AN OVERVIEW OF UNITED STATES TRADEMARK LAW

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BASICS

- Unlike many countries, in the United States proprietary rights in a mark can be acquired simply by using it; registration is not required in order to have rights; rights are based upon use in commerce regulated by U.S. Congress or by reason of treaties, such as the Paris Convention.

- A federal application cannot be filed unless the mark

  - is used on products or services offered in commerce regulated by Congress; or
  - will be used in such commerce and the application is based upon intent to use; or
  - is the subject of a foreign application or registration.

- Applications are examined for formalities and confusingly similar registered marks.

- Applications accepted for registration are published for opposition in the *Official Gazette*.

- Anyone who believes he or she will be damaged by registration can oppose by filing a Notice of Opposition (or extension request to oppose) within 30 days from the publication date.

- A Petition to Cancel a registration can be filed any time within five years from the registration date by anyone who believes he or she will be damaged by the registration.

- A registration can become incontestable (subject to certain exceptions) after five years from the registration date if an incontestability affidavit is filed any time after the mark has been continuously used for five years.

- An affidavit alleging use of the mark must be filed at any time between five and six years from the registration date; otherwise the registration will be canceled automatically.

- The registration term is ten years from the registration date (if the use affidavit is timely filed) and can be renewed for additional ten-year periods by filing a renewal application.

WHAT KINDS OF MARKS CAN BE PROTECTED IN THE UNITED STATES?

- **Trademark** - a word, name, pictorial matter, symbol, or any of these in combination that a business uses to identify and distinguish its products from other products.

- **Service mark** - performs the same function as a trademark but with respect to services rather than products. It identifies and distinguishes the services that a particular business offers.

- **Certification mark** - a mark used by a person other than its owner to certify: regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person's products or services; or that the work or labor on products or services was performed by members of a union or other organization. The mark must be used for certification only. It cannot be used both as trademark or service mark and as a certification mark. And it cannot be used by the owner to identify the owner's products or services.

- **Collective service mark/trademark** - a mark used by the members of a cooperative, an association, or other collective group or organization to identify their products and services.

- **Collective membership mark** - a mark used to indicate membership in a cooperative, an association, union, or other collective group or organization.

- **Trade dress** - the overall design or appearance of a product or its packaging, which can include features such as size, shape, color, color combinations, texture, and graphics. Restaurant decor is recognized as trade dress that can be protected the same as a mark.
- **Federally registered mark** - a mark registered in the United States Patent and Trademark Office, Washington, D.C.

- **State registered mark** - a mark registered in one or more states, usually by the Secretary of State.

- **Common law mark** - an unregistered mark.

WHAT IS APPROPRIATE SUBJECT MATTER FOR A MARK?

Certain kinds of words, names, pictorial matter, and symbols are better to use as marks than others. Some cannot function as marks. To function as a mark, a word, name, or symbol must be **distinctive** when first used with the products or services with which it is used. Or it must be capable of becoming distinctive with respect to those products or services.

A distinctive word, name, picture, or symbol is one that relevant members of the public readily associate with a particular product or service, such as KODAK with film. It is not thought of as giving information about or describing a product or service.

An *inherently distinctive* word, name, picture, or symbol is one that does not describe a product or service. It can be protected immediately upon first use. A descriptive word, name, picture, or symbol may acquire distinctiveness through long and/or widespread advertising and use in connection with a product or service. At the time this happens it can be protected as a mark.

From a legal protection standpoint in the United States, the best mark is a word, name, picture, or symbol that conveys little or no information about the nature or features of the products or services with which it is used. This kind of mark is inherently distinctive, strong, and entitled to a broader scope of protection than a mark that conveys information or is commonly used.

In terms of distinctiveness, United States courts have established the following categories:

- **generic** - the name for a product or service by which everyone knows it (e.g., bicycle, pizza, broadcasting); it is not and can never become distinctive or be protected.

- **descriptive** - tells about or describes the features, function, uses, nature, qualities or geographic origin of a particular product or service (e.g., suregrip for nonskid coatings; Paris for perfume); it is nondistinctive when first used and cannot be protected as a mark on the Principal Register at that time, although it may be registered on the Principal Register later when it acquires distinctiveness. Surnames and geographic terms are considered descriptive.

- **suggestive** - does not immediately convey information about a product or service. Rather, it indirectly says something about the features or characteristics of a product or service, which requires thought as well as imagination to know what it means (e.g., mouseseed for rat poison). This kind of mark is considered inherently distinctive and can be protected from the date of first use.

- **arbitrary/fanciful** -a mark whose accepted meaning has no significance in reference to and does not convey any information about the product or service (e.g., CAMEL for cigarettes). This kind of mark is considered inherently distinctive and can be protected from the date of first use.

- **coined** - a mark that is created solely for use as a mark and has no known meaning (e.g., CLOROX for bleach). This kind of mark is considered inherently distinctive and can be protected from the date of first use.

Surnames (FORD), alphabet letters (IBM), numbers (3 IN 1), slogans (YOU CAN BE SURE IF IT'S WESTINGHOUSE), nonfunctional product and packaging configurations (Perrier Indian bottle), nonfunctional architectural features of a structure (McDonald's arch), and the overall appearance of a product or its packaging (Vuitton handbags), called "trade dress," can be protected as marks.

Descriptive marks may, however, be registered on the Supplemental Register.

WHAT KINDS OF MARKS CAN BE FEDERALLY REGISTERED?

Marks that are inherently distinctive (i.e., arbitrary, fanciful, coined and suggestive marks, and trade dress) can be federally registered on the Principal Register. Similarly, a descriptive mark can be federally registered but not on the **Principal Register** until it acquires distinctiveness; before that happens it can be federally registered on the **Supplemental Register**.

The United States Patent and Trademark Office maintains two different registers for marks, the Principal Register and Supplemental Register. They differ in the procedural and legal advantages each offers a mark's owner and the kind of marks eligible for registration on each Register.

Registration on the Principal Register is preferable because it gives the mark's owner many procedural and legal benefits not available to a mark registered on the Supplemental Register. Also, an intent to use application cannot be filed for registration on the Supplemental Register.

To be eligible for registration on the Principal Register a mark must *identify and distinguish* products or services (i.e., it must be distinctive). A mark that is *capable of distinguishing* (i.e., a mark that has potential to acquire distinctiveness) products or services can be registered on the Supplemental Register.

A mark that is clearly eligible for registration on the Principal Register cannot be registered on the Supplemental Register. However, an application to register on the Principal Register can be amended to seek registration on the Supplemental Register. This is possible in certain cases when registration on the Principal Register is refused, such as when the Patent and Trademark Office examiner says the mark is descriptive (e.g., it describes the product or service, or is a surname or geographic term). A refusal to register based upon a confusingly similar mark cannot be avoided by amending to the Supplemental Register.

A mark is not registrable on the Supplemental Register if it can qualify for registration on the Principal Register or if it is unregistrable (e.g., it is generic). Registration of a mark on the Supplemental Register will not prevent its registration on the Principal Register later when it acquires distinctiveness.

The process of registering on either register is essentially the same. However, after a mark is found registrable the process differs. A Principal Register mark is published for opposition in the *Official Gazette of the United States Patent and Trademark Office*, which is issued every Tuesday. The opposition period is 30 days from the publication date unless an extension request is timely filed for additional time to oppose.

A Supplemental Register mark is not published for opposition; it is promptly registered and notice of registration given in the *Official Gazette*. Anyone wishing to challenge a Supplemental Register mark must petition to cancel the registration.

WHAT KINDS OF MARKS CANNOT BE FEDERALLY REGISTERED?

- marks that consist of immoral, deceptive, or scandalous matter.

- marks which may disparage or falsely suggest a connection with persons, living or dead, or with institutions, beliefs, or national symbols, or bring them into contempt or disrepute.

- marks that consist of or comprise the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof.

- marks that consist of a name, portrait, or signature identifying a particular living individual except by his/her written consent, or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow.

- names and symbols protected by specific federal statutes, such as *Smokey the Bear, American Legion, the Red Cross insignia, Olympic, Olympiad, five interlocking rings (i.e., the Olympic symbol), and Little League Baseball.*

- marks that are confusingly similar to federally registered marks.

ARRANGE FOR A TRADEMARK SEARCH BEFORE USING OR FILING TO REGISTER

It is possible use of a mark may be infringing because someone already uses it or a similar mark. The applicable law in the United States says a mark's first user may be able to successfully challenge some or all later users. Whether this is the case is determined by where the first user's rights exist geographically, the kind of products or services the first user's mark identifies, as well as whether and when the first user federally registered the mark.

Keeping the foregoing in mind, it is important to learn whether anyone is or may be in a position to successfully challenge use and/or federal registration of a mark. This can be done by conducting a *trademark clearance investigation* ("**search**"). Failing to conduct a search can be a costly mistake.

A search involves examining databases that contain information about marks and names that are used and/or registered federally or at the state level. An evaluation of search data involves comparing the sound, appearance, and meaning of the disclosed marks with that of the mark to be used and/or registered in the United States as well as the products/services they identify. Other factors considered include the trade channels through which the products/services are offered as well as the nature and number of similar marks used by third parties.

Search results can be obtained in as little time as one day. If they are favorable, it is wise to prepare and file a federal application as soon as possible after receiving them.

WHEN CAN A MARK BE REGISTERED?

From a proprietary rights acquisition standpoint, it is clearly advantageous to file a federal application as soon as possible. Nationwide rights in a mark can be measured from the application filing date. See: *What Are The Advantages Of Registering A Mark?*

In most cases a mark is eligible for state registration immediately after its first use. But this is not necessarily the case with respect to federal registration.

A federal application can be filed after a mark has been used on products or services available in interstate commerce; or before a mark is used based upon an intent to use it; or based upon a foreign application or registration even though the mark has not been used in the United States. A federal application cannot be filed for a mark that will be used only in intrastate commerce.

A federal registration gives a trademark many legal and procedural advantages not available for unregistered marks. Therefore, a federal application should be filed as soon as possible after determining that a mark's use and registration in the United States appear to be appropriate. This is the case whether the mark has been used or is intended to be used in interstate commerce.

WHAT IS A REGISTERED MARK?

Each state has and maintains a registry of marks as does the United States Patent and Trademark Office (USPTO) in Washington, D.C. A registered mark is entered in one or more of these registries. An unregistered mark ("*common law*" mark) is not. If a mark is entered in the USPTO registry, it is called a federally registered mark.

WHAT ARE THE ADVANTAGES OF REGISTERING A MARK?

Among other benefits, federal registration can establish a nationwide **priority date** with respect to the right to exclusively use the mark throughout the United States, regardless of where it is actually used. This benefit is referred to as "*constructive use*."

The priority date is the date that determines when a trademark owner's rights in a mark begin. It can be the date a mark is first used or the federal application filing date if a mark has not been used earlier. It is important because it can be the controlling factor with respect to whether one user of a mark will prevail when objecting to another person's use of a confusingly similar mark. It can also be controlling with respect to whether one user can withstand another person's infringement claim.

Among other advantages, federal registration gives a mark's owner: automatic jurisdiction in a federal court for an infringement lawsuit; a basis to bar importation of products bearing an infringing mark; an opportunity to make the right to exclusively use a

mark incontestable; and a nationwide priority date on the application filing date. The importance of the last two mentioned advantages should not be overlooked.

WHAT IS REQUIRED TO FILE FOR FEDERAL REGISTRATION?

An application for federal registration can be filed by satisfying one of the following conditions:

- **Use of the mark** on or in connection with products or services offered or transported in commerce between two states or commerce which the United States Congress can control (this includes commerce between the United States and foreign countries).

- A **bona fide intention to use the mark** in such commerce (*intent to use application*); if a mark has not been used or has not been used in the required commerce, an application may be filed nonetheless. The application is based upon intent to use and is examined the same way in which a use-based or foreign-based application is examined. However, the mark will not be registered until it is used in the required commerce and an *Amendment to Allege Use* or *Statement of Use* (see below) and accompanying specimens are filed and accepted by the Patent and Trademark Office.

- A **foreign application or registration** (based upon treaty rights, e.g., Paris Convention); a foreign applicant can rely upon a home country application filing date as the **priority** date for its mark in the United States (instead of the United States application filing date) if the United States application is filed within six months of the home country application filing date.

Specimens. A qualifying use-based application must be accompanied by a specimen (sample) showing use of the mark on or in connection with the products or services the mark identifies. For products, the specimen may be a label, hang tag, packaging, or photograph showing the mark affixed to the product. For services, the specimen can be a copy of advertising and/or promotional material that includes the mark and refers to the services. Specimens are not filed with intent to use applications.

Multiple class application. It is possible to file one application for a mark that identifies products/services which are in more than one class. This is referred to as a *combined* or *multiple-class* application. The filing fee is based upon the number of classes the application includes. The regular filing fee is charged for each class. In this kind of application the products/services are listed by class with corresponding use dates given for the products/services in each class.

Amendment to Allege Use/Statement of Use. For an *intent to use application*, after the applied-for mark is used in the required commerce, it is necessary to let the Patent and Trademark Office know the mark has met this requirement.

An *Amendment to Allege Use* can be filed at any time prior to completion of examination of the application. After that time only a *Statement of Use* can be filed. These documents are similar in content and format. Both must be accompanied by a specimen showing the mark's use.

A *Statement of Use* must be filed within six months from the Notice of Allowance date or the application will abandon automatically. Alternatively, a request for an additional six months to file the Statement can be filed, but this must be done within the time period the Statement is due. Up to five extension requests can be filed.

Amendment to Allege Use/Statement of Use fee. A fee must be paid to the Patent and Trademark Office when these documents are filed. Otherwise they will not be accepted.

APPROVAL FOR REGISTRATION; OPPOSITION AND CANCELLATION

A mark may be approved for registration in as brief a period as seven months from the filing date. Or it may take two years or more depending upon the particular application. When approved, it is published for opposition in the *Official Gazette* (see above).

If registration of a mark is refused, the applicant can file an appeal to the *Trademark Trial and Appeal Board*, which is an administrative hearing board within the Patent and Trademark Office.

Anyone who believes he or she will be damaged by registration of the mark can file an **Opposition**,

which is an adversary proceeding before the Trademark Trial and Appeal Board. Or, when a mark has been registered, anyone who wishes to challenge the registration can file a **Petition to Cancel.** However, after five years from the registration date it may not be possible to cancel a registration.

SHOULD A PARTICULAR SYMBOL BE USED WITH A MARK?

Until a mark is federally registered there is no special symbol or designation that should be used in association with it. However, after federal registration it is important to use ® to avoid losing some federal registration benefits. The symbol ™ or something other than the federal registration symbol can be used with unregistered or state registered marks. But there is no legal requirement that this be done.

WHO OWNS A MARK?

A mark's owner is the person who legitimately controls the nature and quality of the products or services that it identifies. Ordinarily, this means that a mark's owner is the person who uses it, but the owner may be someone who licenses others to use it as long as that person has a right to control its use by others.

Ownership of a mark cannot be obtained by registering it, whether state or federal.

WHAT IS THE LEGAL RIGHT ASSOCIATED WITH A MARK?

There is a dual system of protection for marks in the United States. Federal protection is one basis for protection and exists under the Lanham Act (Trademark Act of 1946). The other basis for protection is under the common law which is developed through court decision precedent.

Both kinds of protection depend upon bona fide use of a mark on or in connection with products or services. Therefore, use of a mark is critical to possess rights in it.

Although rights in a mark in the United States can exist without registering it, a trademark owner gains certain benefits by federally registering a mark which are not otherwise available. See the section: *What Are The Advantages Of Federally Registering A Mark?*

Subject to a number of conditions, the owner of a mark possesses the exclusive right to use it for the products/services it identifies. This right may be limited to the geographic area where the mark is used or it may be nationwide. This is possible whether a mark is federally registered in the United States Patent and Trademark Office or unregistered.

HOW IS THIS RIGHT ACQUIRED, WHEN DOES IT BEGIN, AND HOW LONG CAN IT LAST?

Under state and federal law in the United States, ownership and the legal right to exclusively use a mark can be obtained simply by using it in good faith in the ordinary course of business on or in connection with products or services. There is no requirement a mark be registered or that it be used everywhere. To assert and enforce this right there is no requirement that information about it be included in databases or other material directly or indirectly concerning marks.

The date this exclusive right begins is the date the mark is first used as noted above or it can be the application filing date for a federally registered mark (even if based upon intent to use), whichever date is earlier. In either case this date is referred to as the **priority** date.

This right can last as long as a mark is properly used in good faith in the ordinary course of trade on or in connection with the products or services that it identifies. The term of a state or federal registration does not determine how long this right lasts.

Nonuse of a mark for two consecutive years with no intention to resume use is deemed to be an **abandonment** of rights in it. This is a basis for cancelling a federal registration.

WHAT IS THE GEOGRAPHIC SCOPE OF THE EXCLUSIVE RIGHT?

A first user's exclusive right to use a mark can be nationwide or limited to a particular geographic area, such as a state. This depends on both where it is used and when it is first used there. This right also depends on whether the mark is federally registered as well as its priority date.

If a mark's first user does not federally register it, the first user's exclusive right is limited to where use occurs and can be enforced only against later users in that area. To be able to enforce it against a later user in a remote geographic area, it must be shown that before using it in that area the later user knew about the first user's mark.

If a mark's first user federally registers it, that person may be able to obtain the exclusive right to use it nationwide in connection with the products or services that the registration covers and perhaps related products or services, subject to certain exceptions.

DOES A MARK'S OWNER HAVE A RIGHT TO PREVENT OTHERS FROM USING IT?

When two or more persons use the same mark to identify the same or related products or services, the first user may be able to successfully challenge all later users. This depends upon where the first user's rights exist geographically.

Under certain circumstances the first user does not have the right to stop others from using the same mark. This occurs when someone else uses the mark to identify products or services that are different enough from the first user's products or services to present no likelihood of confusion.

WHAT CONSTITUTES TRADEMARK INFRINGEMENT?

Trademark infringement occurs when a mark so resembles another that it is likely to cause confusion, mistake, or deception. Actual confusion is unnecessary. The relevant confusion, mistake, or deception is that which exists in the minds of persons who are or may be customers for the products or services the marks identify. Arguably, infringement occurs if an appreciable number of persons of average intelligence and experience buying under the usual conditions and exercising ordinary care are likely to believe the products or services of one person are made, offered, sponsored by, or in some other way connected with those of another person because of the mark that is used.

IS THERE A WAY TO BAR IMPORTATION OF PRODUCTS THAT BEAR AN INFRINGING MARK?

By federally registering a trademark and recording the registration with United States Customs, a trademark owner may be able to bar importation of products bearing an infringing mark. United States Customs will withhold delivery of any item it has reason to believe may infringe a registered and recorded trademark.

CAN A MARK BE PROTECTED IN FOREIGN COUNTRIES?

The right to exclusively use a mark in the United States does not automatically extend to foreign countries or insure its availability for use everywhere by the United States owner.

In certain countries legal protection for a mark is dependent solely on its registration in the country without regard to its use status there or in the United States. In these countries the first person to register a mark obtains the exclusive right to use it, not the first user. For this reason, in these countries it is important to file for registration as soon as practical because as in the United States the application filing date is the priority date. This is especially important to do when a United States federal application has been filed for the mark.

The United States and approximately 100 other countries are parties to an international treaty (the Paris Convention) covering the registration and protection of marks that gives United States nationals the right to register their marks in all signatory countries. Of significance is a provision that allows a United States federal applicant to rely on the application filing date as the priority date for rights in a foreign country. This is possible if a foreign application for the mark is filed within six months from the United States federal application filing date.

In some foreign countries, using a mark there is the only way to acquire the right to exclusively use it in

the country. Use and registration in the United States do not count. As in the United States, in these countries the first user acquires this right. Therefore, it is important to use a mark in these countries as soon as practical or to file an application for registration based on a United States federal application, as noted above.

PROPER USAGE GUIDELINES

- A mark should always be used as an adjective, not as a noun.
- The generic name for the products/services the mark identifies should be used in close association with it and at least once at the mark's most prominent appearance on the product, labeling, and/or in advertising; the generic name should be short and in lower case or other non-distinctive lettering.
- The mark should not be used in the plural or possessive form.
- The mark should be used in a manner that distinguishes it from surrounding text by depicting it in italics, capital letters, or bold-face type, or by using initial capital letters, by underlining, or placing quotations around it.
- If federally registered, the registration notice ® should be used in close association with it; if unregistered the designation ™ may be used.

The Intellectual Property Practice Group of the law firm of Holme Roberts & Owen LLP has published this overview as a brief introduction. This overview is intended only as a generalized introduction to a very complex and rapidly evolving area of the law. A qualified attorney should always be consulted for advice in specific factual situations.

For more information about intellectual property, including trade secrets, trademarks, copyrights and patents, contact any attorney in the HRO Intellectual Property Practice Group.

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