

ESTABLISHING, REGISTERING AND MAINTAINING U.S. TRADEMARKS AND SERVICE MARKS

Selecting and establishing a trademark or service mark involves choosing a suitable mark, clearing it for availability and using the mark commercially. Protecting that mark by seeking registration involves communicating with the **U.S. Patent and Trademark Office** (the **USPTO**) or state government agencies. This brochure provides a brief summary of how a trademark or service mark is established, what the procedures are for seeking registration of the mark and identifies where principal costs occur. It may be helpful to retain this brochure and refer

TRADEMARKS, SERVICE MARKS AND BUSINESS

A **trademark** or **service mark** identifies the **source** of **goods** (products) or **services**. It does **not** identify the goods or services themselves. The term brand name is synonymous with trademark. A mark tells the buyer **who** makes the product or provides the service, **not** what the product or service is. The mark is one or more words, a symbol or a design, or any combination of these. A trademark identifies the source of goods while a service mark identifies the source of services. A mark is not the same thing in law as the name of the business that owns the mark (**tradename**), although the mark owner may use the same words in both.

Trademark and service mark rights are obtained by commercial use of the mark (**common law rights**) and by registration of the mark with the **federal** government or with individual **states**. Common law rights are limited by the actual extent of use. Registration is normally preferred, and will be discussed in more detail in this brochure.

CHOOSING AND CLEARING A MARK

In choosing a mark for products or services, it is wise to select several alternative choices in the event that a subsequent search (see below) shows that some of the proposed marks could conflict with existing marks of others. A mark should be selected and cleared before actual commercial use. Clearing a mark early avoids unnecessary expenditures on labels, packaging, letterhead and other items containing the mark, only to discover later that the mark is not available for use.

Marks are defined as descriptive, suggestive or fanciful, and must be differentiated from generic terms. A **generic** term is the actual name of a type of product or service and is not registrable as a trademark or service mark. **Descriptive** marks may be registrable only after providing evidence that consumers have come to recognize that the mark identifies a unique source for a product or service rather than merely being a description of that product or service. **Suggestive** and **fanciful** (arbitrary) terms are immediately distinctive and are the strongest marks. A fanciful mark is one which has no meaning with respect to the goods or services other than as a mark. A suggestive

mark is one which suggests the nature of the goods or services, but does not actually name them. Determining whether a chosen mark is suitable is often difficult. A Gordon & Rees attorney will provide advice on the acceptability of specific marks.

A **clearance search** is conducted through information sources and is useful in identifying whether the proposed mark conflicts with any prior registered or pending mark which is used by someone else for similar goods or services. Clearance searches are done through computer databases and directories of registered and pending marks, although searches also covering trade directories and similar sources can be obtained and are often recommended. See the Gordon & Rees brochure on Trademark and Service Mark Searches for further information.

FEDERAL AND STATE REGISTRATION

It is advantageous to file a registration application as soon as the mark is selected, the requirements for use or intent-to-use can be met, and the range of goods or services can be reasonably defined. This minimizes the risk of someone else using or applying for registration of a similar mark in the meantime and obtaining **intervening rights**.

Federal trademark and service mark registrations may be applied for on the basis of the owner's **intent-to-use** the mark in interstate commerce **or** on the basis of prior **actual use** in interstate commerce. Use must constitute commercially significant sales or shipments of goods or provision of services. Use of a mark may also need to comply with other applicable laws, such as required health, safety or ingredient labeling of products.

An intent-to-use federal application requires a **bona fide** intent-to-use the mark in interstate commerce. Filing the application provides notice of **constructive use** of the mark against subsequent users of confusingly similar marks. Although the mark may be approved for registration after examination, no registration can issue until actual use has been established and proof of such use has been filed with the USPTO. If such proof of use has not been filed within a prescribed time after allowance of the application, the application will lapse.

State registrations must be based on **actual use** of the mark within the state prior to application. Since individual state registration requirements vary, a Gordon & Rees attorney can provide information about specific states of interest.

THE FEDERAL REGISTRATION APPLICATION AND EXAMINATION PROCEDURE

Federal registration takes a year or more to obtain and requires a single filing with the USPTO. The **application** includes a description of the mark, identification of the goods or services to which it does or will apply, a declaration of intent-to-use or, if based on actual use, the date of first use in commerce and interstate commerce and three identical specimens of the mark. **Specimens** are usually labels for the goods or advertising and other items associated with services and must show the mark as used in commerce. The law divides goods and services into a number of defined **classes**, and marks are registered only in connection with the specific goods or services involved. It is not uncommon for an applicant's goods or services to fall into two or more classes.

A Gordon & Rees attorney will provide advice on the appropriate classes and specimens for an application.

Once filed, the application is reviewed by an **Examiner**. The Examiner is entitled to raise questions or issue decisions affecting the application. A set time period is provide for response by the applicant to any Examiner's action if the application is to continue.

Filing of a registration application does **not** guarantee registration. There are a number of grounds on which an Examiner can **refuse** registration. These may include that the mark is descriptive, that it is not being properly used as a mark, that other laws applicable to the goods or services (such as FDA laws) have not been complied with, or, most commonly, that the mark is so **similar** to prior marks registered for similar goods or services that the potential buying public would be likely to be **confused** as to the source of the goods or services. It is often possible to overcome the Examiner's initial refusal to register by responding with supplemental information or amending the application.

Unlike in a state registration process, under federal procedure a mark provisionally approved for registration by the Examiner is **published for opposition** prior to registration. If no one opposes the registration during a thirty-day period following publication, the registration certificate is issued.

An **opposition** is a proceeding in which a third party objects to registration by alleging that a mark would conflict with a third party's rights in a prior registered or used mark. Oppositions are not uncommon, but most registration applications are not opposed. The **third party** initiates the opposition; neither the Examiner nor the attorney determines whether an application will be opposed. An opposition is, in effect, a trial within the USPTO. If an application is opposed, a Gordon & Rees attorney will discuss the expenses and time that will be involved in defending the opposition. The fact that an application is opposed does not, by itself, mean that the applicant must stop using the mark or will be unable to obtain a registration.

RENEWAL AND INCONTESTABILITY

State registrations are in effect for fixed terms (such as 10 years) and can be **renewed** for further terms if the mark continues in use in the state. Federal registrations have a 10 year term, which can be **renewed** for additional 10-year terms if the mark continues in use, but during the year following the fifth anniversary of the registration date an **affidavit** must be filed stating and proving that the mark is still in use for all listed goods or services in order to maintain the registration in effect.

Federally registered marks will be accorded **incontestable** status by filing of an affidavit if the registration has been challenged legally for the preceding continuous five-year period. Incontestability does not mean that no one can ever attack a registration, but it does significantly limit the grounds on which such an attack can be based.

Our firm docket renewal dates and use/incontestability affidavit dates for our clients. However, because of the long time periods involved, we strongly recommend that clients independently calendar these dates as well. The USPTO does **not** provide notice of these dates to registrants.

PROTECTING AND ENFORCING A MARK

To keep a mark effective, it must be properly **identified** and **used**. It must always be used **in combination with** the common name of the goods or services and **never** as a substitute for that common name. Repeated use of the mark in place of the common name of the goods or services could cause the mark to become **generic**, lose its status as a protected mark and enter the public domain. Failure to police the mark against infringers can have the same effect. There are other rules of good practice which a Gordon & Rees attorney can explain to you.

It is recommended that the letters TM or the word Trademark should, from the outset, appear in conjunction with the mark whenever that mark is used to identify the goods. Similarly, the letters SM or the words Service Mark should, from the outset, appear in conjunction with the service mark whenever that mark is used to identify the services. The same identifications should be used after applications for state registration. Once a **federal** registration has been issued (not merely applied for) the familiar ™ symbol must be used. The ™ symbol is not used with state registrations.

If a mark is infringed, a Gordon & Rees attorney can describe the litigation procedures and costs involved.

FEES AND COSTS

Clearance searches: There is a separate fee for searching each mark and costs for computer time; fees are based on the extent and timing of the search. **Registrations:** A fee is charged for preparing and filing each federal or state application. We charge separately each service, such as preparing responses to communications from federal or state examiners; advising you when the mark reaches the publication stage and upon registration; for renewals; affidavits of continued use or incontestability; and pursuing or defending oppositions or cancellation proceedings. There are also set **filing fees** charged by the USPTO and state trademark offices, determined by the number of classes involved, as well as set USPTO and state fees for renewals and incontestability affidavits.

FOREIGN MARK RIGHTS

Trademark and service mark laws vary substantially from country to country. Each country must be dealt with separately for registration of marks. Use or registration in one country does **not** give any right to enforce the mark in another country.

Most foreign countries do **not** require an owner of a registration to have any connection with the products or services listed in the registration. Further, many countries issue registrations to the **first** person to apply. Therefore, once a mark becomes known (such as by advertising in an internationally circulated magazine or having an exhibit at a trade show) to people in a country in which the registered U.S. owner has not obtained a registration, there is a **risk** that someone else (a trademark pirate) will register the mark in his name in that country, making it unavailable for use there by the U.S. owner. To prevent this, it is usually advisable to register marks in **all** countries of interest as **early** as possible, notwithstanding the fact that there are no immediate plans to

manufacture, sell, license, or use the goods or offer the services in some or all of those countries. Local use is usually not a requirement to obtain registration overseas.

The Gordon & Rees brochure on Registering and Protecting Trademarks Overseas provides more detail about foreign laws and considerations. A Gordon & Rees attorney can provide advice as to what the requirements and costs are for registration of marks in countries of interest.

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This brochure is intended to provide general information for clients and friends of Gordon & Rees. It should not be construed or relied upon as legal advice. Applicability of the legal principles discussed in this brochure may differ widely in specific situations. Please consult a Gordon & Rees attorney for advice regarding specific legal questions and matters.