

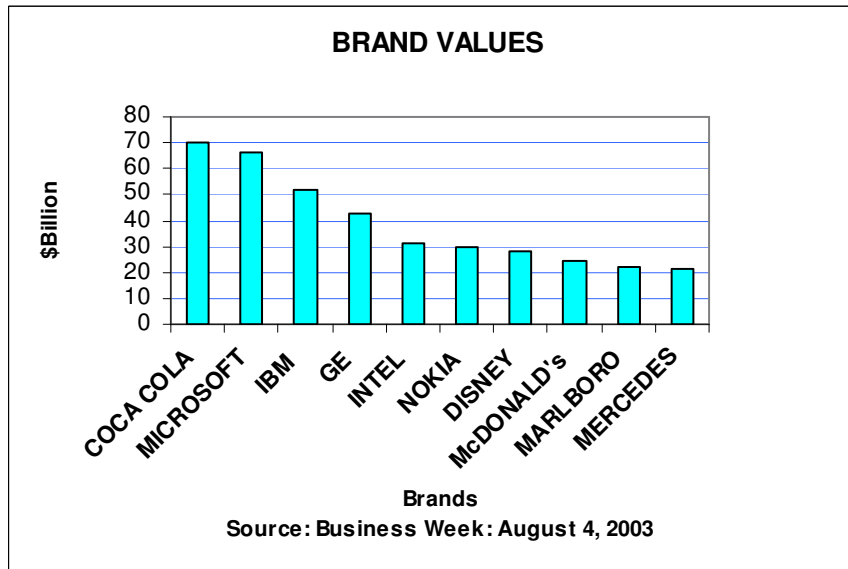
MAKING A NAME – DISTINCTIVE AND DISTINGUISHABLE TRADEMARKS

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The objective is to create a valuable trademark, and the strategy is to adopt one that is distinctive and distinguishable.

Trademarks are symbols, such as words, names, logos and other devices, used by companies to identify their products and services¹. When such use of a symbol has the effect of creating a mental association between it and the company's products and services, the symbol is said to acquire trademark significance, and serves as a means to identify the source of the products or services. The mental association of the trademark to a company's products and services is what gives value to the trademark.² How deep, how intense and how enduring that effect is depends on how the company drives its branding strategy. The following perspectives should help a company to build, maintain, exploit and protect this value.

Chart 1



DEFINE TRADEMARK STRATEGY TO BUILD BRAND

A company's trademark strategy should aim at building a strong brand identity, which creates awareness, perceived quality and loyalty. These latter attributes are the building blocks of the value in the trademark and should be part of the criteria for trademark selection and adoption. Manifesting the brand value, a strong trademark differentiates the company with its competitors and conveys a commercial connotation as to what the company can and will do over time. A strong brand is one that catches the eyes and ears, and draws mental association by the potential purchasing public to the mark. Carefully selected, the trademark can be a critical vehicle to bring strong, distinctive and protectable brand

¹ 15 U.S.C. §1127, a Trademark is defined as: ... any word, name, symbol, or device, or any combination thereof--

1) used by a person, or

2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this Act, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

² See Chart 1. Also see August 4, 2003 Business Week article on the Top 100 Brands.

value to the company with a competitive advantage and customer royalty to drive sustainable long term profitability.³

Contrary to a common misconception that a trademark is obtained through some kind of governmental registration, a trademark is created when it is used in commerce. It seems surprising to some but obviously logical that there are as many trademarks as the imagination can exhaust. After all, trademarks can be defined by any words, sights, sounds,⁴ scents,⁵ (and maybe touch and feels?). And the possible combinations of these elements leave no doubt that there will always be a good mark for something.

SELECT DISTINCTIVE TRADEMARKS

To achieve a strong brand, the mark must be clearly associated with the company and not with any other persons or businesses. It is this associative attribute of the mark that gives rise to protectable rights under trademark law. This association is characterized as good will, a measure of brand loyalty and support for repeated business. A strong trademark receives strong legal protection, enabling the trademark owner to exclude others from using a confusingly similar trademark.⁶ While there are many ways to achieve brand loyalty, and the process does not end with the selection and registration of the trademark, the ultimate success and the sustainability can be enhanced by an understanding of the legal perspective under trademark laws.

Trademark law enables a trademark owner to protect the brand by preventing other from using a mark, which causes “confusion” in the market place.⁷ To be protected as a trademark or service mark, the mark must be distinctive. The mark must be able to function as a means to identify the source of the goods and services even though the identity of the source is not known. Certain trademarks receive stronger protection than others. Legal analysis in how strong a brand is and how much it is protectable often begins with evaluating how distinctive the proposed trademark is, i.e., where the mark fits within the range from “generic,” “purely descriptive” to “suggestive,” and “arbitrary or fanciful.”

Table 1

Mark Type	Attribute
Fanciful Mark	A coined word, the mark has no meaning other than as a mark itself. Strong trademark rights.
Arbitrary Mark	The mark means something, but has no relation to the products or services. Imagination is needed to draw some connection. Strong trademark rights.
Suggestive Mark	The mark suggests quality or characteristic of the good or service, but takes some imagination. Strength of the mark can vary.
Descriptive Mark	The mark merely describe the good or service; trademark rights very difficult to accrue or protect.
Generic Mark	The mark is the name a product; no trademark rights

³ Exhaustive discussions on building a brand with business and marketing strategies and techniques are beyond the scope of this article. However, consideration of such perspectives is desirable in order to formulate a legal strategy to protect valuable trademark rights.

⁴ In Serial No. 75/453,530, Harley Davidson sought to register the sound of the exhaust of an engine used on its motorcycle. The trademark application referenced the following description: “the mark consists of the exhaust sound of applicant’s motorcycles, produced by v-twin, common crankpin motorcycle engines when the goods are in use.” However, the application was later abandoned.

⁵ See *In re Clarke*, 17 USPQ2d 1238 (TTAB 1990), in which the Trademark Trial and Appeal Board held that a scent functioned as a mark for “sewing thread and embroidery yarn.” The scent trademark was described as “A high impact, fresh, floral fragrance reminiscent of plumria blossoms. (Reg. No. 1,639,128.) This registration was cancelled in 1997 for failure to file a Section 8 declaration.

⁶ Whether a trademark is confusingly similar depends on a number of factors. These factors include the similarity in spelling, sound or commercial impression of the respective marks; the similarity of the goods on which they are used; and the channels of trade and classes of purchasers involved as well as other marketing factors.

⁷ §43 (15 U.S.C. §1125), “Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device. . . , which

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person’s goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged. . . .”

A descriptive mark is one which when applied to the intended products and services leaves no imagination to the relevant purchasing public as to what the nature, quality, functions and ingredients of the products or services are all about. In that sense, “SWEET & SOUR” is clearly a descriptive mark for a sauce. So are “APPLE PIE,” which is descriptive of potpourri and “BED & BREAKFAST REGISTRY” for lodging reservation services. Since it is only fair and a matter of right that a person should be able to accurately describe his or her products and services, it is most likely that the owner of a descriptive mark would not be able to obtain any protection, if at all, unless there is a likelihood of confusion caused by another party. So while many business persons are inclined to choose a highly descriptive trademark because it is the easiest to market with the products or services that it describes, such a mark should be avoided.

On the other side of the spectrum are the “arbitrary” and “fanciful” trademarks. An arbitrary trademark is a word that has a common meaning, but is used as a trademark for a product or service that has no relationship to this common meaning. For example, the oft-cited example of “APPLE” is arbitrary as applied to computer equipment. A descriptive or generic trademark in one industry can be arbitrary and distinctive when used in another situation. So while “APPLE” is an arbitrary mark for computer equipment, it is a generic or descriptive term when the products are apples. Arbitrary marks are the easiest to acquire trademark significance. But they require that the consuming public be educated about what the trademark represents. Likewise, a fanciful mark, consisting of a coined word, carries no relationship with not only the products and services of this company, but those of others as well in the industry. “KODAK,” “INTEL,” and “EXXON” bring to mind examples of fanciful marks. While good will surrounding these fanciful marks requires substantial investments and years of promotion, they attain the trademark significance immediately upon use and are usually entitled to the strongest legal protection.

Between the extremes of fanciful, arbitrary marks and descriptive, generic marks are the suggestive trademarks. These are trademarks that suggest to the relevant purchasers what the trademark means without being purely informative as to the nature, characteristics or the functions of the products or services. While a descriptive mark leaves no imagination as to what the mark means, a suggestive mark usually would require some imagination, a pause in the mind of the purchasing public to think what the nature of the products and services are. Examples of a suggestive mark include “STRIDE RITE” for shoes, “BASIC 4” for cereals and “KITCHINAID” for kitchen appliances.

The selection of a trademark does not end with the analysis of whether the mark is descriptive, suggestive or arbitrary as a means to drive the business.⁸ A trademark owner would want to have a uniquely distinguishable means to identify his or her products so customers can clearly remember the owner of the trademark and what it represents. As a means to identify the source of the products or services, the trademark should be unique as to the products or services in the field of endeavor to avoid potential conflicts with other parties’ trademarks. Conceptually, the more unique and distinguishable a trademark is in the field of endeavor, the greater the space would be available for the trademark to operate.

To assess the extent of how the proposed trademark is distinguishable, a trademark search can and should be conducted. A little work and expense upfront for this due diligence for a proposed trademark can help avoid spending unnecessary time or money and litigation later on.

AVOID CONFUSINGLY SIMILAR TRADEMARKS

The United States Patent and Trademark Office (“PTO”) has a web site which contains a database of registered trademarks, as well as pending and abandoned trademark applications. However, the PTO database does not include common law usage, which could negatively affect a business’s use of a trademark. Because trademark rights arise out of the use (including common law use) of the mark in connection with the products and services that a business markets and sells, the first user of a mark could prevent later comers to use the mark if the latter’s use of the mark is to create the potential of confusion or dilution of the value of the trademark. Since the PTO database does not include information on such common law usage, it is advisable that a full search be conducted.⁹ Of course, as a practical limitation, the full search cannot be expected to exhaust coverage of all possible situations of uses in the stream of commerce. But a full search does offer much more information that most can accomplish to provide a much higher level of confidence in identifying the availability and registrability of a trademark. In some cases, a full search is considered a necessary part of a corporate executive’s due diligence in the selection and use of trademarks.

The due diligence evaluation of a proposed trademark for its availability and registrability requires legal analysis. Just because there is no identically spelled trademark out there does not mean that there are no confusingly similar marks (in spelling, pronunciation and commercial meaning as applied to the products and services and the marketing environments) to give rise to a potential conflict. Is “TRUCOOL” for synthetic coolant likely to be confused with

⁸ See Table 2 for a list of terms to avoid use as a trademark.

⁹ Many services provide full trademark searches to cover the PTO’s records of registered, published and pending trademarks and service marks including records of cancellations, assignments, abandonments and oppositions, as well as registrations in Fifty (50) states. In addition, the search covered common law usage of the mark as shown in numerous trade journals and business directories, and the Internet domain name registry.

“TURCOOL” for cutting oil¹⁰? How about “CITY WOMAN” and “CITY GIRL,” both for clothing?¹¹ Or “BEST JEWELRY and design” for retail jewelry and “JEWELERS BEST” for jewelry?¹²

When referring to an identical or a similar trademark, it is meant in a legal sense. Since a prior user of a trademark has the exclusive right to prevent others from using a confusingly similar trademark on similar or related products or services, to reduce the potential for trademark conflict, the evaluation of a mark would need to go beyond the mere spelling of the mark and is best left to a trademark lawyer.

APPLY FOR TRADEMARK REGISTRATION

Common law rights are generally limited to the extent of the market reach of the products. Irrespective of limited geographical reach, a business can enjoy substantial trademark protection by registering a trademark registration with the federal government. A federally registered trademark receives much broader protection in that the registration gives “constructive” notice to the general public of its owner’s exclusive rights to the mark. This means that even if no one checks the trademark registry or that the trademark owner has not moved into a particular territory, the owner is still presumed to have the exclusive rights against all parties who wish to use an identical or similar trademark¹³. Therefore, if the proposed trademark appears to be available and registrable from the analysis of the trademark search, a trademark application should be filed as soon as possible.¹⁴

In the United States, one must be lawfully using the trademark (or having a “bona fide intent to use it) in commerce in connection with the products and services before he or she can file a trademark application. If the application is filed based on a “intent to use” the mark some time in the future, i.e., the applicant has not actually used the mark yet in commerce, but claims in good faith that he or she plans to do so later, a Statement of Use or Amendment to Allege Use must be filed after the mark is used before the USPTO will register the mark. The only exception from the use requirement in seeking registration is for applications based solely on §44 of the Trademark Act (i.e., based on a foreign application and/or registration).

The registration process can be lengthy. A year or more may pass before one may receive notification of the trademark registration, assuming the USPTO accepts the application. The trademark examiner may reject the application (refusal to register the trademark) for any number of technical and substantive reasons. Common examples of these reasons include: The “Identification of the Goods” is indefinite; the mark is merely descriptive of the products and services; and it is confusingly similar to another parties’ prior registered trademark. Rejected applications are becoming increasingly common, given the vast number of applications that are being filed with the USPTO, the dramatic changes in our economy and the ease with which untrained applicants are filing trademark applications online. If the trademark examiner refuses registration, the applicant would need to decide whether to respond to the rejection. To be successful, the response must attempt to provide legal arguments with factual and substantive support to justify why the mark is registrable. The applicant may need to narrow the description of the goods or services, differentiate the channels of trade and the classes of customers, and/or otherwise convince the examiner that the overall commercial connotation emanated from the applicant’s trademark is indeed quite different from that projected by the trademark(s) cited from a prior registration(s). Not only is it that the applicant’s trademark must not be merely descriptive of the products and service, there must not be a likelihood of confusion that would result if the applicant were allowed to use and register the trademark. To reduce the potential of a rejected application, careful selection and evaluation of the proposed mark for distinctiveness and uniqueness, as discussed above, cannot be over-emphasized.

Once registered, the registration is valid for 10 years from the date of the registration. The registration can be extended indefinitely. Although the registered mark is protected for 10 years, a proof of a continuous use must be submitted to the U.S. Patent & Trademark Office (USPTO) between the first 5th year and 6th year from the initial registration. If this proof is not filed, the trademark registration will be cancelled.

In addition to providing legal perspective to a business before and during the trademark evaluation and selection stage, trademark counsel is equally important to assist in preparing the application for registration of the trademark. On one hand, the application should be broadly but accurately in identifying the products and services covered by the trademark. On the other hand, the application must also take into consideration of the potential conflicting use and registration of

¹⁰ Yes, likelihood of confusion found; *In re Lamson Oil Co.*, 6 USPQ2d 1041 (TTAB 1987).

¹¹ Yes, likelihood of confusion found; *In re M. Serman & Company, Inc.*, 223 USPQ 52 (TTAB 1984).

¹² No likelihood of confusion found; *In re Best Products Co., Inc.*, 231 USPQ 988 (TTAB 1986).

¹³ A federally registered trademark is national in scope. The registered trademark owner is presumed by law to have the rights to the trademark. The owner can use the designation ® to deter infringers, and he has the right to file suite in federal courts and to recover damages.

¹⁴ If the use of the mark is expected in foreign countries, one should consider filing trademark applications in those countries as well. Delay in filing could adversely affect rights in certain countries. However, if certain foreign filings are made within six (6) months of the U.S. filing, one may be able to receive a preferential filing date for the foreign filings.

other parties' trademarks. For the same reason that evaluating whether a trademark is confusingly similar to another mark is a legal question, defining the goods or services in the application for the registration of the trademark should also be left to trademark counsel.

ENFORCE TRADEMARK RIGHTS

Clothed as symbols to function as a means to identify source, a trademark requires development, maintenance and promotion to drive brand value. It also requires active protection. And protection of one's trademark rights does not stop when a registration is issued. Valuable trademark rights can be lost if one fails to police and enforce his trademark rights and the trademark would risk falling into the public domain. A trademark owner should have a trademark policy that everyone follows. Proper trademark designations should be associated with the products and services. Employees should be educated on how to use the mark when communicating with the public or using it on the products and advertisement materials. Licensees and strategic partners should be required to follow the proper usage.

Though imitation is often called the uttermost form of flattering, trademark infringement is no laughing matter. Once famous trademarks like "STYROFOAM," "ESCALATOR" and "ASPIRIN" are now generic terms for a certain foam material, personnel conveyor and analgesics. Once a trademark owner has neglected or failed to enforce a trademark violation, it might be too late before numerous competitors and consumers begin the use of the trademark as a generic name of the product itself.

A trademark owner should also institute a system for monitoring and evaluating potential conflicts to prevent likelihood of confusion due to conflicting uses of trademarks and logos. Depending on the extent and the severity of the conflict, the trademark owner can take appropriate measures from expressing the owner's concern about the potential infringement, advising on the proper trademark usage, "sending out cease and desist" demands, and even taking legal actions to prevent infringement.

CONCLUSION

Without questions, brand values are keyed to the success and failure of many businesses. A strong trademark is at the heart of a successful brand. Creating, building and growing a brand are a continued and challenging process. A strategy in selecting a distinctive and distinguishable trademark and providing the proper protection and enforcement can carry the process a long way.

Table 2 - TYPES OF TRADEMARKS TO AVOID¹⁵

Type of Marks	Comments
Trademark is Immoral, Deceptive, or Scandalous Matter. ¹⁶	Absolute bar to trademark protection.
Merely Descriptive of the Product or Service ¹⁷	Trademark must serve to identify the source (that is: You) of the products or services and not merely as a description of the product.
Model or Grade Designations. ¹⁸	Model or grade of product in the product line will not qualify for trademark protection.
Merely a Tradename. ¹⁹	Trademark is not used as an identifier of the source/manufacturer of the products/services.
Trade Dress merely functional. ²⁰	Trademark that is FUNCTIONAL as a whole is not protected under trademark law.

¹⁵ The types of trademarks to avoid listed are not exhaustive, but serve as the most common types encountered.

¹⁶ 15 U.S.C. §1052(a)

¹⁷ 15 U.S.C. §1052(f).

¹⁸ *In re Dana Corp.*, 12 USPQ2d 1748 (TTAB 1989)

¹⁹ 15 U.S.C. §1052(e)(4)

²⁰ See *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 54 USPQ2d 1065 (2000); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 23 USPQ2d 1081 (1992).

Merely Ornamentation.	Merely a decorative feature does not identify and distinguish the applicant's goods and, thus, does not function as a trademark.
Merely Informational. ²¹	Slogans that are considered to be merely informational in nature or to be common laudatory phrases or statements that would ordinarily be used in business or in the particular trade or industry cannot function as a source identifier.
Title of a Single Creative Work. ²²	Titles of single books, videotapes, films, theatrical performances, are not protectable as trademarks.
Names of Artists and Authors. ²³	A mark used solely as an author's name, even on multiple books, does not function as a trademark.
Names of Performing Artists Used on Sound Recordings ²⁴	As used on sound recordings, if the name merely serves to identify the artist or artists whose performance comprises the content of the recording, it cannot be registered as a trademark for the recordings.
Scent or Fragrance as a Function. ²⁵	Where the scent is the FUNCTION of the product (for example, perfume), no trademark protection.
Portrait or Signature of Particular Living Individual or Deceased U.S. President ²⁶	No trademark protection unless a consent is obtained.
Mark contains a Flag or Other Insignia of the United States, a State or Municipality, or Foreign Nation Name ²⁷	

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²¹ *In re Volvo Cars of North America Inc.*, 46 USPQ2d 1455 (TTAB 1998) (DRIVE SAFELY perceived as an everyday, commonplace safety admonition that does not function as mark);

²² *Herbko International, Inc. v. Kappa Books, Inc.*, 308 F.3d 1156, 1162, 64 USPQ2d 1375, 1378 (Fed. Cir. 2002)

²³ *In re Chicago Reader Inc.*, 12 USPQ2d 1079 (TTAB 1989)

²⁴ *Sound recordings merely serve to identify the artist or artists whose performance comprises the content of the recording is not registrable as a trademark for the recordings. In re Spiner*, 225 USPQ 693 (TTAB 1985). As noted in the Court of Appeals for the Federal Circuit in *In re Polar Music International AB*, 714 F.2d 1567, 1572, 221 USPQ 315, 318 (Fed. Cir. 1983), “just showing the name of the recording group on a record will not by itself enable that name to be registered as a trademark. Where, however, the owner of the mark controls the quality of the goods, and where the name of that recording group has been used numerous times on different records and has therefore come to represent an assurance of quality to the public, the name may be registered as a trademark since it functions as one.”

²⁵ *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 227 USPQ 417 (Fed. Cir. 1985).

²⁶ 15 U.S.C. §1052(c).

²⁷ 15 U.S.C. §1052(b)