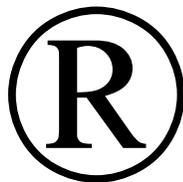


Trademark Basics – A Guide for Businesses

What Trademarks Are, and How to Get Yours



TM

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So your business is up and running – maybe for a couple of weeks, maybe for years – and one of your friends asks you “Did you trademark it?” Read this before you respond, because you might have ‘trademarked it’ without even knowing it. And even if you have, you might still want to register it.

What is a Trademark?

People confuse the three main types of intellectual property all the time. Patents, trademarks, and copyrights get conflated in the minds of people who have better things to do than to work in the intellectual property law field. So first, make sure you’re clear about what a trademark is.

A trademark is usually a word or a logo that tells you something important about a product or service. (I’m generally going to refer to products from here on out, but understand that a trademark can relate to a service as well.) From a consumer’s perspective, a trademark tells the buyer that a particular company is responsible for the product, and the product has certain qualities. Let’s run through a couple of examples.

The Power of Tide

My spouse will only purchase Tide laundry soap. Her mother always used Tide, she has always used Tide, and our family has always used Tide as a result. The trademark “Tide” on the box or bottle tells her that the laundry soap inside cleans clothes well and is of a type that no one in the family is allergic to. Her loyalty to the Tide brand extends across its product line, to both powder and liquid forms of the product, and to versions of both that add various extra ingredients such as bleach, fabric softener, or fragrance. In the words of trademark law practitioners, the mark “Tide” serves as a “source identifier” for her. To the people who make Tide, she is probably their dream consumer.

Let’s talk about beer. In the trademark context, alas. Bass has been brewing beer since 1777. In 1875 its red triangle logo was registered as British trademark number 1. The red triangle is an example of a symbol that consumers, including yours truly, look for to tell them that the product inside came from the Bass brewery. As a result, they expect the beer to have certain characteristics – for the Pale Ale version, a balanced hop-malt taste, mild carbonation, caramel color, and a soft, cream-colored head (these are my tasting notes; yours may differ, but what’s important is that it represents what this consumer has come to expect from a bottle of pale ale bearing the red

triangle logo). The folks at Bass are very proud of that red triangle logo, and I’m sure work hard to make sure it consistently has the qualities that consumers have come to associate with the product.

United We Move . . . or Fly . . . or Play Pool

That’s not to say that every mark has to be unique. Depending on the mark, it’s possible to have the same or very similar marks that can coexist because they cover different types of products or services. The mark “United,” for example, has been registered by different companies for shower enclosures, real estate franchise services, lighting ballasts, bicycle accessories, grocery stores, rolling mills, pool cue stick joints, fresh vegetables, transportation of goods by truck, transportation of persons, property, and mail by air, and dozens of other products and services. This is allowed because consumers are able to compartmentalize their perceptions about products and services. Most consumers who are looking for moving van services and see the name “United Van Lines” don’t believe that “United Airlines” is provider of those services, and vice-versa. In legal terms, there is little “likelihood of confusion” between those similar “United” marks for those different types of services.

The Trademark Office requires a registrant to declare the types of goods or services that its mark is to cover when it decides whether to grant an application for a registration. We will talk about those “classes” of services and how different types of trademarks can get you broader or narrower protection a bit later. (“United,” you might guess, is on the narrower side of things.)

Other things besides words can serve as trademarks: the shape of a product or container (think the classic Coca-Cola bottle); the color of a product (think Owens-Corning’s pink building insulation); even sounds (think the NBC television chimes). But ordinarily trademarks are either words (which can be in regular letter form or logo form) or symbols.

How do I get one?

There is a dirty little secret that many trademark lawyers won’t tell prospective clients: if you’ve been using a word or logo in a trademark-y way, you may have already acquired some trademark rights. (And no, the phrase “trademark-y way” is not typical lawyer-speak.) That is because trademarks rights arise under common law, meaning they begin to build up as soon as you start using a mark “in commerce” -- basically, when you begin selling a product and using the mark to identify it.

So I Can Stop Reading Now?

You're not off the hook, however. There's a reason that so many companies go to the trouble to register their marks with the Trademark Office. The so-called "common law" trademarks only provide limited protection against infringement by others. In particular, the geographic scope of their protection is limited to the area in which the product has been sold. So if my "Acme" (to borrow Wile E. Coyote's favorite brand) hair gel is sold only in the New York metropolitan area, and I have not registered that mark for hair gel, I am protected under common law only in the New York metropolitan area. If I take my product to Los Angeles, and another Acme hair gel is already being sold in that area, the owner of that mark can prevent me from selling my hair gel under that name in that market. And if the Los Angeles Acme has registered its mark with the United States Patent and Trademark Office, and did so before I began selling my Acme hair gel, it might even be able to stop me from selling my product back in New York.

In many cases, however, keeping it local makes sense and the common law rights may be enough. If your market is fixed and you don't intend ever to expand your distribution or geographic scope, then you might be able to rely on your common law rights to protect you. This assumes you haven't picked a name that is already registered by someone else for a similar product (such as "David's Cookies" for your baked goods) or, for really famous products, almost anything (such as "Microsoft" for your line of tiny plush animals). We'll talk about selecting the right mark a bit later. If you think you want to stick with your common law rights, it might make sense for you to consult with an attorney who practices in this area about your particular situation.

What do I get if I register my mark?

To increase the protection for your mark, you need to register it with the United States Patent and Trademark Office. The registration process is a fairly lengthy one, because each application is examined by the Trademark Office and compared against all of the marks that have already been registered, as well as against common law marks that the trademark examiner is able to find on her own (thank Google for vastly increasing the effectiveness of these common law searches). Registering a mark is not cheap, either. The total cost to register a mark – from application to registration – can easily exceed one or two thousand dollars, with Trademark Office fees accounting for about \$500 of that and legal fees the rest.

So why go to the trouble? First, a registered mark can be protected throughout the United States, not just in the area in which it's been used. I once tried to secure a registration for a bakery in New York that was refused because a chain of three bakeries in the San Francisco bay area had registered the same mark for the same type of service. Other benefits of registration include:

- the ability to sue in Federal Court (something you might not be able to do otherwise if your opponent is from the same state as you)
- the ability to seek enhanced damages – up to three times your actual damages, where the infringement is deemed "willful" – plus attorneys' fees (this is rather rare, however)
- the ability to have your mark declared "incontestable" after five years' use (making it harder to attack your mark in court)
- the ability to use the ® symbol next to your mark – unregistered marks should only use the "TM" designation
- the ability to register your mark with US Customs, which can help stop importation of counterfeits
- providing ready notice to others of your mark – the Trademark Office's database is the first place people should look before adopting a mark
- making it more difficult for a cybersquatter to register your mark as a domain name (trademark owners have some benefits when seeking to have the domain name turned over to them)
- when you decide to go global, giving you the ability to use the registered US mark as a basis for securing foreign trademark registrations

Selecting a Mark and Application Types

Let's assume you've decided that you want to register a trademark. It could be your business name, or perhaps the name of a product or a service that your business sells. What kinds of issues can you expect to deal with in the course of registering your mark?

Looking for Mr. Goodmark – the Trademark Availability Search

It can be very difficult if not impossible to secure a trademark registration for a mark that someone else is already using for the same type of product (or service – but for brevity's sake I'll refer only to products going forward). Many applicants prefer to learn about existing marks before they pay to file their own applications.

There are a couple of ways to search to see what marks are out there.

One of the quickest and simplest ways is to use a search engine such as Google; simply input the mark you'd like to register and maybe one or two words describing your product and see what comes up. You shouldn't stop there, of course: the Patent and Trademark Office maintains a database of all trademark applications and registrations that you can access at www.uspto.gov (look for the "Search Marks" link).

All of this searching can get complicated – states maintain trademark registration databases as well, and a good search will look for similar marks and not just identical ones. Of course there are services out there that will conduct such a search for you for a fee. Expect to pay from several hundred dollars on up depending on what kind of a search you ask for and who is doing it. Most trademark lawyers have contacts with one or more search providers, and can help produce better search results by providing the searcher with the right information about your mark and how it's going to be used.

A typical search is likely to yield a number of "hits" – instances where others are using the mark you want to register, or a similar mark, for similar products. That doesn't necessarily mean you won't be able to register your mark, but it might affect how you go about doing so. Of course, the search results might also send you back to the trademark drawing board. A lawyer who practices trademark law can review the search results and can help you decide what to do based on those results.

Some Marks are More Equal Than Others

It's useful to understand that some marks are considered by the Trademark Office to be "stronger" than others. A classification system has been developed over the years that put labels on marks – you might have heard about "descriptive" or "fanciful" marks, for example. The gist of the system is that the closer a mark comes to describing what the product is, the harder it's going to be to register that mark because doing so could prevent others from being able to describe their competing products.

So, for example, you are not going to be able to register the mark "water" for your spring water. That would prevent other spring water companies from using the word to describe their products. You might be able to register the mark "Acme Spring Water" for your spring water product, but the Trademark examiner may require you to "disclaim" the words "spring water," meaning that

others can use those words with their spring water products. The word "water" would be considered a generic mark when used in connection with water.

The word "Acme," on the other hand, is at the opposite end of the trademark spectrum from "water." It doesn't call to mind anything in particular, and could be used as a trademark for pretty much anything to the extent no one else was doing so. Xerox and Kodak are two examples of this kind of a so-called "fanciful" mark.

There are other types of marks that use common words, but in a way that does not relate to the definition of the word. Selecting "Water" as a trademark for computers is one example of this. If that sounds odd to you, consider the mark "Apple" for the same type of product. These are examples of "arbitrary" marks.

Sometimes a mark will indirectly relate to the underlying product. Selecting the mark "Flowing" for your spring water product might be an example of such a mark, since it calls to mind the way that water moves. Another example of this kind of a "suggestive" mark is "Microsoft," which might make you think of software for what used to be known as microcomputers.

Some might argue that "Flowing" when used for water is actually "descriptive" and not "suggestive." These are the kinds of arguments that Trademark lawyers have all of the time. That is because under US law there is a significant consequence if a mark is "descriptive" – namely, you will need to provide the Trademark Office with evidence that your "descriptive" mark has acquired something called "secondary meaning" before it will be granted a registration.

"Secondary meaning" means that in spite of the descriptiveness of the mark, consumers for your product have come to associate the descriptive mark with your product. There are several ways to establish secondary meaning – such as long-term use, or large amounts spent on publicity – but the details of doing so really go beyond the scope of this piece. What you might need to know is that surnames are usually treated as descriptive marks, and so you may need to establish secondary meaning before you can register yours as a trademark.

Reserving a Mark for Future Use

You don't have to be using a mark yet in order to register it. By filing an "intent-to-use" application, you can basically reserve a mark for future use even if you're not yet using it. You need to have a good faith intent to use

that mark for the type of product in question, and you cannot keep an intent-to-use registration alive forever – you'll have 36 months from when the Trademark Office issues its Notice of Allowance to begin using your mark, though every six months during that period you will have to file a request with the Trademark Office to extend your time to file your Statement of Use, and of course will have to pay money for each extension.

If you are already using your mark, you can file a application for registration based on that use. As you might expect, “use” has a particular meaning to the Trademark Office. You need to be using the mark “in commerce,” which means in the ordinary course of trade and not simply on samples or promotional versions of the product. Furthermore, for products, the mark must be displayed on the goods, their container, or the display associated with the goods. For services, the mark must be displayed in the sale or advertising of the services.

Let's File an Application!

Let's assume you've decided to take the plunge and register your trademark. We'll also assume you've done your homework – selected a mark that at a minimum is not generic and so is capable of being registered; performed a reasonably comprehensive search to determine whether anyone else is using your mark for the same or similar goods or services (we'll focus on goods going forward, but understand that services are covered as well); defined the goods to which the mark will apply so that the mark can be assigned to one or more of the classes of goods used by the Trademark Office to organize marks.

Filing Your Application With the Trademark Office

With the proper level of preparation, the registration process itself becomes a somewhat straightforward exercise. The application form is actually an interactive set of forms that you or your attorney will complete on the Trademark Office website (<http://www.uspto.gov/teas/e-TEAS/index.html>). The so-called “TEAS” system will step you through the application process, and while it is far from foolproof, it will alert you to basic missteps such as required fields that are left blank or filled in improperly.

You will need to know who is going to own the mark – for most businesses, it will be the business entity in whose name the application is filed, and so will become the owner of the registered mark. The application then requests the usual sorts of contact information that you might expect it to, all of which becomes part of the public

record.

You of course will need to identify the mark. The system allows you to submit the mark in either a word form or, for logos or stylized lettering, an image form (JPG format is the only one accepted). For images, you will also have to provide any word or letters included in the image. Using our “Acme” example, if we are registering a stylized “Acme” logo, we would identify it by the word “Acme.”

There are then a series of statements that the system invites you to make about the mark: whether any parts of the mark are being disclaimed (in our “Acme Hair Gel” example, you might disclaim the generic phrase “Hair Gel” even though you might use it as part of your mark). A “disclaimed” element is one for which you are not claiming to have exclusive rights. You also have the opportunity to claim that the mark has become “distinctive,” meaning that through long use or heavy media exposure, consumers have come to associate the mark with the source of the underlying goods. While the system provides you with some clues as to what will support a claim of distinctiveness, if you're not sure about whether your mark qualifies it might make sense to seek the advice of a trademark lawyer.

Goods and Services

Next you will be asked to identify the goods or services for which the mark is to be registered. The “TEAS Plus” version of the system contains a search tool that is meant to help you identify the appropriate International Class of goods or services to use in the application. The regular “TEAS” application allows you to select your International Class of goods as well as create your own description of what the covered goods or services are. A short description of the differences between the two system versions can be found on the Patent and Trademark Office website at <http://www.uspto.gov/teas/teasplus.htm>.

While it is important to make sure that your application covers all of the classes for which you might be using your mark, keep in mind that your application cost increases for each class of goods that you select. In addition, while creating your own description of those goods or services can be very effective, it can sometimes create problems with the application if it's not done properly. Here too it can often be helpful to secure the advice of an attorney before selecting your class or classes of goods or services, or your descriptions.

Existing Use or Intent-to-Use?

The next option is to choose whether your application is based on your existing use of the mark (“Section 1(a)”), or whether it is a so-called “intent to use” (“Section 1(b)”) application. You can also indicate whether the application is based on a foreign application or registration, but that is beyond the scope of this article.

You'll be asked for some correspondence information, which is where attorneys would provide their contact information, and then will be provided with the application cost and will sign the form electronically. You'll have the opportunity to review and save the completed form – it's very good practice to do so – and then you will be taken to a payment page where you can input credit card information and submit payment.

Done and Filed!

Once filed, your application is officially “pending.” That means nothing in terms of how you identify your mark to the world – until you have an issued registration, you must use the “TM” designation and not the “®” designation.

After a period of time, you will receive a response from an examiner at the Trademark Office. The response may grant your application, or it may reject it, or it may suggest or request some modification to the application. Whether or not you consult a trademark attorney will depend on the nature of the examiner's response.

Generally speaking, your chances of successfully registering your marks will increase if you take advantage of the services of a competent trademark attorney from the beginning. Many will file the initial application for a fixed fee over and above what the Trademark Office application fee is (currently \$275 per class if you use the TEAS Plus system, and \$325 per class if you use the TEAS system). There are other Trademark Office fees that may apply as well: if you file an intent-to-use application, for example, you will pay \$100 to file your “Statement of Use.”

Once Approved . . . It's Not Over

Assuming your application is eventually approved by the Trademark Examiner, that is not the end of the road. It is then published in the Trademark Gazette, and third parties will have 30 days to file a notice of opposition to your mark (very often, in fact, they will request and receive an extension of this time period). If someone decides to oppose the registration of your mark, they will file an opposition proceeding, and the registration of your mark

will be delayed until after that proceeding is resolved.

Finally, if you do secure a registration of your mark, keep in mind that the registration does not last forever. You will be required between the 5th and 6th anniversaries of your mark's registration to file a “Declaration of Use” (along with a fee, of course) that shows that you are still using the mark in commerce. While you can file the Declaration of Use up to six months later (for an additional fee, of course), if you don't file it you are likely to have your registration canceled.

Consider Using Counsel

This has been a summary of some of the main issues that trademark owners need to consider when deciding whether or not to register their trademarks. This field of law can become complicated, particularly in crowded and competitive markets. While many business owners enjoy the challenge of taking on these issues by themselves, it often helps to find qualified trademark counsel who can advise along the way. Don't let your budget stand in the way of asking for help – very often, with a little bit of work, you can find an attorney who is willing to work with you even if your budget is tight.

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