

# **Trademark and Copyright Advisory: Proper Use of Your Brand Name As a Trademark or Service Mark**

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Trademarks and service marks help consumers to distinguish between competing products and services. Their main function is to identify the provider or the source of products and services, thereby enabling consumers to select products and services based on, for example, reputation and quality.

In order for a trademark and service mark to perform their source-identifying function, a brand owner must use its mark as required by U.S. law. We outline below some guidelines for brand owners to follow to ensure they are using and protecting their brands properly.

## **Proper use of a trademark and service mark to establish ownership and rights of use**

Through proper use of their marks, brand owners may acquire geographically restricted common law rights in the marks. In addition, a brand owner must use its marks in a manner that meets the requirements for a federal registration, which confers on the brand owner nationwide ownership and exclusive rights to use of the mark. Improper use of a mark can destroy the very rights a brand owner owns or is trying to create, rendering the mark a worthless asset.

## **What is the difference between a trademark and a service mark?**

A trademark can be any single word, phrase, symbol, or design that is used *on or in association with* one or more goods that are shipped or sold in commerce. Proper use of a trademark includes affixing the mark directly on tangible goods, displaying the trademark on a tag or label attached to the goods, and/or displaying the trademark on containers or packaging for the goods. Proper use of a trademark also includes using the trademark on displays associated with the goods.

A service mark can be any single word, phrase, symbol, or design that is used *in association with* a description of one or more intangible services, or is used *in selling, advertising or providing* the services. Proper use of a service mark includes displaying the mark in advertisements and other promotional materials and media that include a description of the services. Proper use of a service mark also includes using the mark in the selling or actual rendering of the services to consumers.

## **Trademarks and service marks should be used as adjectives**

For word marks, a trademark and service mark are *adjectives* that serve as the brand name for the particular goods and/or services the brand owner provides under the mark. Trademarks and service marks should never be used as the common or generic names of such goods or services. For example, proper use of the fictitious mark XYZ as a trademark would include using XYZ as an adjective followed by the common or generic name of the goods for which it is the brand name, *e.g.*, “XYZ children’s interactive books.” Proper use of the XYZ mark as a service mark would include using XYZ as an adjective followed by the common or generic name of the services, *e.g.*, “XYZ tutoring services.” It is not required that a mark be used at all times with the common or generic name of the goods and services, but using the mark as an adjective with the common or generic name at least once in advertising and promotional materials or on labels and packaging is important. The mark should never be used as the common or generic name of the goods and/or services. For example, the XYZ mark should never be used to refer to, or as another name, for its interactive books, *e.g.*, “the XYZs” or “interactive XYZ.”

## **Trademarks and service marks should never be used as verbs or nouns**

Trademarks and service marks should never be used as verbs. For example, use of the famous trademark XEROX<sup>®</sup> as an adjective with the common or generic name of its products, *e.g.*, XEROX<sup>®</sup> photocopiers, is proper use of this mark as a trademark. However, use of the mark as a verb, *e.g.*, “XEROX the letter,” is improper trademark use. Further, trademarks and service marks should never be used as nouns, either in the singular, plural, or possessive form. For example, proper use of the famous trademark NIKE<sup>®</sup> would include displaying the mark alone or along with the common or generic name of its products, *e.g.*, NIKE<sup>®</sup> and NIKE<sup>®</sup> athletic shoes, while improper use includes using the NIKE mark as a noun in its plural or possessive form to refer to its products, *e.g.*, NIKES or NIKE’S.

## **The form of trademarks and service marks can affect their proper use**

To distinguish itself as a mark, a mark should appear in a form different from any general text that is associated with the mark, or in which the mark is incorporated. In other words, the mark should not be “buried” in any text such that consumers would have difficulty perceiving it as a trademark or service mark. As the displays below for the fictitious XYZ mark illustrate, the mark should be displayed in a larger-size print, all capital letters, initial capital letters, and/or with a distinctive print style that is different from the text, such as bold face, italicized, or color type:

- **XYZ** interactive books and after-school tutoring services
- **XYZ** interactive books and after-school tutoring services are available at...
- Our **XYZ** interactive books are age-specific readers that include...
- **XYZ** - Children's Interactive Book Special!
- A presentation of our new line of age-specific children's interactive books—**XYZ** readers—will be given at the ABC Elementary School.

The mark should also have a prominent position on labels, tags, packaging, or displays and in advertising copy to further help to distinguish the mark from the surrounding text and to enable consumers to recognize the mark as a trademark or service mark. In addition, the mark should be used repeatedly rather than only occasionally.

## Use of the ® federal registration symbol and other notices with a mark

Use of a trademark or service mark notice or designation is not required in order for protectable rights to exist. However, use of such a notice or designation with a mark puts the public on notice that the brand owner claims trademark and/or service mark rights in the mark. For a mark protected by a federal registration issued by the U.S. Patent and Trademark Office, the brand owner may use the federal registration symbol “®”, *e.g.*, **XYZ**®. Alternatively, the brand owner may use “Registered in the U.S. Patent & Trademark Office” or “Reg. U.S. Pat. & Tm. Off.” with a registered mark. Use of either the federal registration symbol “®” or the noted designations alerts the public that the mark is federally registered and subject to the statutory rights provided by a federal registration, including nationwide ownership and exclusive rights to use of the mark.

For unregistered marks and marks applied for and awaiting federal registration, a brand owner may use a “TM” notice with their trademark, *e.g.*, **XYZ**<sup>TM</sup>, to indicate to the public that it is claiming trademark rights in the mark. Similarly, a brand owner may use an “SM” notice, *e.g.*, **XYZ**<sup>SM</sup>, to indicate its claim of service mark rights. Although the “TM” and “SM” notices have no legal effect and do not confer any legal rights on the brand owner, using the “TM” and “SM” notice with a mark may help to deter unauthorized third-party use, and, in particular, may help to ward off competitors from adopting the same mark or a confusingly similar mark.

## **Improper use of a trademark/service mark—loss of rights and other implications**

A brand owner may lose its rights in a trademark or service mark if the brand owner does not properly use its mark with the relevant goods and/or services. If the brand owner uses its mark improperly as the common name for its goods and/or services, or uses the mark improperly as the generic description of its goods and/or service, the mark may become the generic or colloquial term in the marketplace for such goods and/or services. If this occurs, the brand owner's own improper use of its mark may cause consumers to adopt the mark as the common or generic name for the goods and/or services. If that happens, the mark no longer identifies the brand owner as the source of such goods and/or services, and the brand owner loses all its exclusive rights in the mark. A valid mark can also become generic if third parties misuse the mark as the common or generic name for the goods and/or services, and a brand owner makes no effort to prevent such misuse. Examples of formerly protected marks that have become generic or common terms for particular goods due to improper use include "aspirin," "cellophane," "escalator," and, more recently, "modem" and "email."

## **Proper use is required to secure trademark/service mark federal registration**

Proper use of a trademark and service mark is also required in order to obtain a federal registration of the mark from the U.S. Patent and Trademark Office. A brand owner that files a federal application must demonstrate to the U.S. Patent and Trademark Office actual use of the mark in commerce as a trademark or service mark before a federal registration will issue. This is done by filing specimens showing how the brand owner actually uses the mark.

To be properly used as a trademark the mark must be used *on or in association with* the goods shipped or sold in commerce.

The following are examples of specimens of use acceptable for federal registration:

- Photos of the actual goods bearing the trademark, where the trademark is affixed directly to the goods and is visible in the photos
- Tags or labels that display the trademark and are attached to the goods
- Shipping labels, containers, or packaging for the goods that display the trademark
- A user guide or instruction manual that displays the trademark and is needed by the end-user for use of the goods
- Displays associated with the goods that feature the trademark

"Displays associated" with the goods featuring a trademark previously had been limited to point-of-sale displays. However, the courts and the U.S. Patent and Trademark Office have expanded the types of use that qualify as proper use of a trademark on displays to reflect changes in commercial practices and systems of modern commerce, such as the Internet. In general, proper use of a trademark on a "display associated" with the goods occurs where the mark "

is displayed or otherwise made known to prospective customers in the ordinary course of business in a manner that associates the designation [trademark] with the goods...”<sup>1</sup>

If a consumer sees the trademark in a display before making a purchase and makes a connection between the displayed trademark and the goods, the display can then serve as an inducement for the consumer to make the purchase.

Displays associated with goods that are acceptable specimens for federal registration include:

- Point of sale poster displays, large counter displays, and window displays featuring the trademark
- A mail order catalog displaying the trademark in association with the goods through which the goods may be ordered
- An Internet web site displaying the trademark in close association with images of the goods and providing the means to order the goods through the site
- A television infomercial displaying the trademark in association with images of the goods and providing information, *e.g.*, telephone number and/or address, to order the goods
- A trade show booth displaying the trademark and providing an order desk or means by which consumers can order the goods at the booth
- Restaurant menus displaying the trademark

However, not all displays or signs will qualify as proper trademark use and each display or sign must be considered on its own specific facts. Uses of a trademark that would *not* be accepted by the U.S. Patent and Trademark Office as a proper specimen for registration purposes include the following:

- Advertisements and advertising/promotional brochures, leaflets, and pamphlets displaying the trademark
- Packing invoice inserts displaying the trademark
- A delivery truck displaying the trademark and containing the goods
- Use of the trademark in training salespersons, in demonstrating goods, and in price lists
- Paper or plastic bags used to package the goods displaying the trademark

To be properly used *as a service mark* the mark must be used *in advertising* of the services or *in selling or rendering the services* in commerce.

The following are examples of acceptable specimens of use for federal registration:

- Advertisements and advertising/promotional brochures, leaflets and pamphlets displaying the service mark and describing the services
- Letterhead or body of letter displaying the service mark and the body of letter including a description of the services
- An Internet web site displaying the service mark and providing a description of the services
- An Internet web site displaying the service mark and rendering an on-line service to a web user/consumer, such as through use of the site's software

- Restaurant menus displaying the service mark

Proper use of a brand name as a trademark or service mark is crucial to establishing and maintaining exclusive rights in the mark. A great deal of time and money is spent investing in and developing strong brand names. Since brand names are the face of a business, and often one of its most valuable assets, a brand owner should ensure that all its marks are being properly used so that their maximum benefits are achieved and maintained.

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## **Endnotes**

<sup>1</sup> *Reinstatement Third, Unfair Competition Sec. 18*, comment d (1995).

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