

FREQUENTLY-ASKED QUESTIONS ABOUT TRADEMARKS

NOTICE: I cannot give you legal advice or act as your attorney until you have hired me by signing and returning an engagement agreement with payment. This document provides only general information about trademarks and my firm policies. Because this document summarizes complex laws and procedures, and because these laws and procedures sometimes change, I cannot guarantee that this information is complete and accurate. You should not act on this information without obtaining legal counsel from an attorney.

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• ***What is a trademark?***

A trademark is a word, phrase, graphic design, or symbol that enables a customer to recognize that a product bearing the trademark originates from a particular source. A trademark may also be a combination of words, graphic designs, and/or symbols, and under some circumstances may include sounds, smells, and colors. If the word, phrase, graphic design, or symbol is associated with a service instead of a product, the mark is a service mark. Trademarks and service marks are legally very similar, so for simplicity's sake I will refer generally to "marks."

A mark allows a customer to choose a product or service sold by a desirable source and to avoid products or services sold by undesirable sources. The customer does not need to know the actual name of the source, only that any product or service bearing a particular mark comes from the same source. This knowledge provides the customer

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with reasonable assurance of receiving a desired combination of quality, price, service, and any other important attribute.

• *How could a trademark be useful to me?*

Your customers want to purchase your products or services again and again. An effective mark allows a customer to instantly recognize and choose your products or services in a crowded marketplace.

The value of a mark increases as customer goodwill grows. If customers associate your brand with pleasure, power, or any other desirable attribute, your mark may itself become marketable. For example, the premium price charged for a piece of designer clothing may make the designer's label or logo worth more than the garment that carries it.

Once you own rights to a mark, you can maintain the exclusivity of your brand by suing others to prevent them from using marks similar enough to your mark to confuse customers. And unlike a patent or a copyright, a properly-maintained mark can last forever.

• *How do I choose a trademark?*

Start by brainstorming marks that customers would find appealing. Eliminate marks that are not good candidates for legal protection. Then have a search performed on the remaining marks to eliminate any that are already protected.

A mark's ultimate appeal depends on market psychology, which is a subject beyond the scope of this summary. However, assuming that you have thought of marks that would appeal to customers, your ability to obtain legal protection depends on several factors. Two primary goals of trademark law are to protect only marks that are unique and to minimize legal constraints on the use of descriptive words. To be consistent with these goals, a mark must not be a word that is widely used to describe a group of similar products, must not merely describe some characteristic of an individual product, and must not be so similar to an established mark that it would confuse customers as to the origin of your product or service.

Word marks fall within a spectrum of "strength," a qualitative measure of a mark's ability to withstand a legal challenge. This spectrum is divided into four classifications. Listed from weakest to strongest, these classifications are generic, descriptive, suggestive, and arbitrary or fanciful.

A mark is generic if it is a word widely used to describe a group of similar products. For example, a generic mark for a new automobile model might be "AUTOMOBILE." Since "automobile" and "car" are the two words most widely used by

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English-speaking people to describe non-utility passenger vehicles with four wheels, allowing an auto maker to monopolize either word would make it very difficult for other auto makers to even describe what they sell. A generic mark can therefore NEVER receive trademark protection.

A descriptive mark is typically a widely-used term or phrase that describes at least one characteristic of a product. An example of a descriptive mark might be "BUBBLY CHAMPAGNE." Since champagne is by its nature bubbly, this mark offers no unique association with a brand, instead describing a single characteristic common to every product in the category. Like generic marks, descriptive marks generally cannot receive trademark protection. However, some descriptive marks may eventually become eligible for trademark protection by acquiring "secondary meaning" in the minds of customers, usually as a result persistent marketing by a manufacturer. The process of acquiring secondary meaning may take decades, or it may never succeed.

Although descriptive marks are poor candidates for protection, they are nonetheless quite common, probably because of the natural human tendency to call something by its most common name. This can especially be a problem for people who have technical backgrounds and are accustomed to using specific, generally-accepted descriptive terms to communicate ideas to colleagues. The descriptive terms that facilitate research and development often make weak marks that cost a company a fortune in legal fees before being reluctantly abandoned.

Descriptive marks that deceive a customer about a product (called "deceptively misdescriptive") are especially poor choices. "FOOT-LONG SUB" is a weak mark even if your submarine sandwich is actually a foot long. If your sandwich is really six inches long, your mark probably cannot be protected and may raise consumer fraud issues.

A suggestive mark implies but does not explicitly describe a characteristic of a product. A well-known suggestive mark is "EVEREADY" for batteries. While "EVEREADY" suggests long battery life, the mark is not literally descriptive, as customers are unlikely to expect batteries to have an infinite shelf life.

At the high end of the "strength" spectrum is the arbitrary or fanciful mark. An arbitrary mark is an existing word used in an unusual way, so that the word's commonly-accepted meanings describe nothing about the product. An example might be a cologne named "AUTOMOBILE." Notice that a particular word can be generic in one context and arbitrary in another. A fanciful mark is an invented word that does not otherwise exist in any language, such as XEROX or KODAK. Since arbitrary or fanciful marks are unique and do not constrain the use of descriptive words, these are the strongest marks.

Avoid lost sales and expensive legal wrangling by eliminating generic and descriptive marks from your list of possible marks. Instead, choose a suggestive mark or, better still, an arbitrary or fanciful mark. If you are uncertain about the probable classification of a mark, consult an attorney with experience in trademark law.

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There are many other specific reasons why a given mark may be weak. The names of people or places are often difficult or impossible to protect, obvious exceptions notwithstanding. Avoid using a surname or geographic name unless you have a compelling reason AND competitors are not already using similar names AND you are willing to undertake a long and taxing fight to acquire rights. Also, spelling variations (such as "Rite" instead of "Right") make no difference, nor does translating a mark into another language. If you DO plan to use a mark in a language that you do not speak fluently, get professional translation help. Many businesses have been embarrassed by badly translated marks that were ridiculous or lewd in another language.

Once you have narrowed your list of possible marks down to the best candidates for customer appeal and legal protection, a search for similar marks can help you avoid legal conflict with owners of existing marks. Since similar marks may confuse customers as to the source of a product, trademark law will not protect a mark that creates a "likelihood of confusion" with an existing mark. The law may allow identical marks for different mark holders who are geographically separated or who have very different products. On the other hand, even an arms manufacturer probably couldn't register "McMISSLE" without receiving a legal thrashing from McDonald's. The legal bases for deciding whether a given mark is confusingly similar to another mark are too complex to summarize here. A search and legal opinion by a trademark attorney can help you avoid investing in a mark that you eventually have to either abandon or fight for in court.

If you are considering a word mark, a fast, free web search can be made with the USPTO's trademark search engine at <http://www.uspto.gov/web/menu/tm.html>, and with other search engines like <http://www.google.com/>, <http://www.superpages.com/>, and <http://www.switchboard.com/>. These search engines can help you quickly eliminate some obvious matches. Unfortunately, they miss many less-than-obvious matches. For a graphic mark, or to search for those less-than-obvious matches, have a professional search done. The best search services use proprietary databases that are far more complete than anything available to the public. Even so, NO search can guarantee location of every conflicting mark.

• I already have a business name. Isn't that automatically my trademark?

Not necessarily. When you register a business name, your Secretary of State normally checks state records to see whether anyone else in the state has registered precisely the same name. If not, the name is yours. However, your state may not check federal trademark registrations, so your name could already be someone else's mark. In that case, you might be prevented from using your business name. Even if your state checks its own trademark registrations, someone just over the state line may already have rights in the mark. Also, trademark law withholds protection from confusingly similar marks, and your business name may be similar to someone else's established mark.

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• *How do I acquire trademark rights?*

Common law trademark rights are acquired by use of a mark in commerce. Using your mark to sell your product or service to customers is use in commerce. If you were the first to use a particular mark in commerce in a particular locality, you may already have the right to prevent others from using that mark. However, common law trademark rights may be very limited both in geographic range (usually to areas where you have sold and advertised) and in legal remedies available when someone else uses your mark.

You can greatly enhance your trademark rights by registering your mark. The federal government and most states offer trademark registers. State registration is usually simple, fast, and cheap, but state trademark laws are often comparatively toothless. State registration usually adds little to the geographic range of protection and does not prevent out-of-state businesses from using your mark. A prior federal registration trumps a later state registration, and federal registrants control unoccupied geographic range even if they register AFTER a state registrant. Still, some mark owners choose to register with both the federal government AND selected states, considering state registration as another "arrow" in their legal quiver.

Registration of a mark on the USPTO's Principal Register confers protection within the entire United States, giving everyone else in the U.S. legal notice that your mark is presumed valid and yours to use exclusively. Your mark becomes incontestable if used continuously for five years after registration. You may sue an infringer (someone using your mark or a confusingly similar mark without your permission) in a federal court rather than a state court, which usually gives you substantial procedural advantages. If you win, you may prevent the infringer from using your mark anywhere in the U.S., you may bar importation of infringing products into the U.S., and you may recover profits, damages, and costs. Under some circumstances, you may also recover attorney's fees and treble damages.

Descriptive marks that have not acquired secondary meaning cannot be registered on the Principle Register. For these and other marks that might gain trademark significance, the USPTO provides a Supplemental Register. Although the Supplemental Register does not confer many of the benefits of the Principal Register, it does provide a basis for suit in a federal court and can preclude registration of a substantially similar mark.

• *How do I register my mark?*

If you are already using your mark in commerce you may file a "use" application with the USPTO. First, select at least one international class for your mark from the International Schedule of Classes of Goods and Services (<http://www.uspto.gov/web/offices/tac/doc/basic/international.htm>). You must also give a more specific description of your goods or services than is provided with an international class designation. Review the Acceptable Identification of Goods and

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Services Manual (<http://www.uspto.gov/web/offices/tac/doc/gsmmanual/manual.html>) for appropriate descriptive terms. Provide the date that you first used the mark anywhere and the date that you first used the mark in commerce.

You must supply both a drawing and a specimen of your mark. Marks are printed in black and white when published by the USPTO, so the drawing must be a black and white image of your mark, accompanied by identifying information. Any colors in your actual mark should be described in the text of the application. A specimen of a trademark (for goods) is typically a label, a container, a display for the goods, or a photograph of the mark in use on the goods. The USPTO does not want the actual goods, or related materials like invoices, letterheads, brochures, or business cards. On the other hand, a specimen of a service mark may consist of a letterhead, brochure, or business card, so long as the specimen also makes some reference to the service.

When you file an application, the USPTO will check to see whether you have supplied all of the required elements. If so, an examining attorney at the Trademark Office will search for conflicting marks and determine whether your mark can be registered. If the examining attorney believes that your mark cannot be registered, the USPTO will respond with a refusal. You may respond to the refusal with legal arguments that address the examining attorney's objections (reasons for the refusal), or you may abandon your attempt to register the mark. Because a response depends on the applicant's ability to make convincing legal arguments based on trademark law, a response is best handled by a trademark attorney.

If the examining attorney raises no objections to registration, or if you overcome all objections, the examining attorney will approve the mark for publication in the Official Gazette, a weekly publication of the USPTO. Publication allows other parties who might suffer damage if your mark is registered to file an opposition, provided that they act within 30 days of publication. The USPTO then holds an administrative proceeding to determine whether the opposition has merit. If not, or if no opposition is filed, the USPTO issues a Certificate of Registration.

• *What is an Intent-to-Use (ITU) application?*

If you have not yet used your mark in commerce, you may file an "intent to use" (ITU) application. Recall that trademark rights are acquired by using a mark in commerce. The USPTO recognizes, however, that you need some degree of assurance that a given mark can be protected before you spend money promoting the mark. An ITU application allows you to start the registration process before you have used the mark in commerce.

The requirements for an ITU application are essentially the same as those for a "use" application, with a few differences. An ITU application must include a sworn statement that you have a bona fide intention to use the mark in commerce. Once you overcome any objections and prevail in any opposition proceeding, you are issued a

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Notice of Allowance, which is official notification that your mark can be (but is not yet) registered. If you start using the mark in commerce before receiving a Notice of Allowance, you must file an Allegation of Use. If you start using the mark in commerce after receiving a Notice of Allowance, you must file a Statement of Use. You do not have to submit a specimen until you file your Allegation or Statement of Use.

If you have not filed an Allegation of Use, you have 6 months after you receive a Notice of Allowance to file a Statement of Use. If you have also filed an acceptable specimen, you then receive your Certificate of Registration. If you still have not used your mark in commerce within 6 months you may file an Extension Request. If you do not file either a Statement of Use or an Extension Request, your application is abandoned. You may file an Extension Request every 6 months, up to 36 months after your Notice of Allowance. If you still have not used your mark in commerce after 36 months, your application is abandoned.

• How long does it take to register a trademark?

Typically twelve to fifteen months. However, if the Trademark Office considers your mark ineligible for registration, arguments and appeals may stretch the process out considerably.

• How much does it cost to register a trademark?

The current filing fee for a federal trademark is \$325 per classification. A search may cost between \$100 and \$500, depending on thoroughness. Application preparation and filing, including a review of the search, is about \$350. Responding to a trademark examiner's refusal could cost anywhere from a few hundred to several thousand dollars, depending on the amount of work involved.

• What is the difference between "TM", "SM", and "®"?

"TM" is an abbreviation for trademark, and should be applied to any mark you use in commerce on goods. You do not need to register your mark to use "TM". "SM" is an abbreviation for service mark, and should be applied to any mark you use in connection with services. You do not need to register your mark to use "SM". "®" means "registered", and may be applied only to a mark that has been registered with the USPTO.

• How do I maintain my mark?

Once you have registered a mark, you can control that mark indefinitely IF you make the appropriate USPTO maintenance filings and you adopt certain business practices. Your initial registration period lasts for ten years. The USPTO requires that

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you file an Affidavit of Continued Use (also known as a "Section 8 Affidavit") between the fifth and sixth year following registration. The Section 8 Affidavit must be accompanied by a specimen of your mark as used in commerce. The filing fee for a Section 8 Affidavit is \$100 per class.

If your mark is on the Principal Register and you have used your mark in commerce continuously for at least five years, you may file a Declaration of Incontestability (a "Section 15 Affidavit"). When a mark becomes incontestable, continued registration is considered conclusive evidence of the validity of the mark and of your exclusive right to use the mark in commerce. Although a Section 15 Affidavit is not required, it is so commonly filed between the fifth and sixth years after registration that the USPTO offers a special form for a combined Sections 8 & 15 filing. The filing fee for a Section 15 Affidavit by itself is \$200 per class. The filing fee for the combined Sections 8 & 15 filing is \$300 per class.

To maintain federal protection beyond the initial ten-year registration term you must file an Application for Renewal (under Section 9) within the year before the expiration date of your registration. Each renewal lasts ten years. Since you are also required to file a Section 8 Affidavit and provide a specimen every ten years, the USPTO provides a combined declaration of use in commerce/application for renewal of registration of mark under Sections 8 & 9. The combined declaration must be filed every ten years. The current filing fee is \$400.

In addition to these USPTO requirements, mark maintenance also requires certain business practices. Trademark rights can be lost through abandonment, by improper licensing or assignment, and by allowing a mark to become generic. Trademark rights flow from use in commerce, so if you stop using your mark and do not intend to resume using it, you have abandoned your mark and lose rights to it. A court will infer your intent from your behavior, and three consecutive years of non-use is considered prima facie evidence of abandonment.

You can lose rights to your mark if you license to another party who does not provide your customers with the assurance of receiving whatever combination of quality, price, service, and other attributes they have come to associate with your mark. Likewise, assigning your mark to another party without transferring the assets associated with the mark can result in loss of rights. Each activity defeats the central purpose of a trademark, namely identifying goods or services with a specific source.

Misuse of a trademark may cause it to become generic, and therefore no longer protected. Recall that a mark is generic if it is widely used to describe a group of similar products. A perverse aspect of trademark law is that too much success can destroy your trademark rights. If your mark becomes the commonly-accepted description for a whole class of products or services rather than for your product or service in particular, your mark may become generic.

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To avoid that fate, never use your trademark as a noun or a verb. For example, a photocopy is not a "xerox," and the act of making a photocopy is not "xeroxing." Instead, Xerox® is a trademark of the Xerox Corporation. Xerox Corporation has struggled for decades to prevent the company name from slipping into genericism. If your brand is Widget™ (use capitalization and the appropriate symbol) and you make bottle openers, do not EVER refer to your product as a "widget" or its use as "widgeting." Do not allow anyone else to do so either. Instead, insist on reference to opening bottles with a Widget™ brand bottle opener.

While it may seem petty to insist on these distinctions, history is full of examples of marks that became generic, such as aspirin, dry ice, kerosene, nylon, thermos, and trampoline. If you fail to "police" your mark, yours could be next. Use your mark correctly, insist that others do so, and use your mark directly on your product or in direct association with your service, not just in advertising. If you have a trademark dispute and your adversary claims that your mark is generic, the court will look at how well you have "policed" your mark in judging that claim.

• *What can I do if someone else uses my mark?*

If someone has without your permission used your valid mark, or a mark so similar that it is likely to confuse customers as to the source of goods or services, they have infringed your mark. The legal bases for deciding whether a given mark is confusingly similar to another mark are too complex to summarize here. Retain competent trademark counsel.

The usual response involves at least one warning letter which, if not heeded, is followed by a lawsuit. However, there are important legal considerations in deciding when and how to issue even a warning, let alone to file suit. A mistake can result in negative consequences ranging from being sued in an unfavorable locality (yes, the infringer might sue you) to losing your mark entirely. If your mark is worth protecting, hire someone who knows how to protect it.