

TRADEMARKS: THE (NOT SO) BASICS

YOU ARE NOT LIKELY TO BE CONFUSED

DAVID M. ANDERSEN

ASSOCIATE UNIVERSITY COUNSEL – COMPLIANCE

BRIGHAM YOUNG UNIVERSITY



BYU COPYRIGHT SYMPOSIUM

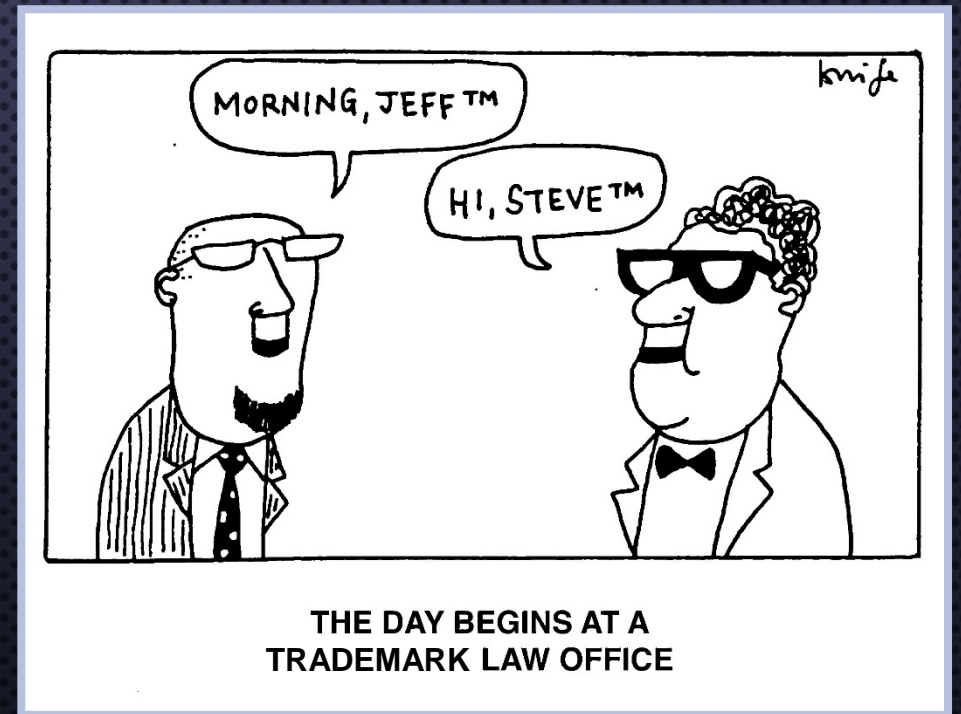
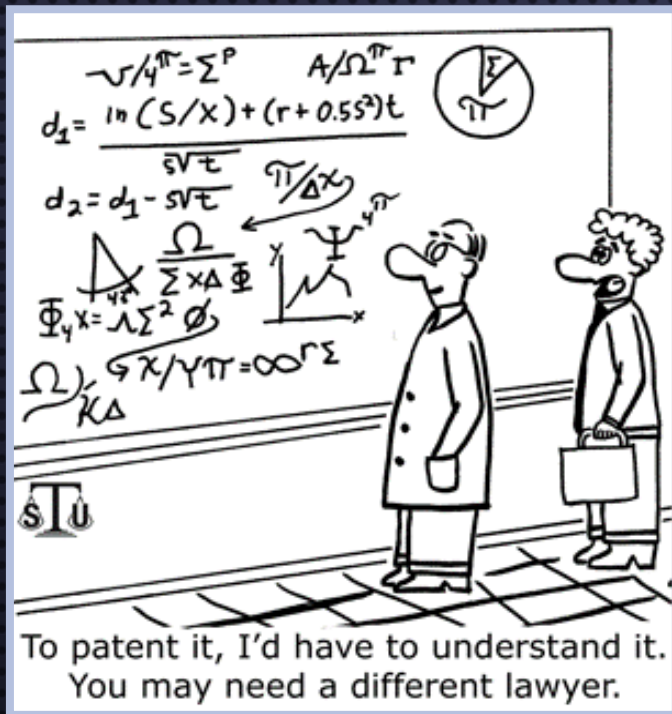
NOVEMBER 2, 2017

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BRIGHAM YOUNG UNIVERSITY

TRADEMARKS: THE BASICS AND BEYOND

The World as Seen by IP Lawyers



TRADEMARKS: THE BASICS AND BEYOND

Trademarks in < 2 Hours? Yes!



① Basic (and Not-So-Basic) Concepts



② Why & How to Protect Rights in a Mark



③ Why & How to Enforce Rights in a Mark



④ Hot Topics in the World of Trademarks



What is a Trademark?

A SOURCE DESIGNATOR

Any word, name, symbol or device (or any combination thereof) that identifies and distinguishes the source of the goods or services of one party from those of other parties.

Trademark vs. Service Mark



What are the Functions of a Trademark?

1. Indicates the source or origin of goods/services
2. Assures consumers of the quality of goods/services
3. Creates business good will and brand awareness

DISTINCTIVE

DISTINGUISHING

IDENTIFYING



What can constitute a mark?

- A made-up word? ✓
- Descriptive word? ✓
- Generic word? ✓
- A slogan? ✓
- Person's name? ✓
- Business' name? ✓
- A book title? ✓

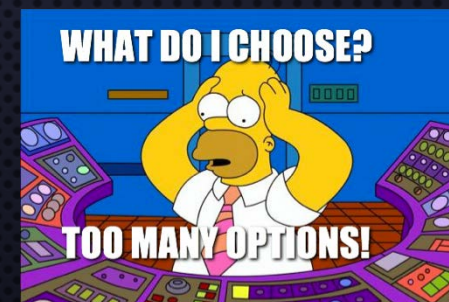
Word Marks or
Standard Character Marks

- A symbol? ✓
- A design (drawing)? ✓
- A photograph? ✓
- A color? ✓
- Shape of a product? ✓
- Product packaging? ✓
- Interior design? ✓

Design Marks or
Special Form Marks

- Sound? ✓
- Smell? ✓
- Flavor? ✓
- Motion? ✓

Non-Traditional
Marks



Spectrum of Distinctiveness



1

Secondary Meaning or Acquired Distinctiveness

A **descriptive mark** is only protectable as a mark if it has achieved "secondary meaning" or "acquired distinctiveness": the mark no longer merely describes the goods/services but actually has come to act as a designator of the source of the goods/services.

A **generic mark** can never acquire secondary meaning or acquired distinctiveness and is free for anyone to use.

Generic vs. Descriptive



Danger of Genericization



A Word about Slogans

Everything is possible if you
think opportunities.



WE THROW IN EXTRA PARTS
JUST TO MESS WITH YOU.

Simplify your health search

*Web*MD®

Convince yourself that you have a terminal illness.

See what's next

NETFLIX

SPEND MORE TIME SEARCHING
THAN ACTUALLY WATCHING

The best a man can get.

Gillette® 

We're just going to keep adding more blades

LV

PROBABLY FAKE



JUST BUY IT.



Trade Dress

Product Packaging



Business Look and Feel



Requirements

1. Distinctive—either:
 - a. Inherently Distinctive
 - b. Acquired Distinctiveness
2. Not Functional
 - a. De Facto Functional
 - b. De Jure Functional

Product Shape/Design



Business Uniform / Attire



Sound Marks



Scent Marks

Only 2 scent marks since 1990
have acquired distinctiveness:

high impact, fresh,
floral fragrance
reminiscent of
Plumeria blossoms



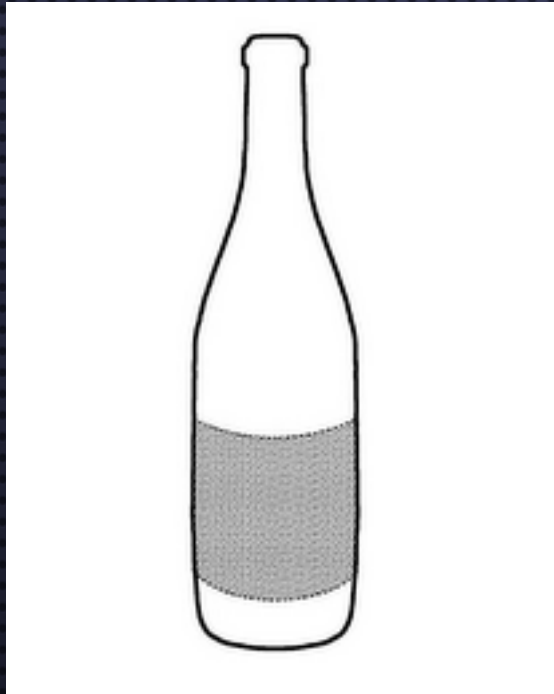
a cherry scent for
synthetic lubricants
for high performance
racing and
recreational vehicles



Recent application:
unique scent formed through
the combination of a sweet,
slightly musky, vanilla-like
fragrance, with slight overtones
of cherry, and the natural smell
of a salted, wheat-based dough



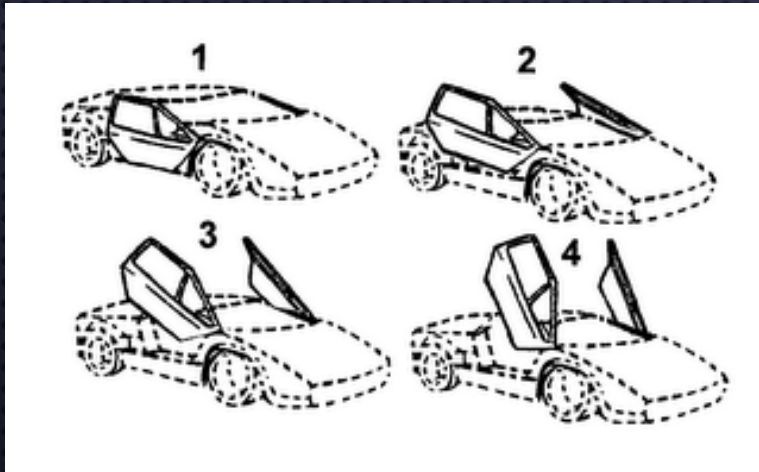
Touch Marks



The mark consists of a leather texture wrapping around the middle surface of a bottle of wine. The mark is a sensory, touch mark.

Motion Marks

The mark consists of the unique motion in which the door of a vehicle is opened. The doors move parallel to the body of the vehicle but are gradually raised above the vehicle to a parallel position. The matter shown in dotted lines is not part of the mark.



Taste Marks



"A flavor can never be inherently distinctive because it is generally seen as a characteristic of the goods."

"It is unclear how a flavor could function as a source indicator because [1] flavor or taste generally performs a utilitarian function and [2] consumers generally have no access to a product's flavor or taste prior to purchase."

Source of Trademark “Rights”

Constitutional?
Not expressly.



Common Law? Yes,
British Unfair Competition



Statutory? Yes, the
Lanham Act



Common Law Rights vs. Registration Rights

TM SM



Common Law Rights

- Rights arise from mere use
- First to use has priority
- Rights limited to the geographic extent of use and/or reputation

Registration Rights

- Rights arise registration
- Registration still subject to prior common law rights
- Rights (usually) extend nationwide



Notice of Trademark Rights

TM SM



- Use to provide notice of claimed common law rights
- Not required but signifies rights in a mark
- TM = Trademark
- SM = Service mark

- Use to provide notice of rights in a registered mark
- Do not use without registration (possible fraud)
- Failure to use may be defense to statutory remedies



How to Use Rights Notices

The Microsoft logo, featuring the word "Microsoft" in a bold, italicized, sans-serif font, with a registered trademark symbol (®) to the upper right.

WHERE DO YOU WANT TO GO TODAY?™



Think Different.

1. No rule on size or placement, but should be conspicuous.
2. Be careful not to use ® for unregistered portions of mark.
3. Need to repeat? No. Use with first and most prominent use.
4. Merits discussion with marketing / product design team.



Why Register a Mark?

1. Constructive Notice—to the world of the owner's rights
2. Presumption—of (a) validity; (b) ownership; and (c) right to use
3. Constructive Use—priority as of the filing date of application
4. Actual Notice—right to use registered trademark symbol ®
5. Incontestability—after 5 years, very difficult to contest.
6. Legal Claims—(counterfeiting, dilution, cybersquatting)
7. Additional Remedies—e.g., \$2 million for counterfeiting
8. Foreign Registration—use as a basis to protect outside U.S.
9. U.S. Customs Recordation—good way to stop counterfeits



Questions to Ask Before Filing Application

Who?	What?	When?
<ol style="list-style-type: none"> 1. Who owns or will own the mark? (which specific entity or entities) 2. Who has owned the mark? (establish a chain of title) 3. Who is using or will use the mark? (licensed or unauthorized use) 4. Who is using similar marks? (possible third-party conflicts) 5. Who is authorized to decide? (party who signs application) 	<ol style="list-style-type: none"> 1. What mark should be protected? (character, stylized, design, color) 2. What goods/services are covered? (identification and classification) 3. What evidence is there of use? (Use-based (specimens) vs. ITU) 4. What is the significance of mark? (meaning, descriptive, suggestive) 5. What quality control is in place? (avoid naked licensing) 	<ol style="list-style-type: none"> 1. When was the mark first used? (date of first use) 2. When was first use in commerce? (date of first use in commerce) 3. When did others begin using it? (possible priority problems) 4. When did the mark acquire distinctiveness? (for § 2(f) claims) 5. When will actual use begin? (for ITU applications)
Where?	Why?	How?
<ol style="list-style-type: none"> 1. Where has the mark been used? (understand common law rights) 2. Where is the mark being used? (establish interstate use) 3. Where will the mark be used? (where is protection needed) 4. Where are others using the mark? (possible common law conflicts, concurrent use registration) 5. Where are records found? (documenting use / history) 	<ol style="list-style-type: none"> 1. Why was this mark selected? (good faith; meaning of mark) 2. Why file an application now? (risk of others jumping ahead) 3. Why not wait until later? (costs less if wait until in use) 4. Why might the PTO reject it? (anticipate refusals to register) 5. Why is a registration necessary? (value, exclusivity, enforcement) 	<ol style="list-style-type: none"> 1. How is the mark being used? (different iterations, TM use) 2. How much of the mark should be registered? (all or part) 3. How are others using the mark? (possible third-party conflicts) 4. How has the mark been used? (changes in the mark, goods and services, markets, consumers) 5. How long has mark been used? (establish continuous use)



A Word about Trademark Searches

1. ALWAYS CONDUCT A SEARCH—don't assume that you have priority
2. POSSIBLE CONFLICTS include more than just identical marks
3. SCREENING SEARCHES (a.k.a. knock-out) searches are good, but...
4. COMPREHENSIVE SEARCHES are critical to avoiding problems
5. BE TARGETED—too broad of a search may result in errors
6. DON'T BE TOO NARROW—failing to capture similar marks
7. BE CREATIVE—spelling, sound, appearance, design codes, etc.
8. NO SEARCH IS PERFECT—make sure your clients know this!



Five Bases for Filing a U.S. Trademark Application

1. Actual Use in Commerce—Section 1(a)
2. Intent to Use—Section 1(b)
3. Foreign Registration—Section 44(e)
4. Foreign Application—Section 44(d)
5. Foreign Extension of International Registration under the Madrid Protocol—Section 66(a).

Coach, we don't have to use a mark before we apply to register it?

That's right. Now go throw a Hail Mary!



②

Two Trademark Registers in the U.S.



Supplemental Register

1. Grants only some registration rights (e.g., right to use ® when registered)
2. No statutory presumptions
3. No constructive notice of rights
4. No incontestability available
5. May not be filed as an intent to use
6. May be descriptive as long as it still functions as a mark.

Principal Register

1. Grants all rights available to registrant (e.g., seizure of counterfeit goods)
2. All of the statutory presumptions
3. Constructive notice of rights
4. Incontestability possible after 5 years
5. May be filed as an intent to use
6. Must at least be “suggestive” (not merely descriptive)



Basic Registration Requirements

1. Mark actually function as a mark (i.e. identifies and distinguishes the source of goods or services)
2. Must be used in interstate commerce before registration issues (exception for registration based on foreign registration)
3. Must not be within one of the numerous statutory bars to registration listed in the Lanham Act § 2.



Statutory Bars to Registration

1. Likely to Cause Confusion
2. Merely Descriptive
3. Informational or Laudatory
4. Functional
5. Generic
6. Merely Ornamental
7. Deceptively Misdescriptive
8. Geographically Descriptive
9. Disparaging, Scandalous, or Immoral
10. Primarily Merely a Surname



Trademark Disputes: Infringement

General Rule: first user of a mark has right of priority over later users

More Nuanced Rule: the party with senior rights in a valid mark has **priority** over parties with junior rights and can stop them from using a mark that is the same as or **likely to cause confusion** with the senior right-holder's mark.



DIRTY SODA™



Priority Disputes over Common Law Rights

The *Tea Rose Rectanus* Doctrine

1. A senior user has no right to preclude a remote good-faith junior user from using the mark.
2. A remote good-faith junior user may preclude even a senior user from entering a market where the junior user already has built up trademark rights.



Priority Disputes Involving Registration Rights

The *Dawn Donut* Rule

Senior registrant may stop junior user from using mark that is likely to cause confusion where registrant:

1. Is already using mark
2. Later uses mark, once use begins
3. Has a reputation, concrete plans to expand, or the area is within natural zone of expansion

BUT, senior registrant cannot stop prior good-faith junior uses.



Frozen: Disputes Involving Junior User with Registration

If the **senior user has only common law rights** then . . .

the senior user's exclusive rights are "frozen" to areas penetrated by its use, reputation, plans to expand, or zone of natural expansion at the time of junior user's federal registration.



If the **senior user has registration**, then . . .

- outcome is hard to predict
- Senior registrant may try to cancel junior registration.
- junior user who registered first may try to "freeze" senior registrant.
- Relevance of USPTO decision to allow both?



Infringement Test: Likelihood of Confusion

Lanham Act

- 15 U.S.C. § 1114: "likely to cause confusion, or to cause mistake, or to deceive"
- 15 U.S.C. § 1125(a): "likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval..."



CONFUSION

Yeah, I don't understand it either.



Likelihood of Confusion in the Tenth Circuit

The *Sally Beauty* Factors

Determining whether consumers are likely to be confused:

1. The degree of similarity between the marks.
2. The defendant's intent in adopting its mark.
3. Evidence of actual confusion.
4. Similarity of products and manner of marketing.
5. The degree of care likely to be exercised by purchasers.
6. The strength or weakness of the marks.



Dilution

The unauthorized use of a “famous” mark in a manner that either:

- Impairs the distinctiveness of the mark (**DILUTION BY BLURRING**)
- Harms the reputation of the mark (**DILUTION BY TARNISHMENT**)



Defenses to Trademark Claims

- **CLASSIC FAIR USE**—Defendant uses Plaintiff's mark to accurately describe the Defendant's goods or services (e.g., LEXUS REPAIR SHOP)
- **CLASSIC FAIR USE**—Defendant uses Plaintiff's mark to accurately describe the Defendant's goods or services (e.g., Radio Station references Back Street Boys during contest)
- **PARODY/FIRST AMENDMENT**—Defendant has the right to use the Plaintiff's mark to satirize or criticize the Plaintiff. (e.g., WAL-QAEDA)
- **LACHES**—Plaintiff waited too long to enforce rights, and Defendant relied to its detriment on that delay (each state's period differs)



Cardinal Sin of a Trademark Lawyer

DO NOT SEND A CEASE-AND-DESIST LETTER BEFORE CONFIRMING THAT YOUR CLIENT'S RIGHTS HAVE PRIORITY OVER THE ALLEGED INFRINGER!

This is arguably malpractice.

If you don't know, conduct a further investigation.



Trademarks: Prayer or Pancakes



VS.



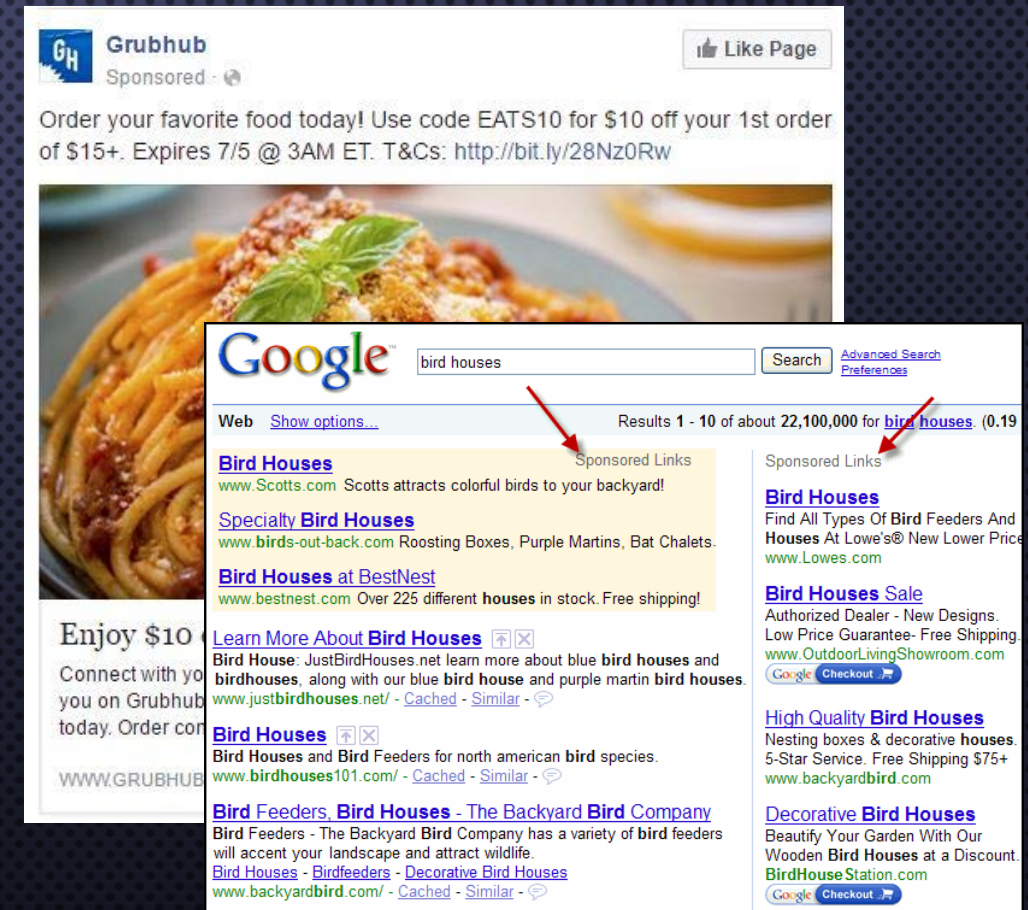
Trademarks: To Claim or Not to Claim



Hot Topics in Trademark Law

Sponsored Advertising Links

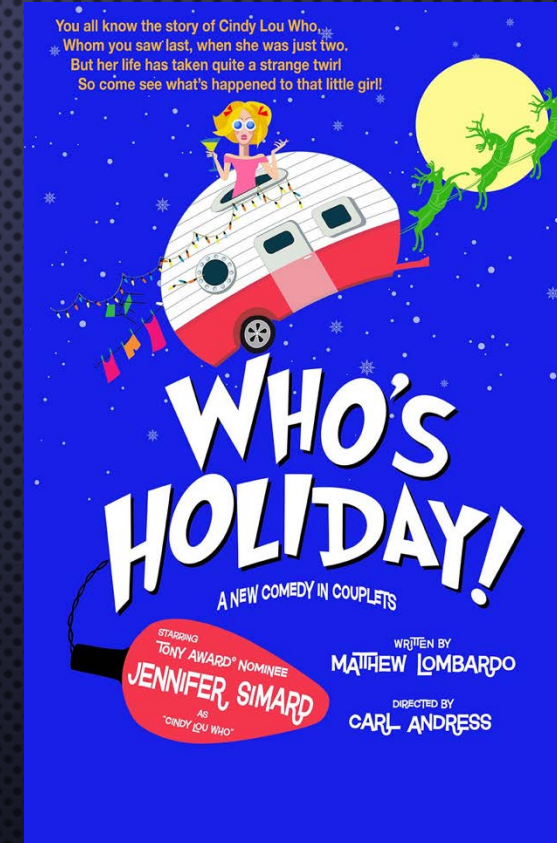
- Use of competitor's mark in behind the scenes advertising (e.g., Google AdWords) is not, by itself, infringing.
- Use of competitor's mark in advertising link itself may be infringing, but not infringing if source clearly marked



Hot Topics in Trademark Law

Parody Law

- SDNY held that WHO'S HOLIDAY, a play picking up the story of Cindy-Lou Who from "The Grinch Who Stole Christmas, as an unhappy adult living in a trailer, is a lawful parody.
- Plaintiff asserted both trademark and copyright claims against Defendant.



Hot Topics in Trademark Law

Unique Trade Dress Disputes

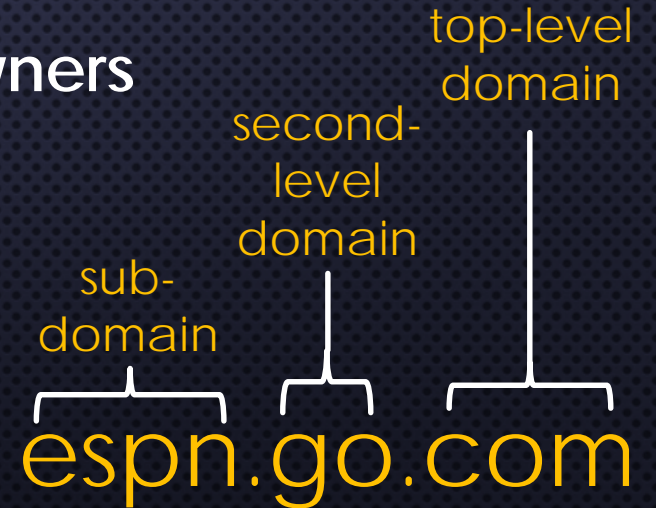
- Guinness Book of World Records is suing Scholastic over the trade dress of a book cover.
- Increasingly, courts are willing to find look and feel of a website to constitute protectable trade dress.



Hot Topics in Trademark Law

Domain Name Expansion and Cybersquatting

- New gTLDs have resulted in more cybersquatting
- New opportunities for enforcement (UDRP, URS, ACPA)
- Increased monitoring costs for trademark owners



Hot Topics in Trademark Law

Disparaging, Scandalous, and Immoral Marks

- Ban on disparaging marks held unconstitutional
- Will scandalous and immoral marks also be allowed?



A young girl with blonde hair, wearing a purple long-sleeved shirt, a blue backpack, purple pants, and pink sneakers, is walking on a dirt trail. The trail is surrounded by lush green vegetation and rocks. In the background, there are large, rugged mountains with patches of snow and a glacier. The sky is overcast with grey clouds.

QUESTIONS?