

Chapter 13

-- Trademarks --

Trademarks serve a very important function in our society. When someone goes to buy something, particularly something that is purchased regularly, the consumer will want certain characteristics in the product or services to be purchased. The consumer may be particularly interested in the price of the product, the quality of the product, or a combination of the two.

As the consumer gains experience with various products, the consumer will come to know that the products of a particular company or companies provide the combination of characteristics most important to that consumer. Alternatively, the consumer may be convinced by advertising or other recommendations that the products of a particular producer will be optimal. Consequently, the consumer can save time and effort if he or she simply buys the products of that company without having to further consider or reconsider each time which among an array of available products will provide the desired characteristics.

In order for the consumer to do this, the consumer must be able to readily identify the products of the producer that the consumer wishes to try or has come to trust. On the part of the producer, it is very desirable to identify your goods to consumers so that your goods are purchased, when desired, rather than the goods of a competitor.

This is the role that trademarks play. A trademark can be any device that is used to distinguish the goods or services of one producer from another. A trademark allows consumers to quickly and reliably identify the goods or services they have come to trust or that they expect to have the characteristics desired. A trademark allows the producer of goods or services to identify those goods and services to customers and potential customers.

What can serve as a trademark? Any device that can distinguish the goods or services of one producer from those of another can serve as a trademark. Thus, a trademark could be a logo, a word, a phrase, a symbol, a color, a color scheme, sounds or any combination of such elements.

Because of the important role played by trademarks, U.S. trademark law protects those who have rights in a particular trademark. Specifically, the law allows a trademark owner to prevent anyone else from using a “confusingly similar” trademark on the same or related goods or services such that there is a likelihood that consumers will be confused as to the origin of the goods or services.

-- Common Law Trademark Rights --

Rights to a trademark are acquired primarily by using the mark in commerce in connection with a line of goods or services. These rights become stronger as the relevant customer base develops an appreciation that the mark is used as a trademark, i.e., that it distinguishes the goods or services of a particular producer.

Through such usage, the party using the trademark acquires common law rights to the trademark. This means that the trademark owner can prevent others from using a confusingly similar mark in those geographic areas where the trademark owner has already used the original mark and begun establishing a reputation around that mark. Common law trademark rights will not allow the trademark owner to prevent someone from using a similar or identical mark on the same goods or services in a geographic area where the original trademark has not been used.

A trademark in which the owner is claiming common law trademark rights is and should be marked with a superscript TM symbol, i.e., TrademarkTM. If the mark is used in connection with services rather than goods, the symbol becomes “SM” for service mark, i.e., ServicemarkSM. Use of these symbols signals to the public that the device so marked is intended to be used as a trademark and that the user claims trademark rights. This helps develop the connection in the minds of consumers between the mark and a particular producer.

-- Federal Trademark Rights --

In addition to common law trademark rights, a trademark owner or potential owner can apply for a federal trademark registration of that mark. To apply for a federal trademark registration, the trademark claimant prepares an application that shows the trademark and lists the goods or services with which the trademark is used or that the trademark is intended to distinguish.

The application will be examined, similar to a patent application. The trademark examining attorney will look for other known marks, both registered and unregistered, for any mark used on the same or similar goods or services that would be confusingly similar to the applicant’s mark. If no such mark is found, a federal trademark registration will be issued. Once a mark is federally registered, the status is indicated with the circle-R symbol, i.e., Trademark®.

A federal registration allows the owner to prevent another from using a confusingly similar mark anywhere in the country, not just in those areas where the owner has already been using the original mark. Consequently, a federal registration provides much greater protection to a trademark than do common law rights.

If two confusingly similar marks are presented to the trademark office at around the same time, both applicants may be given rights to the mark in respective parts of the

country where they have already used their respective mark or are most likely to do so. The applicant that has been using the mark the longest is favored over the junior user.