

Trademarks 101

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What is a Trademark?

- ▶ Any word, name, symbol or device used in commerce to identify and distinguish goods.
- ▶ Similarly, a service mark is any symbol or device used in commerce to identify and distinguish services.
- ▶ The term “mark” refers to either a trademark or a service mark. The term “trademark” is often used generically to refer to both trademarks and service marks.
- ▶ “Brand” or “Brand Name” is generally synonymous with “Trademark.”



What is a Trademark?

- ▶ Any word, name, symbol or device used in commerce to identify and distinguish goods.

- ▶ Examples:

- ▶ Words: McDonald's, McCafe

- ▶ Slogans: "What's in Your Wallet?" "What Happens Here, Stays Here"

- ▶ Symbols:



- ▶ Designs:



- ▶ Sound: NBC jingle

What is a Trademark?

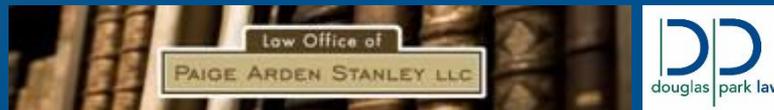
- ▶ Any word, name, symbol or device used in commerce to identify and distinguish goods.
- ▶ Must present evidence of use in commerce as part of the application process. Evidence of use in commerce includes advertisements, screen shots from websites and business cards.
- ▶ You can file an “intent to use” application in which you promise to use the mark in commerce within six months of filing the application. You will not get full trademark protection, however, until you submit evidence of use in commerce.



What Does a Trademark Do?

- ▶ First, it identifies the origin of the goods. The public knows that all goods or services with a common trademark originate from the same source (even if the public does not know the actual source).
- ▶ Trademarks also serve as quality assurance.

Example: Oscar Mayer vs. Boar's Head



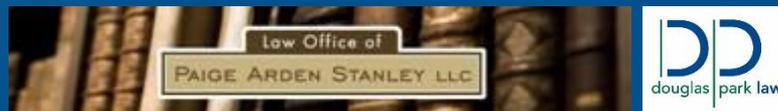
Common Law Trademark Protections

- ▶ As soon as a mark is used in commerce, the owner of the mark obtains common law rights to the mark.
- ▶ These common law rights are limited, however, and depend upon State law (which can vary from State to State).
- ▶ All common law rights are limited to the geographic area where the mark is actually used.



Advantages of Registering a Mark with the United States Patent and Trademark Office (“USPTO”)

- ▶ Registered marks are easier to find in a trademark availability search. This decreases the likelihood that someone else will use a confusingly similar mark.
- ▶ Registration entitles the mark to nationwide protection.
- ▶ After five years of registration on the *Principal Register*, the mark will become “incontestable.” Subject to limited exceptions (fraud, abandonment), an incontestable registration is conclusive evidence of the mark’s validity and the registrant’s ownership.
- ▶ Owners of registered marks can sue in federal court and in certain situations can be entitled to attorney’s fees, treble damages and statutory damages.



Advantages of Registering a Mark with the USPTO (continued)

- ▶ Federal Registration serves as the basis for international registrations.
- ▶ The date of filing of the application establishes a date of constructive use.
- ▶ Pursuing actions under anti-dilution laws or anti-cybersquatting laws often requires federal registration.



Side Note

State Registration of Trademarks

- ▶ Every State has a trademark registration procedure.
- ▶ Traditionally, there were some reasons to register a mark under State law, but these justifications have essentially vanished.
- ▶ Federal registration is always preferable, and State registration is unnecessary.



Requirements for Trademark Protection

Distinctiveness

- ▶ Marks are classified as one of the following:

Fanciful

Fanciful marks are coined words created for purposes of being a mark, such as Kodak, Exxon and Xerox.

Arbitrary

Arbitrary marks are existing words that have no inherent relationship to the good or service to which they apply, such as Apple for computers or Dominos for pizza.

Suggestive

Suggestive marks suggests a quality or characteristic of the good or service but not in a specific manner. Examples include Jaguar for cars and Coppertone for sun lotion.



Requirements for Trademark Protection

Distinctiveness (continued)

Descriptive

These are marks that describe the purpose, quality or characteristic of the good or service, such as Raisin-Bran or Vision Center. Of particular note, most marks that sound like a person's name are considered merely descriptive (Bob's Burgers would be considered a descriptive mark).

Generic

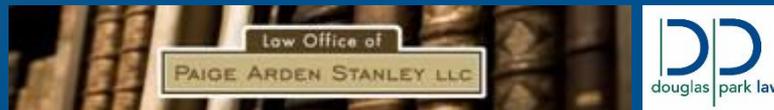
These are marks used by the public to identify the category of goods or services associated with the mark. An example would be calling your new restaurant *The Restaurant*.



Requirements for Trademark Protection

Distinctiveness (continued)

- ▶ Fanciful, arbitrary and suggestive marks are all considered inherently distinctive and, as a result, can be readily registered with the USPTO.
- ▶ Generic marks are never considered distinctive and cannot obtain federal trademark protection.
- ▶ Descriptive trademarks can be registered on the *Supplemental Register* with the USPTO. This gives the applicant a few of the rights associated with federal trademark protection (e.g. constructive use date), but not all of them.
- ▶ A descriptive mark can be registered on the *Principal Register* and obtain all federal trademark protections if the applicant can show that the consumers have learned to associate the mark with a single source. This is called “acquired distinctiveness” or “secondary meaning.” If the applicant can show that it has used a descriptive mark continuously and exclusively for five years, then there is a presumption of acquired distinctiveness.
- ▶ **Lesson:** Encourage the adoption of marks that are fanciful, arbitrary or suggestive and not merely descriptive.



Requirements for Trademark Protection

Classification

- ▶ Marks are only considered distinct within the class of goods or services set forth in the application.
- ▶ As a result, the same mark can be used by different registrants in different classes.
 - ▶ Example: Ace – Hardware, Hotels, Bandages
- ▶ Some goods/services straddle classifications
 - ▶ Example: Customized accounting software can be classified as both business consulting and software development.
- ▶ In these situations, you can apply for trademark protection in both classes. An applicant can only apply in classes for which the applicant actually operates or intends to operate, however.



Requirements for Trademark Protection

Confusingly Similar

- ▶ Applications can be rejected on the basis that the mark is confusingly similar to an existing mark.
- ▶ Standard: If the relevant consuming public would be confused or mistaken about the source of the product.
- ▶ As a result, applicants should conduct trademark searches at the USPTO website prior to adopting a mark.



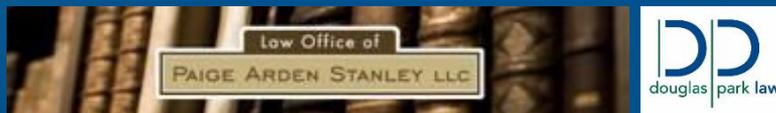
Trademark Application Process

- ▶ Process starts with filing of the application. There is a filing fee equal to \$275 per class per mark.
- ▶ After three months, a trademark examiner is appointed.
- ▶ The trademark examiner will take one of three actions:
 - ▶ Approve the mark for publication;
 - ▶ Reject the mark based upon one of the statutory grounds; or
 - ▶ Issue an office action requesting changes with respect to the application (e.g. a disclaimer of certain elements of the mark) or request additional information (e.g. proof that a descriptive mark has obtained secondary characteristics).



Trademark application process (continued)

- ▶ Once the trademark examiner has determined the mark meets the minimum statutory requirements, the mark is published for opposition in the *Official Gazette*.
- ▶ Trademark owners then have the right to oppose the mark based upon the confusingly similar standard.
- ▶ Marks are published in the *Official Gazette* automatically for three months, but any trademark owner has the right to request that the opposition period be extended for an additional three months.
- ▶ If a notice of opposition is filed, the applicant can contest the opposition with the Trademark Trial and Appeal Board.
- ▶ If no notice of opposition is filed, or if the applicant wins before the Trademark Trial and Appeal Board, the mark is published and a Registration Certificate is issued to the applicant.



Designation of Trademarks

- ▶ The symbols SM, TM and ® are used to provide notice to the world that you are claiming trademark rights in a mark.
- ▶ SM and TM can be used for any mark – federal registration is not required.
- ▶ ® can only be used for marks that have obtained a Registration Certificate.
- ▶ There is no requirement that you provide notice of your trademark rights, but the advantages of doing so include:
 - ▶ Deter others from using the mark.
 - ▶ The ® symbol provides “statutory notice” which allows you to sue for lost profits without having to make a showing that the infringer had actual notice of your trademark rights.
 - ▶ These symbols help prevent your mark from becoming genericized – e.g. Aspirin, Trampoline, Escalator.

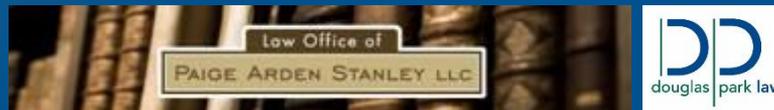


Other Considerations - Dilution

- ▶ Owners of famous trademarks can bring an action to stop others from using a mark when the other's use is likely to cause dilution by tarnishment or dilution by blurring.
- ▶ Dilution causes of action can be brought even where the parties operate in different classifications of goods and services.
- ▶ A mark is famous if it is widely recognized by the general consuming public of the US as a designation of source of the goods or services of the mark's owner.

Other Considerations – Anticybersquatting

- ▶ The Anti-Cybersquatting Consumer Protection Act prohibits bad faith registration, trafficking or use of domain names identical or confusingly similar to a distinctive trademark.
- ▶ To determine bad faith, courts consider whether the domain name owner ever used the name previously, whether the domain name registrant attempted to sell the domain name to the trademark owner without using it, or attempted to divert customers from the registrant's own website.



Additional Questions? We can help.

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