



ECG Advisory: The Value of Protecting Your Trademark

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For most business owners, a trademark or service mark is a valuable part of your marketing strategy. These marks identify your products or services from your competitors' products or services. Do not take a gamble on this valuable asset! Learn how to protect your trademark or service mark before you are the victim of counterfeit goods, or are confused with companies that may have similar marks. One visit to a local swap meet filled with counterfeit goods is reason for any business owner to take pause.

A trademark is a word, phrase, symbol or design, or a combination thereof that identifies and distinguishes the source of your goods from other goods in the marketplace. Examples of common trademarks are "Pepsi®," "Xerox®" and "Kleenex®." You will often hear people refer to these goods by their trademark, rather than the product name. This is a sign of strong trademark! On the other hand, a service mark may be the name of a business, or may identify the source of a service rather than a product.

The strength or weakness of a trademark determines how protectable the mark may be and consequently, how closely a competitor may come to copying your mark. There are five general classes regarding the eligibility for trademark status and the degree of protection granted: (1) Fanciful Marks – this is the strongest class of marks. These are terms that have been invented for the sole purpose of functioning as a trademark or service mark, such as "Pepsi®" or "Exxon®"; (2) Distinctive Marks – these are words which are applied to goods or services with which they are not normally associated, such as "Apple®" for computers; (3) Suggestive Marks – these are marks that require imagination to reach a conclusion as to the nature of those goods and/or services, such as "Sno-Rake®" for a snow removal hand tool; (4) Descriptive Marks – these are marks that merely describe the goods or services, such as "Quick-Print®" for printing services; and (5) Generic Marks – these marks are not protectable at all because they are really just names for

goods and services, such as the word "butter" for the product butter.

How do you protect your valuable trademark rights? Two of the most common ways to protect your trademark rights are under common law or by federal registration.

Common Law Trademark Rights

You may establish rights in a mark based on legitimate use of the mark "in commerce." In other words, once you start to sell your goods or provide services in the marketplace, you are creating a common law right to that mark (assuming you are first one to use it). Once you start using your mark, you may use the "TM" (trademark) or "SM" (service mark) symbol to let the public know of your claim. However, common law trademark rights provide only limited protection and remedies - therefore federal registration is recommended.

Federal Registration and Protection

Federal registration for trademarks provides the broadest protection. Specifically, federal registration provides at least five benefits: First, registration places the public "on notice" that you claim a right to the mark as of the day you file your federal application; Second, registration provides a legal presumption that you have the right to use the mark nationwide; Third, you have the ability to bring a legal action in federal court against anyone infringing upon your trademark; Fourth, registration provides a basis to obtain trademark registration in foreign countries; Fifth, a registration may be filed with the United States Customs Service to prevent importation of infringing foreign goods.

Once you receive federal protection from the United States Patent and Trademark Office ("USPTO"), you may use the federal registration symbol "®." Rights in a federally registered

trademark can last indefinitely if you continue to use the mark in connection with the goods and/or services in the registration. In general, the owner of a registration must renew federal registration every ten years.

Search for Conflicting Marks

The first step in the registration process is usually a search of the USPTO records to determine if anyone else is already claiming rights in a similar mark. If you determine that there are no similar marks in the class of goods or services that you seek protection in, you may then file for federal protection.

So Just How Do You Get Federal Protection for Your Trademark?

You (or your attorney) must prepare and file an application with the USPTO that identifies your mark, your goods or services used in conjunction with the mark, and the date you first used your mark in commerce.

The filing fee for your application with the USPTO is \$325.00 per class. Your goods or services may fall into one or more of the forty-five international classes of goods and services identified by the USPTO. If you wanted to use a single mark to sell musical instruments and T-shirts at concerts, you would want to file for protection under international class 15 for “musical instruments” and international class 25 for “clothing.” Therefore, under this scenario you would file in two classes for a total of \$650.00.

The time needed to obtain trademark registration can range between six months at the earliest to as long as several years. After the USPTO determines that you have met the minimum filing requirements, your application is forwarded to an examining attorney. A complete examination includes a search for conflicting marks and an examination of your written application and specimen of your mark. If the examining attorney determines that your mark should not be registered, the examining attorney will issue a letter (office action) explaining the substantive reasons for the refusal. In that case, you will need to timely respond to the office action and clear the way for your trademark registration.

The examining attorney will also perform a search for conflicting marks. One of the principal issues the USPTO looks for is “likelihood of confusion” between marks. The factors considered are the similarity of two marks and the commercial relationship between the goods and/or services listed on the application. To find a conflict, the marks do not have to be identical, and the goods and/or services do not have to be the same.

Attorney’s Fees

Attorney’s fees for preparing and filing a trademark application are billed as a flat fee. In addition, the USPTO may send an office action telling you whether there are any confusing similar marks, if there are problems with your application, or whether your mark is acceptable and able to be registered. An attorney will bill on an hourly basis when responding to office actions.

Policing Your Mark

Even after you receive federal registration of your trademark, you must police your rights. This means you must be diligent in watching for others that are copying or infringing upon your trademark or service mark. You must contact the infringers and request that they stop or if that fails, file a lawsuit against them. If you knowingly allow others to use your trademark without your permission, you can lose those rights.

Further Information

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