

OWNERSHIP AND REGISTRATION OF TRADEMARKS AND SERVICE MARKS

**Gary L. Kemp, Esq.
Casner & Edwards, LLP
303 Congress Street
Boston, MA 02210**

Brand names can be one of a company's most valuable assets. Many companies expend significant time and money in building up customer recognition of their valuable brands. The promotion and maintenance of a company's trademarks can be a critical component of this process. The purpose of this memorandum is to provide an overview of the law of trademarks and service marks, including how they are defined, selected and protected.

What is a Trademark?

A trademark, as opposed to a patent or copyright, is used to identify and distinguish the source of goods of a manufacturer or supplier from those sold by others. A service mark is used in the same manner for a supplier's services. Unless otherwise indicated, all references in this memorandum to trademarks will also apply to servicemarks.

A trademark may be a word, name, symbol, or device. Trademarks must be distinguished from corporate names, which are the official designations of corporate entities registered with appropriate state authorities. They are also different from tradenames, or d/b/a's ("doing business as"), which identify a company or one of its divisions to the public. However, a tradename may also be utilized as a trademark, such as in the case of "Coca-Cola". Finally, a domain name identifies an Internet Protocol Address, which points an Internet user's computer to a particular website. A domain name does not serve as a trademark unless it serves as an indicator of source and not just an Internet address. To do so a domain name, such as "Amazon.com", must appear in the body of the website in connection with specific goods or services.

Selection of Trademarks

The strength or weakness of a given trademark is initially dependent on the type of word, name, symbol or device chosen. Fanciful words or terms such as "Verizon" or "Tylenol" that are created specifically to be trademarks and have no independent meaning, and arbitrary words, such as "Apple" for computers, that do not have any relation to the goods or services, are considered the strongest candidates for protection. However, many companies do not adopt these types of marks because they have no direct or indirect connection to the goods or services and therefore impart no information about the nature or qualities of such goods or services. Conversely, marketing costs for an arbitrary or fanciful mark may be high but can create strong brand identification once customers become familiar with the mark.

Most trademarks fall into the categories of suggestive or descriptive words or terms. Suggestive trademarks are afforded protection because they require some thought to associate the

marks with the goods. An example of a suggestive mark is "Head and Shoulders" for shampoo. However, a descriptive term which imparts information directly about the product, such as "Bagel Nosh" for bagel sandwiches or "Super Steel Radial" for steel radial tires will not be afforded trademark protection unless the owner can show that the extensive use and promotion of the word or term has caused consumers to identify the word or term with a single source of origin.

Finally, generic words, such as "motel" or "camera", which describe a whole product category, may not be appropriated by a single owner under any circumstances because competitors may not be deprived of the right to use the word. The owner of a widely known trademark must take reasonable steps to prevent its mark from becoming generic. A successful trademark which becomes strongly identified with a product or process is particularly susceptible to this problem. For example, Xerox Corporation has gone to great expense to inform consumers that "Xerox" is a trademark and not just another term for "photocopy". Conversely, the term "escalator" was originally a registered trademark of the Otis Elevator Company but lost that status after years of public use of the term as a generic word for a moving staircase.

Registration and Use

A potential trademark should be carefully investigated before it is used in order to determine whether any other party can claim rights to the mark. This is customarily done by a search of records in the U.S. Patent and Trademark Office (the "PTO") and of related databases prepared by one or more search services. The search results should be fully analyzed before an additional investment is made in developing or publicizing the mark.

The standard for availability of a trademark is whether a similar mark for the same or related goods or services is being used so that the adoption of the proposed mark is likely to cause confusion among consumers. Once an appropriate trademark has been selected, consideration should be given to registration with the PTO. Registration in foreign countries may also be required before exporting goods bearing the mark to those countries.

In the United States, ownership rights in trademarks depend on use, rather than registration. The first party to use a trademark publicly, regardless of whether it has been registered with the PTO, is accorded ownership of the mark with the attendant right to prevent others from using that mark or any other mark that is likely to cause confusion or mistake in the minds of consumers.

While federal registration does not create the basic trademark rights which are protectable in court, registration does give the holder substantive rights, such as constructive notice of ownership to other parties, access to federal court jurisdiction and presumptive evidence of ownership and validity under the Lanham Act, which is the federal statute covering trademarks and trademark registration. Perhaps most importantly, the trademark owner also acquires nationwide constructive usage priority for a mark as of the trademark application date. The application process normally takes from eight months to one year, and registration certificates

issued by the PTO are renewable every ten (10) years assuming the applicant files certain interim affidavits of use.

Applications to register a mark with the PTO may be filed on an intent to use basis, provided the applicant has a genuine intent to use the mark in the future; however, the application will not proceed to registration until the applicant provides proof of actual use in commerce. A use-based application may also be filed if the applicant has begun using the mark prior to the date of filing the application.

Certain practical considerations will help build a stronger and more protectable trademark. A word mark should always begin with a capital letter and may be distinguished by italics, quotation marks or artwork. A symbol should have a consistent image, without variation of color or design. The mark should be related to the owner and should be described with a generic term (i.e., Canon "Pixma" inkjet printers). The mark should be identified as such either by the symbols "TM," "SM," or, if the mark is registered, by the symbol ®. An owner of a trademark must show continuous public use to retain rights to the mark, and the mark should be consistently displayed on the goods or related materials.

Finally, the owner must continually monitor the marketplace to prevent unauthorized use of the trademark or use of the same or any similar mark where such mark is likely to cause confusion, mistake or deception. Registration applications filed with the PTO should also be monitored. Failure to take these steps may result in dilution of the strength of the mark and, ultimately, in the loss of all rights of protection. The Lanham Act grants rights of monetary recovery and injunction for both trademark infringement and unfair competition, while many states provide similar remedies for the owner of a trademark who can rightfully claim priority of use, provided he has complied with the steps outlined above.

Conclusion

The careful selection and registration of a new trademark, followed by the enforcement of ownership rights against infringers, will help to create stronger and more valuable brand identification for its owner.

2000.53/232918