligent objection to the use of competing marks. If the mark has not been used for three consecutive years, it may be presumed that the mark has been abandoned and any trademark rights have lapsed.

A mark may fall in the public domain if the owner of the mark does not use the mark properly, fails to police use of competing marks, or allows the mark to become generic of its goods and services.

ASPIRIN, NYLON and ELEVATOR are examples of trademarks that became “generic” and have fallen into the public domain.

11. What are “TM” and “SM” Symbols?

“TM” and “SM” symbols are used interchangeably to indicate belief that trademark rights exist, whether or not a trademark application has been filed or the rights are judged to be valid.

- “TM” equals “trademark” and denotes goods
- “SM” equals “service mark” and denotes services

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For unregistered marks, one may place the “TM” or “SM” symbol to the right of the mark to announce to the world that trademark rights are claimed. The “TM” or “SM” symbols may also fend off use of a similar mark by competitors or help prevent the mark from becoming generic.

Use of the “TM” or “SM” symbols is optional and the “TM” symbol may be used for both trademarks and service marks.

12. What is a ® and When Can I Use It?

The ® symbol equals federal registration. Only marks that are registered in the USPTO are permitted to use the ® symbol. In fact, it is unlawful to use the ® symbol at any time before a registration issues. Moreover, use of the ® symbol without a registration may constitute fraud or false advertising and may jeopardize an applicant’s pending application.

Note: Some other countries also use the ® symbol to denote registration in their countries.

13. How is a Trademark Evaluated at TLHM?

a) Initial Evaluation.

First, the mark is evaluated by a trademark attorney to make sure that the mark can function as a trademark and may be registrable in the USPTO.

Not every mark that is used to describe a product or service may be registrable. Certain marks are barred from registration (e.g., scandalous, immoral, disparaging, and merely descriptive marks).

Generic marks can never be registered. Generic words (the common or universal name for things or activities) must be left for everyone to use. An example of a generic mark is the word “BIKE RACK” to describe bike racks, or “FAXING” to describe faxing services.

b) Prescreening..

(i) Knock-out Search.

If an initial evaluation does not bar further analysis, we conduct a “knock-out” search using trademark databases. This search tries to ensure that similar marks have not been applied for or registered by others in the same or similar industry. If the knock-out search does not uncover any similar or identical marks, we recommend that the client order a "full-search" from a trademark search company.

(ii) Full Search.

A full search is a comprehensive trademark search conducted by a professional searching organization utilizing proprietary database records.

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A full search typically includes searching the following sources:

- USPTO database;
- State registration databases;
- Common law sources (including trade publications, trade name listings, some news articles and press releases and some web common law);
- Internet Domain Names;
- Shepard’s U.S. Citations (if similar marks are subject of a lawsuits); and
- Intentional databases

14. When is a Trademark Application Filed?

If there appears to be no conflicting marks in the screening process, the application is prepared and filed in the USPTO. If the trademark is already in use in commerce on the goods or services, a first use application is filed. If the trademark is not actually in use, an “intent-to-use” application is filed.

15. What Happens to a Trademark Application in the USPTO?

Within six months of the filing date, the application will be evaluated by an examining attorney in the USPTO. The examining attorney will conduct a search for similar conflicting marks and evaluate the application for other factors that may preclude registration. Many applications receive an initial refusal (commonly called an office action); a majority of these refusals are non-substantive and are easily overcome.

Substantive refusals are primarily based on likelihood of confusion or descriptiveness issues:

- Likelihood of Confusion. If a mark is deemed to be similar to a prior registered mark, the USPTO may refuse registration based on a “likelihood of confusion.” For a mark to be judged confusingly similar to another mark, a sight, sound and meaning test is applied. Thus, marks and/or goods and services described by the mark need not be identical. The USPTO asks the question of whether a reasonable consumer is likely to confuse your mark with a prior registered mark. If the USPTO concludes that your mark will confuse a reasonable consumer as to the source of the goods or services, the application will be rejected.
- Descriptiveness. An application may be rejected because the USPTO finds that the mark is overly descriptive. A descriptive mark is one that merely describes an ingredient, quality, characteristic, function, feature, purpose or use of the goods and/or services being offered. An example would be the mark “WE SELL TIRES” for a tire shop because the slogan “describes” exactly what the shop sells. In some situations, a descriptive mark may be relegated to the Supplemental Register.

Other substantive refusals may be based on the mark being primarily a surname, deceptively misdescriptive, or primarily geographically descriptive.

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An applicant has the right to address any issues raised in an office action. Often, an initial office action can be overcome and the USPTO will dismiss its refusal.

16. What Happens After the USPTO Approves an Application?

If no third-party opposition occurs, the USPTO will issue a Certificate of Registration for a first use application or a Notice of Allowance for an “intent-to-use” application. A Notice of Allowance is a document that notifies an “intent-to-use” applicant that the mark has been cleared for registration. The applicant must thereafter submit a Statement of Use and current specimens demonstrating use of the mark has commenced. Once the Statement of Use is accepted, a Certificate of Registration will issue.

17. How Long Does a Trademark Registration Last?

A trademark registration term is for ten years and is renewable indefinitely every ten years provided the mark is still in use and certain requirements are met. To maintain the registration, the owner must file a Declaration of Use between the fifth and sixth year of the first 10-year term, and at every 10-year renewal term.

In some situations, a Declaration of Excusable Non-Use may be filed at the time of renewal for marks that are not in current use due to extraordinary and unforeseen circumstances. Filing a Declaration of Excusable Non-Use may safeguard the registration until use of the mark is resumed.