

## A LAYMAN'S INTRODUCTION TO TRADEMARKS

By John P. Costello, Esq.

Registered Patent Attorney

Law Offices of John P. Costello

331 J Street, Suite 200

Sacramento, CA 95814

Phone: (916) 441-2234

Fax: (916) 441-4254

Email: [patents@cwnet.com](mailto:patents@cwnet.com)

Webpage: [www.sacramentopatentattorney.com](http://www.sacramentopatentattorney.com)

© 2004 John P. Costello

## I. Trademarks

### (a) What are Trademarks?

- (i) Trademarks identify the origin of a good. Service marks identify the origin of a service. Using the superscript symbol "™" identifies an unregistered mark that is currently being used to identify a good. Using the superscript symbol "SM" identifies an unregistered mark that is currently being used to identify a service. Using ® denotes a federally registered service mark or trademark.
- (ii) Rights Acquired Through Using the Mark - In the U.S., rights in a mark are acquired only through using the mark in conjunction with the goods or services. An owner of a mark is recognized as the entity who continuously and openly uses the mark in association with the goods or services. Registration of the mark is a formality for the government to recognize you as an owner and to allow the owner to enjoy certain privileges that go with ownership, such as being able to go to court to enforce the mark. Also, registration allows a mark to become "incontestible" after showing 5 years of continuous use. An incontestible mark allows its owner to prevent the use of any similar confusing marks by competitors; also a competitor cannot invalidate an incontestible mark unless fraud in procuring the mark can be shown.
- (iii) What Types of Things Can Function as Trademarks? - In its most basic sense, a mark is whatever in the marketplace distinguishes goods or services of one source from those of other sources. Typically, it is a name (or word), but it can also be: 1) The design of a container for a product, such as the hour-glass shaped Coca-Cola bottle; 2) A symbol or logotype, such as the U.S. Steel symbol consisting of a circle and three four-pointed stars within it; 3) Distinctive indicia applied to goods, such as the Nike symbol; 4) Ornamentation applied to a product, if the ornamentation is distinctive (as opposed to being merely decoration), such as the well-known checkered stripe found around certain cabs; 5) A number or set of numbers such as "7-Eleven®"; 6) A series of letters such as the call letters of a radio or television station; 7) A sound or series of sounds, such as the Harley Davidson motorcycle sound; 8) A three-

dimensional object such as the Rolls Royce radiator; 9) A color or combination of colors, if non-functional or distinctive; 10) A phrase ("Fair and Balanced"); 11) A telephone number ("1-800-CALL-ATT" or "444-4444")

(b) Choosing a Trademark or Service mark - The Trademark Spectrum

- (i) Coined Marks - These marks occupy the strongest point on the spectrum. Coined terms are "made up" words which are strong because they can only mean one thing, namely as an identifier of a good or service. They have no competing meanings in the English language. Examples of coined marks are Kodak® and Xerox®.
- (ii) Arbitrary Marks - These are marks which create an arbitrary association with a good or service. An example would be Camel® for cigarettes. These are very strong marks and are also a good choice.
- (iii) Suggestive Marks - These marks are suggestive of a product or service's benefits or properties. An example would be Roach Motel® for insect traps. This mark suggests that it involves roaches, but it also adds the unique concept of roaches living in motels, which acts as a catchy identifier in the marketplace. While not as strong as coined or arbitrary marks, suggestive marks are strong enough to be a good choice for protectability on the trademark spectrum.
- (iv) Descriptive Marks - Many marks are, to some extent, descriptive of the product or service which they identify, e.g. NICE 'N SOFT for bathroom tissue or ICY HOT for a therapeutic rub. In general, a mark which is merely descriptive of a product will not be protected as a trade mark. If, however, the senior user of the descriptive mark can show that it has established "secondary meaning" in the mark, such that among consumers, the mark has attained recognition not merely for its descriptive qualities, but also as a designator of the source of origin of the goods or services, then courts will enforce the trademark rights of the senior user against a second user.
- (v) Generic Marks - Finally, at the bottom of the spectrum, and really outside of the spectrum, since they are not protectable at all, are words which become the generic word for the product or service

itself. Even evidence of secondary meaning cannot confer protective, or trade mark status upon a generic mark. An example would be using the word SHOE as a trademark for a shoe.

(c) Federal, State and Common Law Trademarks -

- (i) Federal Marks - A senior user can register its mark as a federal mark as long as the mark is being used across state lines (e.g. interstate commerce). If the mark is being used in interstate commerce, the federal registration of the mark will create enforceable rights in all 50 states and U.S. territories. In addition to marks actually being used in interstate commerce, the federal laws allow a trademark applicant to file an "intent to use" application if the applicant is intending to use the mark in interstate commerce within 3 years. The intent to use rules allow an applicant to reserve a mark for future use. Any enforcement action for federal marks occurs in federal court according to federal laws. Federal registrants have a choice of the Principal Trademark Register for coined, arbitrary and suggestive marks, while descriptive marks are relegated to the Secondary Register, until secondary meaning can be shown at which time a descriptive mark can advance to the Principal Register.
- (ii) State Marks - Each of the 50 states has trademark laws for marks used within a state. These laws are uniform for the 45 states which have adopted the Model State Trademark Bill. These laws allow for registration of marks for businesses who are local or do not operate beyond a state's borders. Any enforcement action for state marks occurs in state courts according to state laws.
- (iii) Common Law Marks - Common Law marks may or may not be registrable, but are recognized due to usage of the mark in a geographical area. In such an instance, for example, a common law mark owner may have used his mark in Northern California only, and be a well-known mark, there. The common law owner can develop enforceable rights in its limited geographical area of use. However, because the common law owner does not have a registration, it is not entitled to certain presumptions of validity and enforceability enjoyed by registered trademark users (e.g. federal registered marks enjoy incontestable status after 5 years of continuous use). While possible to enforce, common law marks are

more difficult to enforce

(d) Enforcing Trademark Rights -

- (i) Policing your Mark - A trademark owner must always be on the lookout for "confusingly similar" marks being used in the marketplace by junior users. A trademark owner can employ a trademark "watch" service to perform this task of policing the marketplace for potential confusingly similar marks. If subsequent users enter the marketplace with similar marks selling similar goods and services, then the senior user/owner must act aggressively to enforce its mark and enjoin the junior users. If an owner does not enforce its mark and allows one or multiple users to use the same or similar mark, the law may find that the mark has lost its ability to identify the senior user as to the source of a particular good or service and any registrations owned by the senior user may be cancelled by a court of law. Also, a senior user must prevent a mark from becoming the "generic" term for a good or service. Even coined or arbitrary marks can become generic, if the owner does not act to avoid this through advertising and a strong enforcement program.
- (ii) Opposition Proceedings in the U.S. Trademark Office - An owner who is aware of a junior user attempting to register a confusingly similar mark may file an opposition in the U.S. Trademark Office to prevent the registration of the junior user's mark.
- (iii) Federal Court Proceedings - An owner may pursue infringing uses of a mark. Typical situations are knock-off products such as fake Gucci® bags or Rolex® watches. Non-intentional infringements are usually enjoined by courts. Intentional infringers are required to pay damages, even up to triple damages to penalize them for their willful infringement.
- (iv) Quality Control - A trademark that is the subject of a license agreement or franchise arrangement must be coupled with a right of quality control by the owner of the mark if the license or franchise is to be given any validity under the law. If the licensee or franchisee fails to produce goods or services worthy of the mark, then the owner has the right to prevent the licensee/franchisee from further

using the mark.

- (v) Trademark Duration and Maintenance - In the United States a trademark can last for 10 years and then must be renewed. At 5 years, the owner must submit affidavits showing its continued use, otherwise registration will become abandoned. At 10 years, affidavits of continued use must be filed along with a renewal fee. out that a company does not own important IP.