



What Are Trademarks?

According to the Merriam-Webster online dictionary's main entry, a Trademark is:

- 1: a device (as a word) pointing distinctly to the origin or ownership of merchandise to which it is applied and legally reserved to the exclusive use of the owner as maker or seller
- 2: a distinguishing characteristic or feature firmly associated with a person or thing
<derringers... became almost a trademark of gamblers – Elmer Keith> <wearing his trademark bow tie and derby hat>

In terms of your business, a trademark can be any word, name, symbol (logo) or device (sound, color, smell) – or some particular combination of words, symbols and/or device – that identifies and distinguishes goods made and sold by you from those of another. In the same way, a service mark identifies and distinguishes your service from that of another.

Both trademarks and service marks are governed by trademark law and either may be referred to as a “mark.” (However, while it's acceptable to refer to a service mark as a trademark, the reverse is not true.)

A trademark indicates the source of goods or services, even if the actual source is not generally or specifically known. In other words, if you know that BEANIE BABY stuffed animals are a particular kind of stuffed animal made by a specific manufacturer – not just a type of stuffed animal – then the name BEANIE BABY is functioning as a trademark, whether or not you know the name of the company that makes it.

While most commonly a trademark is a word, a combination of words, or a graphic mark (logo design), a trademark can also be any other device capable of identifying the source. It can be a sound: think of a distinctive chime used by a radio broadcaster as part of its station identification. It can be a color, as in pink (not white, not gray, but pink) insulation. In one instance, a distinctive smell became a registered trademark.

The constant of a trademark is that it is used to identify, distinguish, and indicate the source of goods or service.

How Do I Protect My Trademark?

First, you need to ensure its availability. Before adopting or using any trademark or service mark, a search of marks in use for related goods and services can determine whether your proposed mark is available for your use or has already been adopted and used by another source.

Conducting such a search BEFORE using your proposed mark can save a lot of time, money, and disappointment – and help you avoid being sued for infringing upon another's trademark.

This is where a trademark attorney can begin to help you. An experienced trademark attorney can conduct the necessary searches and provide an analysis of availability for the trademark you're considering adopting before you spend a penny implementing it.

Secondly, you need to use that mark in connection with your goods or services. Ownership rights to a mark begin to be established by actual use of the mark.



Generally, the first to use a mark for a particular product or service, or for related products and services, is the owner of that mark. However, you should be aware that when someone else has filed an “intent to use” application in the trademark office for a similar mark prior to your own adoption or filing, that person has a right to acquire a registration, effective as of the prior filing date, by making use of the mark within a certain time frame.

Availability searches should help you avoid this problem.

What Kinds of Trademarks Are Most Protectable? Least Protectable?

Putting aside for a moment the problem of other users of similar marks, it should be noted that some marks are inherently more protectable than others. Still others, by their nature, are less protectable.

Generally, trademarks can be classified in the following order of protectability: First, and most protectable, are “fanciful” marks. Second are “arbitrary” marks. Third are “suggestive” marks, while fourth, and least protectable, are “descriptive” marks.

Fanciful marks are essentially “made-up” words, words coined for the specific purpose of serving as trademarks. EXXON (gasoline) and PENTIUM (computer chips), for instance, are made-up words and fanciful marks.

Arbitrary marks consist of real words – words from our language – that would have no meaning when applied to the particular goods or services they are marking. APPLE for computers is a great example, as is YAHOO for an Internet portal offering various services. Over time and in context, such names often become inextricably tied to the product or service, especially when well-supported by advertising and marketing.

Suggestive marks are, well, suggestive. They come from words that don’t directly describe the product or service, but do hint at some quality of the product or service. Suggestive remarks require that the audience use its imagination to make the connection. QUICKEN (the software company) is a name that works that way, as is CITIBANK, which suggests urban banking.

Descriptive marks consist of words that do directly describe the qualities or characteristics of the product or service. But unlike the first three kinds of marks, descriptive names are not automatically protectable. In order to be protectable, a descriptive name must demonstrate trademark distinctiveness by acquiring what is called “secondary meaning.” The use of proper names also comes under this heading: McDONALD’S, for example, was not at first a protectable name. But once it acquired a secondary meaning – today one thinks immediately of particular burgers and fries, not a person named McDonald – it became a protectable trademark.

Secondary meaning can be demonstrated by a trademark owner who shows substantial sales, advertising and other evidence over time that an appreciable portion of the market recognizes the name as a trademark and not simply as a descriptor of the goods or services. WINDOWS for a window-like graphical operating environment for computers fits this standard.

The bottom line is that it’s best to avoid descriptive marks when choosing a name, because unlike fanciful, arbitrary or suggestive marks, a descriptive mark is vulnerable to being copied while you wait for the mark to acquire its secondary meaning.



Finally, be aware (and wary) of what are called “generic terms.” Generic terms are, by their very nature, incapable of ever becoming trademarks. Generic terms are words that ARE the particular goods or services offered (as opposed to describing them). A baker, for example, could not protect the name BAKED GOODS for a bakery, but that term would make a strong “arbitrary” mark for an accounting firm (or perhaps a suggestive one, if one meant to imply that the firm was skilled at “cooking the books”!) Likewise, ACCOUNTING would be generic and therefore unprotectable for the accounting firm, but quite arbitrary if used for a bakery.

Don't I Need To Register My Mark Somewhere?

Official registration of your trademark with the U.S. Patent and Trademark Office is not a condition of ownership, though, as you'll see, it's usually a good idea. If you've determined that the mark you want to use is available, i.e., not in use by another making and selling related goods or services, and that no “intent to use” has been filed that could trump your rights, you can stake your claim by using it. However, your rights to such an unregistered mark are limited to the specific geographical area in which the mark is actually and currently being used. If you plan to use your mark in interstate commerce, you can reserve nationwide rights prior to actual use by filing an “intent to use” application with the US Patent and Trademark Office.

Then Why Should I Bother with Registration?

Registration of your trademark at the state or federal level has several advantages, not least of which is the legal advantage that will be yours if you have to file an infringement action. A registration of your mark is evidence of your claim of ownership of it, and once registered your mark will appear in availability searches conducted by others. This is very important given the nationwide reach of a federal registration. Whenever anyone conducts a search of the same or similar marks, they will instantly find your mark and be discouraged from pursuing the mark any further.

This simple process, unseen by you, could potentially save you many thousands of dollars in an infringement lawsuit, which would be necessary if the new user were unaware of your rights.

If your business and its goods and services are, and will continue to be, limited to a single state, you may need only a state registration. But if your goods or services travel in interstate commerce or foreign trade, then you should have a federal trademark registration to protect your rights. A trademark attorney is not indispensable to this process, but can be very helpful.

In addition to the advantages already mentioned, a federal registration gives you presumed nationwide rights in the mark dating back to the time you filed the application. Your federal registration means that the federal courts have jurisdiction to hear infringement and related unfair competition claims on your behalf. A federal registration can also be recorded with the U.S. Customs office to prevent importation of goods bearing marks that infringe yours. And, your “mark” can become incontestable – meaning you will have significant legal advantages in enforcing your trademark rights – five years from the date of its registration.

Safeguarding your trademark rights protects not only your name or logo, but the goodwill that is associated with your business. If all of Coca-Cola's physical assets disappeared today, the company would still own its most valuable asset – the Coca-Cola trademark – currently valued in excess of \$30 billion.



How Can I Protect My Trademark Outside the U.S.?

Protection of your trademark outside the U.S. is an important consideration if you are or will someday be involved in international trade. Generally, international trademark protection is available on a country-by-country basis. And in most countries, ownership is based on registration alone, not use as in the U.S.

Especially as the marketplace becomes more truly global, it's important to be aware that a U.S. registration does not afford protection in other countries. Since other countries give priority to those who file first, attention should be given to identifying the countries in which you expect to be doing any substantial business before you commit to a name. Some countries do afford some protection to "famous" trademarks, say McDONALD'S, where a usurper has filed for the same mark in that particular country. But such rights even for the most famous marks are clearly the exception and not the rule.

How Long Will My Trademark Rights Last?

Trademarks and service marks have no pre-determined shelf life. A trademark may last for generations, like Coca-Cola, as long as it's not abandoned or permitted to lose its trademark significance by becoming a generic term. Once the mark is registered, certain filing requirements relating to establishing continued use of the mark and/or renewal of the registration must be met in order to keep it yours. Most countries, including the U.S., provide for a ten-year term for trademark registrations.

What Exactly Is Infringement of My Trademark?

Any unauthorized use by another of the same or a confusingly similar mark for the same or closely related goods or services would constitute trademark infringement. The test for infringement is whether, because of the similarity in the marks as well as in the goods or services of the parties involved, consumers would be likely to mistakenly believe that unrelated parties are in some manner related or associated such that the goods or services share a common source.

The clearest infringement is a case of unqualified "piracy." If Clandestine Inc. manufactures and sells T-shirts with Disney characters and Disney logos on them, the public will likely think they were manufactured, licensed by, or originated from Mickey Mouse and the people at Disney.

A more difficult case of trademark infringement is the one brought by a company called DREAMWERKS against the well-known moviemaker DREAMWORKS. The plaintiff organized science fiction conventions for "Trekkies" and like-minded individuals. The names were similar and the goods and services were somewhat related, but, if anything, it presented a case of possible "reverse confusion." That is, the later-used DREAMWORKS was more famous than the earlier-used DREAMWERKS, and therefore people buying tickets to their conventions might think that the organizers were related to the big, well-known moviemakers. The moviemakers filed a motion to have the case thrown out, but the court said the issue was close enough that it should go to trial.



Are Domain Names the Same as Trademarks?

Domain names are addresses on the Internet, like expedia.com or aol.com. Domain names are like street addresses or telephone numbers and, in general, function in the same way. They tell where you are located or how to reach you on the Internet, but they do not act as identifiers of the source of goods and services. However, where domain names are used as something other than merely an address, they may become trademarks. For example, where the name EXPEDIA is splashed across the home page in stylized letters, it is clear that it is being used to identify the source of specific travel services, and therefore it acts as a trademark.

Does Registering a Domain Name Protect It as a Trademark?

No. Registration of a domain name does not give any trademark rights. Trademark rights arise only from use of a mark as discussed above. Knowing that, it might be easy to conclude that registering a well-known trademark as a domain name does not infringe since it is agreed that some kind of trademark use is necessary to either establish trademark rights or form the basis of a suit for trademark infringement. Not so fast. In 1999, Congress addressed this by passing the Anticybersquatting Consumer Protection Act which makes it an infringement to register and sit on someone's trademark "in bad faith," typically with the hope that the trademark owner will make a generous offer to buy it from the "cybersquatter." Nor is it lawful to register a misspelling of a well-known mark for the same purpose. "Typo-squatting" is also forbidden.

Can I Transfer My Trademark Rights?

Yes, you can. Trademarks and service marks can be licensed for use by others, so long as the owner of the mark has the right to control the manner of use of the mark and retains the right to control the quality of goods or services sold under that mark. What this means is that while the owner of the BEANIE BABY trademark may allow another manufacturer to use the BEANIE BABY name – on a lunch box, for example – it's the trademark owner who gets to control and direct not just the manner in which the mark is used but also the quality of the lunch box itself, so that consumers will not be misled about the source of the lunch box.

A trademark or service mark can also be sold or transferred outright. In this case, however, it is more than the mark itself that must change hands: the goodwill of the business the trademark represents (as well as existing registrations or pending applications) must be included as part of the sale or transfer.

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