

TRADEMARK PROTECTION – A PRIMER

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IMPORTANT DEFINITIONS

The term “trademark” includes any word, name, device, or symbol, or any combination of those items used to distinguish a company’s products or services (in the case of services it is a “service mark”) from those sold by other companies. Interestingly, a picture, design, slogan, or even a color, can be a trademark. A trademark is distinguished from a “trade name” which is the name used by a business as the name of its business. A very common misconception is that the use of a name as a “trade name” creates trademark rights (it does not). A trade name is not a trademark unless the trade name is also used to identify specific products or services of the company, not just the name of the company.

TRADEMARK RIGHTS AND PROTECTION

The owner of a trademark has the right to prevent others from using the trademark, or any term likely to cause confusion, in connection with the advertising or sale of goods or services. This is the “likelihood of confusion” standard that is critical to understanding trademark protection. People often mistakenly think that if they change a letter or two, or even a word or two, in a trademark that is already in use, they will be protected from a lawsuit for trademark infringement because their trademark is “different.” For trademark law purposes, however, trademark protection extends to all other words and phrases that would be “confusingly similar” to the protected trademark. The likelihood of confusion standard asks whether or not a consumer of the goods or



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services would likely be confused about the source of the goods or services by the use of the new trademark. This is often a very difficult standard to apply. The U.S. Supreme Court has helped clarify when a trademark is infringing another trademark. A trademark can serve as a trademark only for specific goods or services. A trademark for a food product would normally not be infringed by the use of the same mark by another company for an unrelated good or service, such as computer software. The determination of whether an infringement has occurred is made on a case by case basis. The factors that are considered include: (i) the similarity of the trademarks; (ii) the manner by which the goods or services are distributed to the public (i.e., the “chains of commerce” in which the goods or services travel); (iii) the similarity of the goods or services; (iv) the sophistication of the consumers of the goods or services; and (v) the “strength” (i.e., the “famousness”) of the allegedly infringed trademark.

TRADEMARK SEARCHES

Before marketing any product or service with a nationwide market, a

search should be conducted to rule out adopting a trademark that is likely to be confused with an existing trademark. An extremely broad search is required because the United States follows the rule that the “first to use” a trademark for particular goods or services has the right to that trademark even if a U.S. trademark registration has not been obtained. Thus, merely searching the registrations on file with the United States Patent and Trademark Office will not be sufficient to determine if others have rights in a mark. The search must be done early, before the company commits to advertising the proposed trademark. If the search results reveal a prior user of the same or a similar trademark, for the same or similar goods or services, proceeding to use the trademark creates a risk that willful infringement will be found, which can result in a multiple of the actual damages being awarded.

FEDERAL TRADEMARK REGISTRATION

The advantages of a Federal Trademark Registration are substantial. In general, the registration will extend the protection for the trademark across the United States and will make it far easier to succeed in a trademark infringement lawsuit. An infringement action may be brought in Federal Court which is often more advantageous than proceeding in a State Court. The plaintiff may recover the defendant’s profits, damages, costs of the action, and, in certain circumstances, triple damages. Moreover, registration of the trademark with the United States Patent and Trademark Office provides “constructive” notice throughout

the United States of the registrant’s ownership rights. Consequently, the rights of a Federal registrant are superior to those of a confusingly

similar trademark adopted anywhere in the United States after the Federal Registration has been issued.

INTERNET DOMAIN NAMES AS TRADEMARKS

An Internet domain name is very frequently used as a trademark (i.e., to identify goods or services), and therefore must be considered using the exact same guidelines discussed above. Before adopting and using an Internet domain name, the name should be “cleared” via a full trademark search to ensure that it will not infringe on trademarks with prior rights. We have encountered this issue numerous times because so many people fail to recognize that their use of a domain name as an address on the Internet is often simultaneously being used to identify their goods or services, and is thereby serving as a trademark.

TYPES OF TRADEMARKS

Certain terms or phrases cannot obtain trademark protection. There is a continuum of protectability running from what are known as “descriptive” words or phrases (which cannot obtain trademark protection) to “arbitrary” or “fanciful” terms and phrases (which possess the strongest trademark protection). A term is “descriptive” if it describes a characteristic of, the purpose or use

of, or the type of users of, the goods or services. An example of a descriptive mark is “clear pane” for a window. The rationale for prohibiting descriptive terms from obtaining trademark protection is that competitors have a right to use descriptive terms to describe their products. Commerce would be substantially impaired if competitors were prevented from accurately describing characteristics of their products and services.

An “arbitrary” term is one that is in use in language for some other purpose, but when applied to the applicable goods or services, does not suggest nor describe them. An example is the trademark “Apple” for computers. A “fanciful” term is a coined or made up word, like “Xerox” or “Kodak.” “Suggestive” terms lie between the descriptive and the arbitrary/fanciful extremes. Although they shed some light on the goods and services, they require consumers to use their imaginations to see the connection. Examples of suggestive terms are “Rapid Shave” for shaving cream and “Microsoft” for micro computer software.

Clients typically want to employ a “descriptive” term as their trademark to facilitate consumers’ recognition of the product’s or service’s characteristics. This, however, will result in the weakest, if any,

trademark protection.

POLICING YOUR TRADEMARKS

If not ardently policed, a trademark can lose its validity. Trademarks that are not policed can become generic. Examples of trademarks that have become generic are “Brassiere,” “Cola,” and “Thermos.” Although a trademark may become so successful that “genericide” cannot be avoided, most other forms of trademark degradation can be avoided and rights preserved through proper policing of the trademark’s use. Easy and inexpensive means of policing include complaining in writing to those who use the trademark inappropriately and without permission, keeping a record of evidence of consumer confusion, and performing regular searches to discover new uses of trademarks that could be confusingly similar to the trademark. Courts tend to look very favorably on policing efforts in determining if trademark

rights have been lost.

If you would like more information on this or other trademark issues, please contact Jacob Reinbolt at 619.525.3868 or jcr@procopio.com.