



**Sheldon Mak
Rose Anderson**
INTELLECTUAL PROPERTY LAW

PASADENA

100 CORSON STREET, THIRD FLOOR
PASADENA, CALIFORNIA 91103-3842

(626) 796-4000

VENTURA COUNTY

(805) 988-0876

SAN BERNARDINO COUNTY

(909) 946-3939

RIVERSIDE COUNTY

(951) 787-7770

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Selecting and Protecting Trademarks

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Trademarks can be one of the most valuable assets of a business.

I. What is a Trademark

A trademark is a word, phrase, symbol or design, or a combination of these, that identifies the source of the goods of one company and distinguishes them from the goods of others. For example, "Kodak" is a trademark for cameras, which are goods.

A service mark is the same as a trademark, except that it identifies and distinguishes the source of a service rather than the source of goods. For example, "Kodak" is also a service mark for processing digital pictures, which is a service.

Throughout this guide, the terms "trademark" and "mark" refer to both trademarks and service marks.

II. Selecting a Trademark

When selecting a mark, the more distinctive the mark, the more likely it is protectable. Marks are classified by their distinctiveness as follows, in descending order of inherent distinctiveness: (1) fanciful and arbitrary; (2) suggestive; and (3) descriptive terms and surnames. Generic terms can never be a trademark.

Fanciful marks are terms invented for the sole purpose of functioning as a mark. Such marks comprise words that are either unknown in the language (e.g., PEPSI, EXXON, IBM) or are completely out of common usage (e.g., FLIVVER).

Arbitrary marks comprise words that are in common use but, when used to identify particular goods or services, do not suggest or describe a significant ingredient, quality or characteristic of the goods or services (e.g., APPLE for computers; OLD CROW for whiskey).

Suggestive marks are those that, when applied to the goods or services at issue, require imagination, thought or perception to reach a conclusion as to the nature of those goods or services (e.g., IVORY for soap). Thus, a suggestive term differs from a descriptive term, which immediately tells something about the goods or services.

Descriptive marks are those that describe an ingredient, quality, characteristic, function, feature, purpose or use of the specified goods or services (e.g., BED & BREAKFAST REGISTRY for lodging reservations services; COASTER-CARDS for a coaster suitable for direct mailing). A geographic term can be descriptive if the primary significance of the mark is a generally known geographic location and the goods or services originate in the place identified in the mark.

Surnames are marks that are primarily recognized as a last name. Surnames that are valuable trademarks include GALLO for wine and OTIS for elevators.

Generic terms are terms that the relevant purchasing public understands primarily as the common or class name for the goods or services (e.g., aspirin, elevator, escalator). Generic terms can never serve as a mark.

Fanciful, arbitrary, and suggestive marks are automatically protectable. Descriptive terms and terms that are primarily merely a surname are not protectable without proof that they have acquired "secondary meaning," i.e., the primary significance of the term in the minds of the consuming public is not the product but the producer. Secondary meaning can be proven in the U.S. Trademark Office in either of two ways: (1) proof that the mark has become distinctive by reason of substantially exclusive and continuous use in commerce for five years; or (2) factual evidence such as long-term use of the mark, substantial advertising expenditures, and substantial sales.

III. Trademark Searches

We recommend that you conduct a trademark availability search before adopting a trademark to avoid violating the rights of another and to make sure you are choosing a registrable mark. You can violate someone's rights by trademark infringement. Trademark infringement occurs from using a mark that is likely to cause confusion among the consuming public. You cannot obtain a federal registration if there is a likelihood of confusion with regard to an already federally registered mark.

Likelihood of confusion depends upon many factors including; (1) similarity of the marks; (2) sound, appearance, and meaning of the marks; (3) nature of the goods or services used with the marks; (4) channels of commerce used for the goods and services; and (5) sophistication of the customers.

Similarly, you cannot use or register a mark that dilutes a famous mark. For example, use of a famous mark such as "Kodak" for any goods or services is likely to dilute the value of the Kodak mark and thus is prohibited.

While there are more than 3,000,000 entries on the Federal Trademark Register, there are only about 100,000 words in the dictionary. Thus, the mark you want to adopt may already be taken. The Trademark Office can take up to a year before issuing a first office action. If you adopt a mark without a search, and find out later that it conflicts with someone else's mark, the significant marketing efforts you invested in the meantime would be wasted.

IV. Advantages of Trademark Registration

There are many advantages to registering a trademark with the U.S. Trademark Office. There are two types of registration available: registration on the Principal Register and registration on the Supplemental Register. The Principal Register is for fanciful, arbitrary, and suggestive marks, as well as descriptive terms and surnames that have acquired secondary meaning. The Supplemental Register is for descriptive terms and surnames that do not have secondary meaning. The following are representative benefits of federal trademark registration:

A Dozen Benefits of Federal Trademark Registration

Benefits of Registration		Principal Register	Supplemental Register
1	Nationwide priority - No longer need to establish rights by first use in each and every territory	Yes	No
2	Automatic Federal Court Jurisdiction - Judges generally more experienced - Smaller case backlog	Yes	Yes
3	Litigation advantages - Automatic evidence of ownership, validity, continuous use in commerce, and exclusive right to use the mark	Yes	No
4	Registration can become incontestable - Eliminates most grounds for canceling a registration	Yes	No
5	Use of ® symbol - National constructive notice of exclusive rights - Blocks claim of innocent infringement from defeating monetary damages	Yes	Yes
6	Increased damages and attorney fees	Yes	No
7	Statutory damages and criminal sanctions for counterfeiting	Yes	No
8	Recordation with customs to block unauthorized imports	Yes	No
9	Foreign registrations can be based on U.S. registration	Yes	Yes
10	Prevent cybersquatting	Yes	Yes
11	More likely potential infringers will leave you alone - The registration appears in trademark searches, so others will stay clear - The Trademark Office usually refuses registration of confusingly similar marks	Yes	Yes
12	Establishes legitimacy as trademark owner - Marketing advantage - Approval by the U.S. Trademark Office means that judge, jury and government agencies will be more convinced of your protectable rights in the mark	Yes	Yes

V. How to Register a Trademark

You can register a trademark by filing an application for registration with the U.S. Patent and Trademark Office. The application can be based on actual use of a mark. Alternatively, the application can be based on a *bona fide* intent to use the mark. Therefore, actual use is not necessary to file a trademark application. However, no registration will issue until you submit proof of use.

VI. Protecting Trademarks

Registration of a mark in the U.S. Trademark Office is only the first step in developing valuable trademark rights. Other steps to take include:

- Use ® by the mark after it is registered
- Use a watching service to determine when a third party is trying to register a confusingly similar mark
- Stop infringers
- Do not let the mark become generic
- Prove use in the U.S. Trademark Office after the registration is in effect for five years
- Render a registration on the Principal Register incontestable after exclusive use for five years
- Renew the registration every ten years
- Register the mark in foreign countries where there are or may be sales
- For marks registered on the Supplemental Register, apply for registration on the Principal Register after five years of continuous and exclusive use

Sheldon Mak Rose & Anderson

At Sheldon Mak Rose & Anderson, we recognize that innovation is your competitive edge — and it needs protection. As intellectual property attorneys, we specialize in offering powerful protection for your unique ideas.

Creating Wealth for You

We can accomplish what most attorneys cannot: we can help create wealth for you. Patents, trademarks, copyrights, and trade secrets are assets that can be worth many times their cost. By using our skills and experience to protect your innovations, we help optimize your returns.

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- Patent, trademark, and copyright prosecution
- Opinion and expert testimony work
- IP licensing and portfolio management
- Foreign patent and trademark prosecution management
- IP due diligence
- IP alternative dispute resolution
- Confidentiality agreements

Protection