

Trademarks*

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Trademarks in General

The term “trademark” is typically used to refer to any type of mark, name, design, logo, or slogan that can be used to adequately identify a product or service or to identify the source or origin of goods and services. While technically not the same, the terms “trademark” and “service mark” are often used interchangeably. Anything selected to function as a trademark (such as a word, phrase, or logo) and used to distinguish and/or identify goods and services can only be considered a trademark or a service mark if it is distinctive. A distinctive mark is one that is capable of distinguishing the goods or services upon which it is used from the goods or services of others. A non-distinctive mark is one that merely describes or names a characteristic or quality of the goods or services. The distinctiveness of a mark can generally be categorized into one of five categories which fall along a spectrum of distinctiveness. From most distinctive to least distinctive, these categories are

- fanciful,
- arbitrary,
- suggestive,
- descriptive (including surnames), and
- generic.

Marks that are fanciful, arbitrary, or suggestive are considered distinctive enough to function as trademarks. On the other hand, if a mark is deemed merely descriptive, the mark can function as a trademark or service mark only if it has obtained secondary meaning. Generic marks can never be a trademark. Each of these categories of marks is presented in greater detail below.

The “strength” of a mark is determined in part by where it falls on this spectrum of distinctiveness. Fanciful marks are considered stronger than suggestive marks, and are generally granted greater protection by the courts.

Fanciful Marks

Fanciful marks are marks which have been invented for the sole purpose of functioning as a trademark and have no other meaning than acting as a mark. Fanciful marks are considered to be the strongest type of mark. Examples of fanciful marks are:

- GOOGLE
- CROCS
- EXXON
- KODAK
- XEROX

Arbitrary marks

An arbitrary mark utilizes a word or phrase having a common meaning that has no relation to the goods or services being sold. Examples of arbitrary marks include:

- APPLE (for computers)
- LOTUS (for software)
- SUN (for computers)

Suggestive marks

Suggestive marks are marks that suggest a quality or characteristic of the goods and services. Despite the fact that suggestive marks are not as strong as fanciful or arbitrary marks, suggestive marks are far more common due to the inherent marketing advantage of tying a mark to the product in a customer's mind. Suggestive marks are often difficult to distinguish from descriptive marks (described below), since both are intended to refer to the goods and services in question. Suggestive marks require some imagination, thought, or perception to reach a conclusion as to the nature of the goods. Descriptive marks allow one to reach that conclusion without such imagination, thought or perception. Putting this distinction into practice clearly is one of the most difficult and disputed areas of trademark law.

The following marks can be considered suggestive:

- MICROSOFT (suggestive of software for microcomputers)
- NETSCAPE (suggestive of software which allows traversing the "landscape" of the Internet)
- SILICON GRAPHICS (suggestive of graphic oriented computers)

Descriptive marks

Descriptive marks (or more properly, "merely descriptive marks") are those words and phrases which simply describe the services or goods on which the mark is used. If a mark is merely descriptive, it is not a mark at all, since it does not serve to identify the source of the goods or services. No trademark rights are granted to merely descriptive marks. "Misdescriptive" marks are considered to be equally weak. As explained in connection with suggestive marks above, descriptive marks are often difficult to distinguish from suggestive marks. Suggestive marks require some level of imagination, thought, or perception to reach a conclusion as to the nature of the goods or services. A descriptive mark, on the other hand, allows one to reach that conclusion without such imagination, thought or perception. Putting this admittedly subjective distinction into practice can be very difficult, especially for the non-lawyers in the crowd. Merely descriptive marks can be registered federally on the Supplemental Register.

The following imaginary marks could be considered merely descriptive for computer peripherals:

- FAST BAUD for modems (describing the quickness of the modem);
- 104 KEY for computer keyboards (describing the number of keys on a keyboard);
- LIGHT for portable computers (describing the computer's weight); and
- TUBELESS for computer monitors (even if misdescriptive for a monitor that contains tubes).

However, it is possible for descriptive marks to “become distinctive” by achieving secondary meaning. Secondary meaning indicates that although the mark is on its face descriptive of the goods or services, consumers recognize the mark as having a source indicating function. Once it can be shown that a descriptive term or phrase has achieved this “second meaning” (the first meaning being the generally understood meaning of the term or phrase), a protectable trademark is developed. Secondary meaning can be achieved through long term use, or large amounts of advertising and publicity. The acquisition of secondary meaning is often proven through the use of consumer surveys that show consumers recognize the mark as a brand, such as “FORD,” as opposed to a descriptive term, such as “reliable.”

Examples of marks which might be considered descriptive but have clearly developed secondary meaning include:

- SHARP for televisions;
- DIGITAL for computers;
- WINDOWS for windowing software;
- INTERNATIONAL BUSINESS MACHINES for computers and other business machines; and
- POWER COMPUTING for computers based on the Power PC chip.

Surnames

Marks that are primarily surnames (such as “SMITH SHOES” or “RODRIGUEZ COMPUTERS”) are treated the same as descriptive marks under U.S. trademark law. As a result, surnames are not given protection as trademark until they achieve secondary meaning through advertising or long use. A trademark is “primarily a surname” if the public would recognize it first as a surname, or if it consists of a surname and other material that is not registrable.

Once a surname achieves secondary meaning, the mark is protectable as a trademark. Others cannot use the mark on confusingly similar goods, even if they have the same name. Thus, Jane McDonald could not open a restaurant called “MCDONALDS”, nor could Sam Hyatt open a motel under the name “HYATT MOTEL”, since the marks MCDONALDS and HYATT have achieved secondary meaning.

Generic “marks”

Generic “marks” are marks which actually name a product and are incapable of functioning as a trademark. Unlike descriptive marks, generic marks will not become a trademark even if they are advertised so heavily that secondary meaning can be proven in the mind of consumers. The rationale for creating the category of generic marks is that no manufacturer or service provider should be given exclusive right to use words that generically identify a product.

A valid trademark can become generic if the consuming public misuses the mark sufficiently for the mark to become the generic name for the product. The prime examples of former trademarks that became the generic name for a product are ASPIRIN and CELLOPHANE. Current trademarks that were once considered to be candidates for becoming generic are XEROX and KLEENEX. XEROX has spent a great deal of advertising money to prevent misuse of its mark. By doing so, XEROX has likely avoiding the loss of its trademark.

The following words and phrases can be considered generic and therefore are incapable of functioning as a trademark:

- MODEM;
- CAR; and
- E-MAIL.

Trademark Registration

Once you have selected an appropriate mark to use in conjunction with your goods and services, it’s time to file an application for registration of your new mark. Since most states have a trademark registration process, you can register your trademark with the state government or the federal government. While it is not necessary to register your trademarks with the state or federal government, there are significant advantages to doing so and the relatively small costs are not prohibitive. Prior to registering a trademark with the United States Patent and Trademark Office, you should use the “TM” designation for a trademark and the “SM” designation for a service mark. After registration, you may use the “®” designation for both.

Types of Trademark Applications

When registering a mark with the state government, you must follow the rules for the state where you seek registration. The rules vary from state to state but the process is usually somewhat similar to the process used to register a federal trademark, explained below.

Three methods exist by which an applicant may apply for federal registration of a mark.

1. In-Use. First, an applicant who has already commenced using a mark in commerce may file an application based on that use (an “in-use” or “use” application). For the purpose of obtaining federal registration, commerce means all commerce that may lawfully be regulated by the U.S. Congress, for example, interstate commerce or commerce between the U.S. and another

country. The use in commerce must be a bona fide use in the ordinary course of trade, and not made merely to reserve a right in a mark. Use of a mark in purely local commerce within a state does not qualify as “use in commerce.”

2. Intent-to-Use. The second method for filing an application for federal registration is filing based upon a bona fide intention to use the mark in commerce (an “intent-to-use” application). If an applicant files based on a bona fide intention to use the mark in commerce, the applicant will have to use the mark in commerce and submit proof that the mark has been used in commerce before the mark will be registered. This supplemental filing makes the intent-to-use application somewhat more expensive.

3. Foreign Priority. Finally, under certain international agreements, an applicant from outside the United States may file a trademark application in the United States based on an application or registration in another country.

A trademark or service mark may be registered with the United States Patent and Trademark Office on either the Principal or Supplement Registers. The Principal Register is the register with which most people are familiar. It is the Principal Register that grants the benefits described above to registered marks.

The Supplemental Register is primarily designed for marks which are descriptive in nature, in that they are capable of distinguishing the applicant’s goods or services once secondary meaning is established, but at the present time they do not have secondary meaning. The benefits that apply to Supplemental Registrations are that the mark will appear in trademark searches, and that the registrant is given the right to use the ® symbol in connection with the mark. In addition, having a mark registered on the Supplemental register will assist in achieving registration of the mark in certain foreign countries. Finally, Supplement Registrations can be used to help prove exclusive use of a mark for a five year period, which is one of the ways in which secondary meaning may be proved to the U.S.P.T.O. An application for Supplemental Registration cannot be based upon an intent-to-use basis--only actual use based applications can be made for Supplemental Registrations.

The Trademark Registration Process

An application for federal registration of a mark must be filed in the name of the owner of the mark, and is usually accomplished through a trademark attorney. In order to file a trademark application, the following information must be collected:

- the legal name of the applicant (often a corporate name);
- the state of incorporation (for a corporation) or the country of citizenship (for an individual);
- the exact form of the mark;
- a description of goods or services with which the mark will be used; and
- the international classification(s) for the goods and services.

The international classes have been developed so that all possible goods and services will fit into one or more of the forty-two pre-defined classifications. It is possible that a single application will involve goods and/or services in multiple international classes.

The materials that must be filed with the U.S. Patent and Trademark Office to file for trademark registration are as follows:

- an application form (obtainable from the U.S.P.T.O.) containing a declaration;
- a drawing of the mark, which is a single page which contains:
 - the name of the applicant,
 - the address of the applicant,
 - the dates of first use for the mark,
 - the description of goods or services on which the mark will be used,
 - the international classifications of the goods or services, and
 - the mark itself;
- three identical specimens of the mark in use; and
- a trademark application fee in the amount of \$325 per international class (if you file electronically).

When an application is received, the U.S. Patent and Trademark Office reviews it to determine if it meets the minimum requirements for receiving a filing date. If the application meets the filing requirements, the PTO assigns it a serial number and sends the applicant a receipt about two months after filing.

About four to six months after filing, an examining attorney at the U.S.P.T.O. reviews the trademark application and determines whether or not the mark may be registered. If the examining attorney determines that the mark cannot be registered, the examining attorney will issue an office action listing any grounds for refusal and any corrections required in the application. The examining attorney may also contact the applicant by telephone if only minor corrections are required. The issuance of an office action is a frequent occurrence, and usually does not mean that the mark will never be registered. The applicant must respond to any office action within six months, or the application will be abandoned. If the applicant's response does not overcome all objections, the examining attorney will issue a final office, rejecting the application. The applicant may then let the application become abandoned or submit an appeal to the Trademark Trial and Appeal Board. The appeal process can be lengthy and expensive.

The Post Registration Process

Once you've received a federal trademark, it will be necessary to maintain the validity by continually using the trademark and by filing the appropriate paperwork with the U.S.P.T.O. to maintain the trademark. Five years after the initial registration, it is necessary to file an affidavit of continued use. Additionally, a trademark must be renewed every ten years. If the owner of the trademark does not file the appropriate paperwork, the registration for the trademark will be cancelled. If the proper steps are taken, a trademark can be registered indefinitely.

***Legal Disclaimer**

The information presented herein is designed to provide general information about certain aspects of intellectual property law. This area of the law is subject to change over time and, accordingly, this information may be outdated at the time it is read. This information should not be construed as legal advice and should not be relied on for legal guidance as to any specific situation. For specific guidance on any aspect of intellectual property law, you should consult a qualified legal professional.