

Lawyer Insights

Intellectual Property Law at a Glance, Part 1: Trademark Myths Debunked

By Sherli M. Furst, Armin Ghiam, James E. Rosini and Jonathan D. Reichman
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Have you ever wondered whether you should—and how difficult it might be—to safeguard intellectual property (IP) associated with your business or product? Do you understand what you can do to try to avoid a costly IP infringement lawsuit?

In this three-part series, we identify a number of myths related to IP rights, and explain, in simple terms, steps you can take to recognize and protect the IP your business creates and acquires. We also provide a high-level explanation of common issues that arise in connection with IP enforcement.

First up in the series is *Trademark Myths*.

As background, a trademark is a word, symbol, or phrase, used to identify a particular manufacturer's or seller's products to distinguish them from the products of another. For example, the trademark "Nike," along with the Nike "swoosh," identifies sneakers Nike makes and distinguishes them from sneakers other companies make. When such marks are used to identify services rather than products, they are called service marks, although generally, they are treated the same as trademarks. Trademarks are protectable by federal law (see Federal Trademark Act of 1946, 15 U.S.C. §§ 1051-1127) and state law. Most state trademark laws are intended to be consistent with federal law.

Under some circumstances, trademark protection can extend beyond words, symbols, and phrases to include other aspects of a product, e.g., its color or packaging. For example, the specific shape of a Coca-Cola bottle might serve as a source identifying feature. Such features fall generally under the term "trade dress," and may be protected if consumers associate a specific feature with a particular manufacturer rather than the product in general.

1. AS LONG AS I REGISTER MY TRADEMARK, I DO NOT NEED TO USE IT TO BE PROTECTED.

Under Section 45 of the Lanham Act, a mark will be deemed abandoned if it has been discontinued with intent not to resume use. Intent not to resume use may be inferred from circumstances. If there is nonuse for three consecutive years, there is a presumption of abandonment, and a prima facie case is established. In terms of a cancellation proceeding, once there is evidence of three years of nonuse, then the burden shifts to the trademark owner to show use during the three-year period or that despite the three years of nonuse, there was intent to resume use of the mark within a reasonably foreseeable time.

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2. OUR BUSINESS NAME IS A COMMON OR GENERIC TERM, SO WE CANNOT BE SUED FOR TRADEMARK INFRINGEMENT.

Generic words are not entitled to trademark protection, and descriptive marks may only be entitled to limited protection, if any. Nonetheless, whether a term is “generic” or “descriptive” in the trademark sense depends on what goods and/or services are promoted and sold under the mark. For example, the mark “BANANA” may seem generic or descriptive such that no one should have the exclusive right to use it. This may be true when the term is used in connection with fruit-related products. But, if “BANANA” is used in connection with something completely unrelated to fruit or fruit-related products, such as purses or automobiles, then the mark is not generic or descriptive from a trademark law standpoint and might be entitled to strong protection.

3. I NEED A REGISTRATION TO “TRADEMARK” A MARK (OR ACQUIRE RIGHTS IN IT).

In the United States, contrary to most other countries, trademark rights arise with use (not registration) of the mark in the marketplace. So, as soon as you begin using your mark to promote your goods and services, you acquire trademark rights. Nonetheless, trademark registration has many benefits: 1) the ability to use the registration symbol ®; 2) the legal presumption that you own your mark; 3) the ability to preclude others from registering a similar mark; and 4) you may rely upon your registration in the United States as the basis for trademark filings in other jurisdictions internationally.

4. I SHOULD WAIT UNTIL MY BUSINESS GROWS TO REGISTER MY TRADEMARK.

You can register your mark prior to use. In fact, it is preferred that a company apply for registration prior to the sale of the product or service or before a business is open. It is strongly encouraged that a business register its trademarks as soon as possible to avoid infringement by copycat companies.

5. AFTER I REGISTER, NO ONE ELSE CAN USE MY BRAND’S NAME.

Federal trademark registration only applies to the classes of goods and services in which a trademark is registered. The classes are divided into categories such as restaurants, clothing and apparel, construction services, etc. It is possible that two popular companies can have the exact same name and both be protected by trademarks. Moreover, trademark law may not prevent the public from using a term that describes a product even if the term is registered as a trademark. In the above example, even if the mark “BANANA” is registered as a trademark, no one would be able to prevent the public from using “BANANA” to describe the fruit.

6. I OWN A TRADEMARK REGISTRATION; THEREFORE, I OWN A MONOPOLY FOR MY MARK.

Two companies may use identical marks as long as the goods or services offered by the companies are different enough that consumers would be unlikely to think that a company providing the first product or service would be likely to provide the second product or service. An example of this would be use of the mark “Dove” for soap and chocolates.

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7. MY TRADEMARK SHOULD DESCRIBE MY PRODUCT OR SERVICE.

The essential function of a trademark is to identify the source of the goods and services of one seller and distinguish them from those sold by all others. Therefore, a mark may not be entitled to protection if it is determined to be (1) merely descriptive of the goods or services to which it relates or (2) the generic term for such goods or services.

8. I AM FREE TO USE THE REGISTERED TRADEMARK SYMBOL AS SOON AS I BEGIN USING MY MARK.

The ® symbol designates a federally registered trademark, and may only be used (in fact, must be used) when the owner has a federal registration for that exact mark. A state registration does not permit use of the ® symbol, nor does a pending federal application. The “TM” (for trademarks) and “SM” (for service marks) symbols indicate common law trademark rights and their use is not governed by any federal statute. They merely announce to the world that one is claiming exclusive rights to this mark, regardless of federal registration.

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We hope this has been a helpful starter guide on trademark rights. Please tune in next month for part two of the series, in which we will debunk popular copyright myths.

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