

TRADEMARK LAW

I. INTRODUCTION

- A. Show Examples.
- B. Brands are one of main motivators for people's decisions to buy specific goods or services.
 - 1. Example: Starbucks, Nike
 - 2. Consequently, trademarks can be valuable business assets.
- C. Since businesses often invest substantial amounts of time and money in building brand equity, it's important to protect trademark rights in these brands.
 - 1. Well-known marks can be very valuable business assets

II. WHAT IS A TRADEMARK?

- A. Something used to identify a company's goods or services & distinguish them from others.
 - 1. A word, phrase, logo, symbol (or sometimes even a color, sound or smell) used by a business to identify a product & distinguish it from competitors' products.
 - 2. A "word, name symbol, device or other designation, or a combination of such designations, that is distinctive of a person's goods or services and that is used in a manner that identifies and distinguishes them from the goods and services of others. [15 U.S.C. §1127](#).
- B. Average American encounters hundreds if not thousands of trademarks a day
- C. **Related Terminology**
 - 1. Service Mark: Mark used to identify source of services (commonly referred to as trademarks)
 - a. Disputes over band names very common
 - b. The term "trademark" or "mark" is commonly used to include both trademarks & servicemarks
 - 2. Tradenname: A name used to identify a business
 - a. A tradenname can operate as a trademark, but will not always do so
 - (1) Using a name merely to identify a business does not create trademark rights.

- (2) Must identify products or services sold by the company.

III. WHY DO WE NEED TRADEMARKS?

- A. We are exposed to many advertisements for various products and services. How does one brand of product or service stand out or distinguish itself from the rest?
 1. Trademarks are identifiers - something that identifies a particular brand of product or service
 2. Companies use trademarks to identify their products & services & distinguish them from their competitor's products & services.
- B. Trademarks are very important in a brand-conscious society.
 1. Consumers tend to buy well known brands & they recognize brands by their trademarks.
- C. Trademarks prevent consumers from being misled by use of confusingly similar names & other identifiers of products.
 1. Consumers rely on source as an indication of quality.
- D. Prevent businesses from stealing goodwill others have generated by creatively identifying & marketing their products.
 1. Encourages investment in quality & service by protecting TM's investment in creating favorable reputation

IV. WHERE DOES TRADEMARK LAW COME FROM?

- A. Unlike [patent](#) & [copyright](#) law (both solely [federal law](#)), trademark law originates from both federal & [state law](#) since both federal & state governments have authority to regulate [commerce](#) (sale of products & services which are often identified by trademarks). Federal government regulates interstate commerce and states regulate intrastate commerce.
- B. **3 Sources of Trademark Law in U.S.**
 1. [Common Law](#)
 - a. Law arising from court decisions (prior decisions used to decide later cases - [precedent](#))
 2. **Federal Statute**
 - a. Congress first enacted trademark statute in late 19th century
 3. [The Lanham Act](#) - current federal trademark statute (often referred to as the Trademark Act)

- (1) Passed in 1946

4. **State Statutes**

- a. Many states have trademark statutes similar to the Lanham Act & provide for registration & all states protect unregistered trademarks under common law
- b. [Tennessee Trademark Act](#), T.C.A. §47-25-501 et. seq.

C. **Foreign Trademark Laws**

1. **First-to-Use v. First-to-File Trademark Systems**

- a. In U.S., trademark ownership is derived from use of a mark in commerce
 - (1) First to use mark to sell product or service has superior rights over subsequent user of same or similar mark in connection with same or similar goods or services
 - (2) Selecting mark not enough - must use to identify product or service available for sale
 - (3) Rights limited to area in which trademark is used
 - (a) Example: Can have 2 bands w/same name, each w/rights in different areas
 - (b) Exception: Federal registration gives nationwide rights against all subsequent users
- b. Most foreign countries follow a first to file (register) system & do not require use of marks before registration
 - (1) Many countries require use within a time period after registration (e.g., 3 years) or rights considered abandoned.

V. **WHAT CAN BE USED AS A TRADEMARK?**

A. **Names**

1. Most common types of trademarks
2. Example: *Starbucks, Nike*

B. **Slogans**

1. *Just Do It* - Nike

2. *You're Fired* - Donald Trump

C. **Logos/Designs**

1. [Starbucks logo](#)

D. **Sounds**

1. Example: [NBC chimes](#)

2. Although sounds can function as trademarks, they have to be very distinctive to do so.

a. Harley-Davidson attempted to register the distinctive "chug" sound of Harley Davidson motorcycle engine, but gave up after other motorcycle companies challenged [registration application](#) arguing all motorcycle engines make very similar sound.

VI. **DISTINCTIVE v. NON-DISTINCTIVE MARKS**

A. **Distinctive Marks (Strong Marks)**

1. Distinctive marks identify the goods or services they protect as originating from a particular company, and consequently distinguish those goods or services from competitors' goods or services

2. Have little or no descriptive function; Operate primarily to identify a product source

3. 2 ways marks can be distinctive:

a. Inherently distinctive - marks that are unique (made up) or very original

b. Non-inherently distinctive: Marks that become distinctive due to TM owners' efforts to create distinctiveness

(1) The more a mark is used & the better known it becomes, the more distinctive it is & the greater protection it is likely to receive

4. **Degrees of Distinctiveness**

a. How distinctive a mark is depends on what the mark is & what it is used to identify

b. **Coined or Fanciful Marks**

(1) Made up - Created solely for purpose of identifying product or service

(a) Has no independent meaning

- (b) Example: *Kodak*
- (2) Advantage: Very strong trademarks since can't be confused with anything else
- c. **Arbitrary marks**
 - (1) Recognizable words or symbols which have no meaning with respect to particular products or services with which they are used
 - (2) Example: *Crest* for toothpaste, *Apple* for computers
- d. **Suggestive marks**
 - (1) Marks that suggest a quality or characteristic of a product, but do not directly describe it
 - (2) Example: *Microsoft* for computer software
 - (3) Example: *Orange Crush* suggestive of orange flavored beverage. *Orange Crush Co. v. California Crushed Fruit Co.*, 297 F. 892 (D.C. Cir. 1924)
 - (4) Advantage: Strong trademark protection since they don't actually describe products or services they identify, but can be good for marketing since they suggest the products they identify

B. Non-Distinctive Marks (Weak Marks)

- 1. Marks made up of descriptive words, personal names & geographic terms
- 2. Not protected unless they have acquired [secondary meaning](#)
 - a. To acquire distinctiveness, mark must have widespread, continuous & exclusive use in commerce for at least 5 years. [15 U.S.C. §1052\(f\)](#)
 - b. Mark has developed a meaning beyond its original descriptive meaning & is now associated with a particular source by consumers
 - c. Proved by long & exclusive use, extensive sales & advertising
 - d. Example: *McDonalds*
- 3. **Descriptive**
 - a. Mark that merely describes a class of goods rather than distinguishing the goods from goods provided by others

- b. Example: *CornFlakes* not protectible as TM for cereal
 - (1) Describes a type of cereal sold by a number of cereal manufacturers rather than distinguishing one cereal manufacturer's goods

4. **Personal & Geographical Names**

- a. Cannot be registered unless secondary meaning
- b. Example: *The Nashville Network* - primarily geographically descriptive of entertainment services since applicant was located in Nashville and many of its programs produced in Nashville (not registerable unless secondary meaning). *In re Opryland USA, Inc.*, 1 U.S.P.Q.2d 1409 (T.T.A.B. 1996).

VII. **HOW DO YOU PROTECT A TRADEMARK?**

A. Trademark rights are protected through proper use, registration, maintenance & enforcement.

B. **Proper Use of a Mark**

- 1. Marks must be used to identify the source of products and services
- 2. If a mark no longer identifies source, it becomes generic & is no longer protectible
- 3. A generic mark tells what the product is rather than identifying a specific brand or manufacturer
 - a. Example: Aspirin, Cellophane, Thermos, Lite Beer
- 4. Abandonment - Trademarks can be abandoned through non-use or improper use
 - a. Improper use is use which places the mark in danger of becoming generic
 - b. Marks should be used consistently & distinctively to identify source & avoid becoming generic

C. **Trademark Registration**

- 1. Registration is not required to own a trademark in the U.S.
 - a. Ownership based on use in commerce
- 2. U.S. (Federal) Trademark Registration
 - a. Obtained by applying to U.S. Patent & Trademark Office (USPTO)
 - b. Applicant must be using the mark in interstate commerce or have an intent to do so in the near future.

- c. Takes 1-2 years & can be fairly expensive
- d. Basic Requirements:
 - (1) Use in interstate commerce
 - (2) Sufficiently distinctive to identify product or service
 - (3) Not confusingly similar to existing registered marks
 - (4) Can't be surname or geographical name unless secondary meaning or used arbitrarily
 - (5) Can't be immoral, deceptive or scandalous
- e. Identification of goods or services
 - (1) 45 [International Classes](#)
 - (a) Filing fee for each class
 - (b) 25 - clothing
 - (c) 41 - education & entertainment
 - (d) Requires careful analysis of how mark is & may be used
 - (e) Accuracy of identification language very important
 - i) Can be limited or clarified, but can't be expanded
- f. **Actual Use v. Intent to Use Applications**
 - (1) Most registrations based on use in commerce before the registration is applied for
 - (2) [Intent to Use](#) application allows you to reserve a mark before use
 - (a) 6 months to commence use
 - (b) Can get extensions to maximum of 3 years
- g. Application must include drawing of mark & specimens
 - (1) One [specimen](#) for each class
 - (2) Must show exactly how mark is seen by public

h. Examination Process

- (1) Common Reasons for Refusal
 - (a) Confusingly similar
 - (b) Merely descriptive
- (2) Publication in [Official Gazette](#)
 - (a) Weekly subscription publication of PTO
 - (b) Gives opportunity for people to contest & oppose registration
 - (c) If no opposition, registration is issued

3. Benefits of Federal Registration

- a. Exclusive nationwide ownership
 - (1) Except for prior users
- b. Notice to all would-be users that mark is taken.
- c. Right to use ® [symbol](#) or "Registered in U.S. Patent and Trademark Office" [15 U.S.C. §1111](#)
 - (1) For common law or state registered marks, use TM or SM for servicemarks
- d. Right to make mark [incontestable](#) by filing [filing an affidavit](#) with USPTO when registered mark used continuously for 5 years. [15 U.S.C. §1065](#)
- e. Presumption that mark is valid & registrant own it. [15 U.S.C. §1072](#)
- f. Eligible for up to [treble damages](#) in infringement suit
- g. Allows filing of foreign applications based on U.S. registration
- h. Allows owner to record registration with [U.S. Customs](#) to prevent importation of infringing goods. [15 U.S.C. §1124](#)

4. State Registration

- a. Limited value unless not engaged in interstate commerce (only do business in one state)
- b. Provides evidence of use at least as of registration date

- c. Inexpensive compared to federal registration, but doesn't provide most of the benefits of federal registration

5. **Registration in Other Countries**

- a. U.S. trademark owner who intends to do business internationally should consider registering in all or some foreign countries

- (1) Complicated & expensive

- (2) Most countries are first-to-file jurisdictions & do not require use before registration

- b. **The Madrid Protocol**

- (1) Allows filing a single international trademark registration application based on an original national application rather than applying in each country individually

- (2) TM owner with application or registration in 1 country (basic application or registration) can obtain an international registration from the [World Intellectual Property Organization](#)

- (3) Application is reviewed by trademark offices in each country under their laws.

- (4) Advantages:

- (a) 1 application in 1 jurisdiction in 1 language with 1 set of fees

D. **Trademark Enforcement**

- 1. Enforcement = pursuing unauthorized users to maintain rights & prevent abandonment

VIII. **HOW LONG DOES A TRADEMARK LAST?**

- A. Under common law, as long as mark continues to be used in commerce

- B. Federal registration lasts 10 years. [15 U.S.C. §1058](#)

- 1. Affidavit of continued use must be filed in 5th year

- 2. May be renewed for additional 10-year periods w/no limit on # of renewals (but always subject to continued use). [15 U.S.C. §1059](#)

IX. WHAT IS TRADEMARK INFRINGEMENT?

- A. Whether or not federally registered, owner may go to court to prevent someone else from using confusingly similar mark
- B. Requires likelihood of consumer confusion - Lanham Act § 32(1); [15 U.S.C. §1114\(1\)](#)
- C. **Likelihood of Confusion Test**
 - 1. Whether consumers likely to be misled or confused as to source or sponsorship of goods or services
 - 2. Factors:
 - a. Strength of Plaintiff's mark
 - b. Similarity as displayed on goods or in connection with services
 - c. Similarity of products or services
 - d. Likelihood that prior owner will bridge the gap between the respective products or services
 - e. Presence or absence of actual confusion
 - f. Defendant's good or bad faith in adopting mark
 - g. Sophistication of potential consumers
 - h. Channels of trade for products or services
 - i. Similarity of advertising media
 - j. Any other established fact probative of effect of use

X. **TM Searches**

- A. Checking to see if a name is available for use
 - 1. Check federal & state registrations as well as various business databases, yellow pages, etc.
 - 2. Searches can be conducted by some attorneys or search companies such as [Thompson & Thompson](#), [Micropatent.com](#), [Government Liason Services](#), etc.
 - 3. Search companies provide a search report which summarizes results of search & includes copies of any registrations or listings for potentially conflicting marks

- a. Search companies will not provide opinion of whether a mark may be used or not
- 4. No search can guarantee mark is not being used

XI. WHAT IS TRADEMARK DILUTION?

- A. Unauthorized use of a famous trademark on products that do not compete with those of trademark owner
 - 1. Designed to protect distinctive quality of famous trademarks
 - 2. No requirement of consumer confusion
 - 3. A trademark is diluted when use of similar or identical marks to identify non-competing goods or services results in the lessening of trademark owner's ability to identify its products or services
- B. **Two Types of Dilution**
 - 1. **Blurring**
 - a. A famous mark is associated with different goods & services, diminishing uniqueness & distinctiveness of mark
 - 2. **Tarnishment**
 - a. Unauthorized use tarnishes or degrades positive associations of mark, thereby diluting its distinctive quality
 - b. Mark is used in an unflattering manner, often by association with inferior or unseemly products or services
 - (1) Toys "R" Us, Inc. v. Akkaoui , 40 U.S.P.Q.2d 1836 (N.D.Cal., 1996): Domain name adultsrus.com used for sexually oriented site; Court found dilution by tarnishment of famous mark.
- C. **Federal Trademark Dilution Act of 1995**
 - 1. Lanham Act § 43(c); [15 U.S.C. §1125©](#)
 - 2. Applies only to "famous" (very well known) marks
 - a. Famous marks are most likely to be adversely affected by dilution
- D. **Case Study: [Hasbro, Inc. V. Internet Entertainment Group, Ltd](#)**
 - 1. Hasbro, maker of toys & children's games, owned federal registration for *Candyland*, a children's game

2. D had registered www.candyland.com as domain name for sexually explicit website
3. Court issued injunction based on dilution

XII. TRADEMARKS & DOMAIN NAMES

A. Domain Names: Used to identify location on World Wide Web

B. With commercialization of Internet, new significance as business identifiers

1. Sometimes conflict with trademarks
2. Domain names must be unique - can link to only one site

C. **Internet Corporation for Assigned Names & Numbers (ICANN)**

1. Organization responsible for Internet addressing
2. Domain names can be registered through variety of registrars subject to ICANN policies
3. Domain name registrations are made on a first come, first served basis
 - a. Registrars don't check to see if someone else is using name as a trademark

D. **Domain Name Disputes**

1. Growth of Internet led to disputes between trademark owners & registrants of identical or confusingly similar domain names
2. Prior to late 1999, domain name disputes were decided by courts under trademark & unfair competition law
 - a. Trademark infringement requires likelihood of consumer confusion
 - b. Dilution: Use of domain name dilutes value of trademark

E. Cybersquatting

1. Registered TMs can be registered as domain names by someone other than TM owner
2. Can be registered without being used at all
3. Often, motive for registration of domain name is to sell to TM owner
4. People who registered domain names for eventual sale labeled "cybersquatters"
 - a. Registration of well known names with intent of making money from the sale of

another's trademark.

F. **Anti-Cybersquatting Consumer Protection Act - [15 U.S.C. §1125\(d\)](#)**

1. Amendment to Lanham Act enacted by Congress in November 1999
2. Defines cybersquatting as “registering, trafficking in, or using a domain name with bad-faith intent to profit from the goodwill of a trademark belonging to someone else.”
3. Increased penalties for online trademark infringement
 - a. In addition to transfer or cancellation of domain name, provides for civil remedies from \$1000 to \$100,000
4. **Uniform Dispute Resolution Procedure ([UDRP](#))**
 - a. Trademark owners can use as alternative to litigation
 - b. Domain registrants req'd to submit to mandatory arbitration when 3rd party asserts:
 - (1) Domain name is confusingly similar to a trademark
 - (2) Registrant has no legitimate interest in domain name
 - (3) Domain name registered in bad faith
 - (a) Bad Faith Factors
 - i) Registrant intends to cause diversion of consumers or dilution of trademark
 - ii) Registrant offers to sell name to trademark owner
 - iii) Registrant applied for multiple domain name registrations
5. [Gordon Sumner, p/k/a “Sting” v. Urvan](#)
 - a. Singer had no legal claim to sting domain since not his real name & he never registered it as a trademark
 - b. No bad faith use by Urvan
 - (1) Used for sting computer game web site
 - c. Common word with a variety of meanings
6. [Madonna Ciccone, p/k/a “Madonna” v. Parisi](#)

- a. Parisi registered domain with intent to trade on Madonna's fame & used domain as link to porn site
- b. Rejected defense based on existence of word in dictionary, concluding there was no evidence Parisi intended to use word in its ordinary meaning
- c. Distinguished Sting noting respondent in that case had made bona fide (legitimate) use of the name prior to registering
- d. Respondent had not used domain name prior to registering & purchased for \$20,000
- e. Ruled domain should be transferred to Madonna