

Protecting Your Trademark in the United States

I. Protection Mechanisms in the United States.

After selecting your mark, the next step is to decide how to protect it. In the United States, there are three basic types of trademark protection: (1) common-law, (2) state registration, and (3) federal registration. Federal registration is the strongest and is best if your mark is valuable to your business. All forms of protection in the U.S. require actual use of the trademark in commerce.

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II. Common-Law Protection.

In the United States, common-law protection is obtained simply by using a mark in commerce. The rights conferred under common-law are coextensive with (a) the geographical area in which the mark is used, (b) the goods/services with which the mark is used, *plus* (c) the mark's natural zone of expansion. The geographical area may be small, e.g., a town or part of a town, or large, e.g., the entire United States. Similarly, the goods or services may be limited to one or include dozens.

How is the *natural zone of expansion* determined with respect to both a mark's geographical and goods/services scope? Courts examine factors such as how long the mark has been used, whether the mark's owner has expanded its use over time, and during that time, how much the use has expanded. Courts also examine whether there have been active steps to expand use, such as by entering into contracts with distributors or sales representatives. Determining the natural zone of expansion is complex, expensive, and fact-intensive.

Common-law rights also can be obtained for use that occurs prior to (a) the effective date of any federal registration of a conflicting mark, (b) any prior common-law use by another of a conflicting mark, or (c) depending upon the state, the date of state registration of another's confusingly-similar mark. In summary, if your mark is valuable, relying solely on common-law rights may involve potential complexity and expense in proving the scope of your rights.

III. State Registration.

Trademark protection in the United States may be enhanced by state registration. State registration is relatively inexpensive, usually costing about \$300-\$1,500. The additional rights conferred by state registration vary depending upon the state. Some state registrations have a preclusive effect and bar others from later obtaining common-law rights or a state registration for a confusingly-similar mark within that state. In Arizona, where the author is located, state registration provides only a presumption of the date of first use of the mark within the state. The scope of rights within Arizona is still determined using common-law principles. So, if the mark is only used in the Phoenix area for a single product, the rights to which mark is entitled would be limited to the Phoenix area for that product *plus* the mark's natural zone of expansion.

IV. Federal Registration.

Trademark protection in the United States may also be enhanced by a federal registration granted by the United States Patent and Trademark Office ("USPTO"). Federal registration typically costs between \$1,500 and \$3,000. If your mark is valuable to your business, federal registration is the best option as it is relatively inexpensive and confers a host of rights not available under common law or via a state registration.

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A federal registration is the only one with which a superscript "®" may be used. For common-law or state registered marks, only the superscripts "TM" (for a trademark) or "SM" (for a service mark) may be used. Once a federal registration issues the rights granted by the registration are effective as of *the filing date of the application* that matured into the registration. Some of these rights are summarized below.

A Federal Registration Creates a Presumption of the Exclusive Right to Use the Mark Throughout the United States

A federal registration creates a presumption that the mark's owner has the exclusive right to use the mark throughout the entire United States for the goods and/or services listed in the registration certificate. 15 U.S.C. § 1057. Federal registration also preempts any subsequent claim to others' alleged rights arising under common-law or via a state registration, and blocks others from obtaining confusingly-similar federal registrations.

A Federal Registration Creates a Presumption of Validity

A federal registration creates a presumption that the mark covered by the registration for the goods/services listed in the registration is valid. *Id.* So if you enforce your trademark rights in litigation, *the infringer* bears the burden to prove that your mark is invalid. If there is no federal registration, *you* bear the burden to prove the mark is valid.

A Federal Registration Can Become Incontestable

After five years, a federal registration can become "incontestable." Once incontestable, it makes it even more difficult for an infringer to challenge the validity of the mark. 15 U.S.C. § 1115(b).

A Federal Registration Provides Constructive Notice of Your Trademark Rights

Federal registration provides constructive notice of the registration's existence, and prevents a defense of common-law rights usage by alleged innocent adoption and use of a confusingly-similar mark by another. 15 U.S.C. § 1072.

A Federal Registration Is Required for a Counterfeiting Cause of Action

Only if you have a federally-registered mark, and the facts support it, can you bring a lawsuit under the anti-counterfeiting provisions of the United States trademark laws. 15 U.S.C. § 1116(d). If counterfeiting is shown, you may obtain up to \$2,000,000 in statutory damages for each counterfeited mark on each type of counterfeited product or service. This can be a powerful tool to leverage a favorable settlement or win a decisive judgment in court.

Registration with the U.S. Customs and Border Protection

You can record a federal registration with the United States Customs and Border Protection ("CBP") in an effort to keep infringing imports from entering the United States. Practically speaking, in order to keep infringing imports out of the United States, you should

record your registration with CBP and provide CBP with information about the port of entry and destination of the counterfeit goods, but federal registration of your mark is a prerequisite.

An Application for Federal Registration Can be Based on an Intent to Use

Only an application for federal registration can be based on a good faith *intent-to-use* the mark in commerce for the goods and services listed in the application. 15 U.S.C. § 1051(b). Common-law rights and state registrations are based on actual use in commerce. An advantage of an intent-to-use application is that you can preserve your rights well in advance of any actual use of the mark. After filing, and having an intent-to-use application allowed, you would have about 3 ½ years to begin using the mark and to file a document called a *statement of use* with the USPTO. Once that is accepted, you obtain a federal registration and the rights it confers are perfected back to the application filing date. Then you may use the federal registration to stop any confusingly-similar trademark use that began *after* your application filing date.

V. Conclusion.

All trademark rights in the United States require actual use in commerce of the mark. Those rights can be enhanced by state or federal registration. If your mark is important, federal registration is preferred because of the host of additional rights it confers.



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