



STRATTON LAW & MEDIATION

INTELLECTUAL PROPERTY LAW & TECHNOLOGY RELATED MATTERS

SELECTING A TRADEMARK

WHAT IS A TRADEMARK?

A trademark is any word, phrase, logo, package design, product shape, color, or even an aroma, which serves to identify a single source for goods. A service mark is any of the above which serves to identify a single source for services. Examples of well-known trademarks include KODAK[®] for film and cameras, UNITED[®] for airline services, a drawing of a Quaker in traditional clothing for food products, and the Coca Cola[®] bottle. Any word or phrase which describes goods or services available from a variety of different sources (such as “shoes” for footwear) is considered to be a generic description and cannot be appropriated by anyone as a trademark or service mark.

The owner of a trademark or service mark has the right to preclude the use by another of a mark which is so similar as it is likely to cause the public to confuse the source of the trademark owner's products or services with the other person's goods or services.

HOW ARE RIGHTS IN A TRADEMARK OR SERVICE MARK ACQUIRED?

Prior to the Federal Trademark Law Revision Act of 1988, trademark rights could be acquired only by actually using the mark on or in connection with goods or services in commerce. Rights acquired through actual use are *common law* rights. While registration of a mark at either the state or federal level is not a prerequisite to creating trademark rights, substantial benefits arise from the issuance of state or federal registrations.

Under the common law, trademark rights are only acquired in market areas in which a business actually has the mark. Nationwide common law rights are achieved only through use of the mark on or in connection with goods or services in all 50 states. The issuance of a federal trademark registration, on the other hand, grants nationwide trademark rights which are effective as of the filing date of the trademark application, even if the trademark or service mark has only been used in interstate commerce in a limited geographical area or in foreign commerce.

The Trademark Law Revision Act of 1988 (which became effective on November 16, 1989) grants to anyone with a *bona fide* intention to use a trademark or a service mark in interstate or foreign commerce, the right to “reserve” that mark with the United States Patent and Trademark Office by filing an application based on the applicant's *bona fide* intent-to-use the trademark in the future. After successful prosecution of the application through the Trademark Office, the applicant receives a *Notice of Allowance*. The applicant then has up to three years to begin actual use of the mark in commerce (“the march to the market”). Upon filing of a Statement of Use, the Trademark Office will issue a registration granting the applicant nationwide trademark rights which relate back to the filing date of the Intent-to-Use Application. Anyone who adopts the same or confusingly

similar trademark after the filing date of an Intent-to-Use Application will be a junior user and can be enjoined from such use at such time as the trademark owner receives a registration.

SELECTING A TRADEMARK

Careful selection of a trademark, before actual use commences, significantly reduces the risk of trademark infringement, facilitates prosecution of a trademark application through the USPTO, and provides a broad scope of protection for the mark. The chart below depicts a spectrum of trademark protectability which illustrates various aspects of different types of trademarks.

| Not Protectable | | More Protectable | |
|--|--|---|---|
| Generic (Not Protectable) | Descriptive/Laudatory (Requires Secondary Meaning) | Suggestive (Immediately Protectable) | Arbitrary (Strongest Marks) |
| 1) Footwear for Track Shoes | 1) Runner for Track Shoes | 1) Lightning for Track Shoes | 1) Red-Ball [®] for Track Shoes |
| 2) Cars for automobiles | 2) Hardcard for printed circuit board mounted hard drives | 2) Mercury [®] for outboard motors | 2) Kodak [®] for film |
| 3) Wave Display for oscilloscopes | 3) Park-n-Fly [®] for airport parking services | 3) Whirlpool [®] for washing machines | 3) Lexan [®] for plastics |
| 4) Yogo for Yogurt | 4) Hot Point [®] for stoves | 4) Mars [®] for computer systems | 4) Exxon [®] petroleum |

Examples of *generic* words and phrases are listed on the left side of the chart. Generic names are not protectable because they are merely descriptive of goods or services. Words such as “cars” for automobiles, “footwear” for shoes, and “wave display” for oscilloscopes are generic names for goods which are available from a variety of different sources. Generic words, by their very nature, should be available to everyone to describe a product and are not appropriate as trademarks.

Marks shown to the right on the chart have, incrementally, greater strength and are more easily protected. *Descriptive* marks have a principle meaning which is either descriptive of the product itself, or of some quality of the product or service. Surnames and geographic names which are known for the products which come from there (i.e., “Pacific” for salmon caught in the Pacific Ocean) are considered to be descriptive terms.

Marks such as “Hardcard” for personal computer hard drives on printed circuit boards, “Park-n-Fly” for airport parking services, and “Yogo” for yogurt have all been determined to be descriptive for their respective goods and/or services.

This category also includes *laudatory* marks such as “best,” “finest,” *etc.* In addition, non-inherently distinctive product shapes and color schemes for packaging are also considered to be descriptive. Nevertheless, descriptive and laudatory marks can become protectable if they have acquired *secondary meaning*, i.e., identification of a single source to the purchasing public. Secondary meaning may arise through extensive advertising and sales, or by the passage of time during which the owner has been the exclusive user of the mark. In the absence of

secondary meaning, descriptive trademarks cannot be registered on the Principle Register of the U.S. Trademark Office (although they are entitled to registration on the Supplemental Register). An infringer cannot be enjoined from using a confusingly similar mark unless the owner of a descriptive mark can prove that the mark has acquired secondary meaning, *i.e.*, recognition in the marketplace, or unless the infringer adopted the accused mark in bad faith.

The best example of a mark that had a hard birth is “Seattle’s Best Coffee” which is geographic, laudatory and generic, but was still registered, first on the Supplemental Register, and then on the Principal Register after it acquired secondary meaning, but that was before Seattle became known for coffee. It is unlikely that the mark could be registered today.

Descriptive words have other disadvantages which discourage adopting such marks for goods or services. Even if a descriptive mark acquires secondary meaning, the mark generally will be entitled to only a narrow scope of protection by the courts and the Trademark Office. Also, another business may be using the same, or similar, descriptive word or phrase as a mark and has acquired common law rights to the mark. Common law trademarks are often difficult to discover, even in an exhaustive trademark search. Adoption of a descriptive word as a mark invites a possibility of trademark infringement that can cause dispute years later, possibly after significant goodwill has been established in the mark.

Finally, descriptive marks have little trademark value unless they are extensively promoted to create significant secondary meaning, *i.e.*, goodwill. And, regardless of the degree of secondary meaning a descriptive word may achieve, competitors may use the same words as found in the mark in a descriptive context without infringing the mark. Descriptive marks are weak marks and are best avoided.

Arbitrary marks are strong marks. Examples of *arbitrary* marks are described at the far right of the protectability spectrum. An *arbitrary* mark is any word, phrase, product shape, graphic design, *etc.* which does not immediately convey information about the product or services. Examples include: KODAK[®] for cameras and film, RED BALL[®] for shoes, and MARS[®] for computer systems. Acronyms are considered to be arbitrary unless the acronym is well-known (*e.g.*, L.A. for Los Angeles). Arbitrary marks are inherently protectable and are entitled to a broad scope of protection. Arbitrary trademarks are unlikely to conflict with a prior, undiscovered common law user. Unfortunately, arbitrary marks commonly require substantial promotion to generate consumer recognition and therefore are often shunned by businesses unless resources are available to create substantial goodwill in the arbitrary mark. A middle ground is the *suggestive* mark.

Suggestive marks lie in the middle of the protectability spectrum, between descriptive/laudatory marks and arbitrary marks. Suggestive marks connote some quality or virtue which is inherent to the product, yet require some mental step to make the connection. Examples of suggestive marks include: MERCURY[®] for outboard motors, KRYPTONITE[®] for bicycle locks, and HERCULES[®] for weight-lifting equipment.

Suggestive marks have the advantages of both descriptive and arbitrary marks, but without many of the disadvantages. Suggestive marks *are* inherently protectable and thus registerable with the U.S. Trademark Office. Suggestive marks have quick customer recognition and convey information to the customer about a company’s goods or services. Suggestive marks have a relatively low probability of infringing a pre-existing common law mark. A worthy suggestive mark connotes advantages and attributes of goods or services, *i.e.*, “Café Frió” for an iced coffee drink; Spark Station[®] is a good suggestive mark for a computer because it connotes speed; Pictionary[®] is an outstanding mark for a board game.

INFRINGEMENT

Infringement occurs when a mark is likely to cause confusion with the mark of another; that the mark is likely to cause the consumer to believe that the goods or services of the junior user are manufactured or sponsored by, or is associated or affiliated with the goods or services of the trademark or service mark owner. The test for *likelihood of confusion* includes a number of factors: similar visual appearance; similar sound and meaning; similar channels of trade; consumer sophistication; customer care in purchasing goods or services; evidence of actual confusion; and the intent of the junior user in adopting the mark.

AVOIDING INFRINGEMENT

Preliminary searches of the records of state and federal offices, and the many common law libraries as trade and telephone directories can assist in avoiding infringement when adopting a mark. However, such searching is far from foolproof. Moreover, because trademarks can be *reserved* by the filing of an Intent-to-Use Application, nationwide trademark rights arise even though the mark is not yet being used in commerce. Thus, a mark adopted in good faith may still be subject to challenge as infringing by a registrant who filed an Intent-to-Use Application years earlier, but only recently began actual use of the mark. An Intent-to-Use Application can only be discovered by a trademark search of the U.S. Trademark Office records.

TRADEMARK REGISTRATION

With the advent of Intent-to-Use trademark legislation in the United States, prompt registration of a trademark is imperative. Anyone with a *bona fide* intent to use a mark is eligible to apply for such registration. Competitors who discover your intent to use a particular mark can apply for registration of that same mark based on their intent to use it in the future and preempt your right to use the mark. Any trademark which is not registered with the Trademark Office is subject to anyone filing an Intent-to-Use Application, which will then limit a common law or state-registered mark to the existing market area as of the filing date of the application, thereby precluding market expansion of the mark. Although procedures exist for opposing an application, or cancellation of a registration if it issues, such procedures are expensive. For these reasons, a federal trademark registration should be filed at the earliest possible date.