

Branding & Trademarks

Trademarks and Service Marks

Trademarks and service marks are names, phrases, symbols, logos, or other indicators that uniquely distinguish the source of a product or service. Although strictly speaking, the term “trademark” refers to a mark that is associated with a product and the term “service mark” refers to a mark associated with a service the two are often collectively referred to as “trademarks.”

Trademark law will vary from country to country and even from state to state. This article focuses on some aspects of US trademark law.

Trademarks have some symbols of their own you should know.

TM refers to an unregistered trademark.

SM refers to an unregistered service mark.

® refers to a federally registered trademark or service mark.



TRADEMARK BASICS

Trademarks are an important part of branding. In this first of a series of articles, the connections will be explored.

When Marketing and Trademark Law Collide

Creative: I'm not festooning my marketing copy with registration symbols! And using the mark as an adjective just sounds weird!

Trademark Attorney: Aacck! Think zipper, escalator, aspirin, dumpster, yo-yo, pilates, pogo stick, granola...

Creative: Somebody get help! I think the trademark attorney's having a fit. And who invited her to the meeting anyway?

Have you lived this conversation? Whether you're a creative or a trademark attorney, there really is common ground. It's all about the brand.

First Came the Brand (Or Was it the Trademark?)

A brand is all about perceptions, experiences, and aspirations – the consumer's perceptions and experiences and a company's aspirations to guide those perceptions and experiences. The trappings of a brand are the words, names, logos, and even colors, that identify goods and services as coming from a particular company. These are the company's trademarks and service marks. Trademarks and service marks (collectively, “trademarks” or “marks”) serve as a kind of emotional shorthand. They connect consumers to the company's vision. They're the promise of quality and service. A company's marks create an expectation that when a consumer purchases the goods or services associated with the marks, she's getting the embodiment of the company's core competencies and the value-add that comes from those competencies.

TRADEMARK BASICS

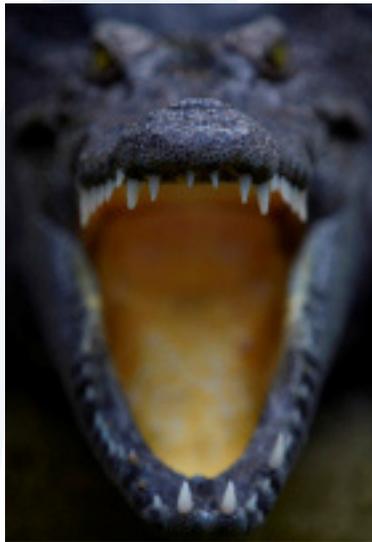
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Brand recognition comes from innovation, from marketing and public relations, and from careful use of a company's trademarks. Branding and trademark rights share the same three watch words: repetition, consistency, and continuous use. This is because branding and trademark law share the same focus: the associations created in the mind of a consumer.

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- Repetition
 - Consistency
 - Continuous Use



Trademark Rights: Branding With Teeth

Trademark law comes in when a company tries to protect its brand by keeping others from using the same, or a confusingly similar trademark. The company that uses a mark first has certain rights.

For example, first use in commerce generally means the exclusive right to use the mark, at least in the geographic area where the company operates, and on the goods or with the services associated with the mark.

A company can prevent a third party from using the mark or a confusingly similar one through legal remedies. Remedies include money for damages or lost profits and/or an injunction, a legal order to stop the third party's use.

If a court finds no likelihood of confusion - the marks just aren't that similar and/or the goods/services are just too different - both parties may get to use the mark, regardless of who was first. At heart, trademark law is about protecting consumers.

US Federal Registrations: Why You Want That ®

If you use a mark in commerce, you have trademark rights whether you have a federal registration or not. But there are some advantages to a federal registration.

Some big ones:

- ✎ There's the legal presumption you own the mark.
- ✎ You can reserve the rights to a mark before you start using it, so long as you genuinely intend to use the mark in commerce (and eventually you do have to show use).
- ✎ The filing date of your trademark application can be used to show a date of first use.
- ✎ You get the exclusive right to use the mark on or in connection with the goods or services described in the registration.
- ✎ You get nationwide ownership rights versus rights just in the geographic area where you're doing business.

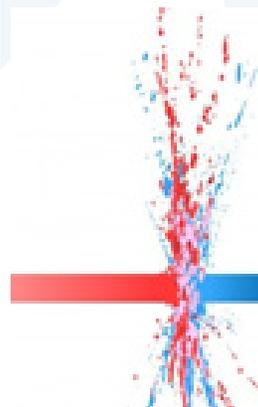
Not All Marks Have the Same Bite



Generic marks, or common words, can't get trademark protection because they're used in everyday language and so can't identify a source of goods or services. So you won't have trademark rights if you name your soap product, SOAP.

Descriptive marks immediately convey the nature of the goods or services. For example, take PERFUMED SOAP as a mark for a perfumed soap product. You may eventually gain trademark protection for descriptive marks if you can show the public has made a strong association between the mark and your company's product or service. After 5 years of continuous use, there's a presumption in the U.S. that you've created such an association.

Brand Values



Do your employees understand your brand values?

Internal messaging is as important as external messaging.

Your customers experience your company and your brand through the people who work for you.

TRADEMARK BASICS

Suggestive marks, in contrast, require a leap of imagination to connect to a company's product or service. These are protectable upon use in commerce. But beware, one person's leap of imagination is another person's descriptive mark. There's not always a bright line between them. ORANGE CRUSH is an example of a suggestive mark.

Arbitrary and fanciful marks are the strongest marks. Arbitrary marks may stand for something, but you'd ordinarily never connect them to the products or services they're marking. For example, there's the APPLE mark for computers made by Apple. Fanciful marks are completely made-up. XEROX is an example of a fanciful mark.

How to Murder a Trademark



There's a catch to having trademark rights: marks have to be used properly. Improper trademark use may make it impossible to prevent another company from using your mark or a confusingly similar mark even on identical goods and even on your home turf. That's why our poor trademark attorney in the dialogue was having conniptions. That litany of words we all use in our everyday language? They used to be trademarks in the US.

There was no flashing light, no signal that sounded, when the marks became generic. The companies owning them went to court to try to stop competitors from using the marks and found they could not. The courts held that the marks had become words used in everyday language and therefore no longer protectable under trademark law. How did this happen? words, they no longer functioned as brands. Genericide, or perhaps more accurately, trademark-icide, occurred.

A Tale of A Spinning Toy: How Yo-Yo Became Generic



A Federal Court used Duncan Toy Company's own ads to find the mark "yo-yo" generic. The company's ads had proclaimed, "If It Isn't a Duncan, It Isn't a Yo-Yo."

Because the mark's primary significance to consumer's was to answer the question - What is it? - rather than to identify the source of the product, the Court found the mark generic and unprotectable. *Donald F. Duncan, Inc. v. Royal Tops Mfg. Co.*, 343 F.2d 655, 664-65.

Keeping Your Trademarks Healthy

It's important to use trademarks properly to obtain and maintain rights and federal registrations. Proper use preserves the ability of a mark to serve as a source identifier. When the mark fails to perform this essential function, it's lost its value.

There are things you can do to keep your marks healthy.

Trademark Do's

Do let people know your mark is a trademark by using the appropriate symbol. An ® indicates a federal registration; a TM indicates common law rights in a trademark, while an SM indicates common law rights in a service mark. Use the ® symbol correctly - it's fraud in the U.S. to use the symbol with a mark that's not actually registered.

Think all the superscripted trademark symbols look odd and distracting in copy? The symbol alerts people that you have rights. So the symbol should appear at least in the headline or banner when the mark is used there and in first or most prominent appearance of the mark on each page of copy. If design considerations prevent you from using the symbol in a headline or banner, use it at least where the mark appears first or most prominently on the page. Why? Because notices need to be seen.

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Do use typography to create a distinct commercial impression for your mark. Use capitalization, bold fonts, or italics to make the mark stand out.

Alert the public that you have rights to the mark and that it's a symbol of your brand, not just a word for your product or service.

Do use the mark as an adjective, followed by the generic or common term for the product or service. Don't use it as a noun, possessive noun, plural, or verb.

This is where most folks slip, usually because the generic term is more than one word, a complicated term (e.g., a chemical name for a drug), or just ugly sounding. But using generic terms along with a trademark reinforces consumer perception that the mark stands for a brand and not for a product or service. Have a one-of-a-kind product or service? Make up a common word or generic term and educate consumers to use the word as part of your ad campaign. Don't be a victim of your own success!

Do associate your marks with your goods and services. Taglines are not automatically trademarks.

Not all product and service nicknames or slogans are trademarks. Just displaying a nickname or slogan on your Web site may not be enough to demonstrate use in commerce, which the law requires in exchange for trademark rights. Ads should clearly show that a mark is associated with particular services being sold. Package products in containers that clearly show the mark. Include the mark on labels and point-of-sale

Do license carefully and keep track of your licensees. Exercise control over how your marks are used by

licensees. Make sure they follow your trademark guidelines.

Do use your marks continuously. Lack of use may lead to an argument that you've abandoned your trademark (another way to kill a trademark). A specified number of years of continuous non-use in some countries may make a trademark registration vulnerable to cancellation proceedings. In the U.S., three years of continuous non-use may be taken as evidence of abandonment.

Do enforce your trademarks. It's all part of reinforcing the associations between your company and your trademarks, and protecting your hard-earned rights.

Do periodically audit your trademarks. Identify the marks you're using. Confirm that they're being used correctly and consider whether registration is appropriate. Are registered marks being used for goods or services described in the registration? Should additional registrations be filed? You should consider enlisting a trademark attorney for a thorough audit.



The bottom line in all of this? Use your trademarks in a way that fits your branding strategy and creates an association with your company. Then your branding really will have teeth.

-----by Dianne Rees, JD, PhD

This information is not a substitute for professional legal advice and competent counsel. Legal issues are extremely dependent on the facts surrounding them, and legal approaches vary with country, state and local regulations. Please consult with legal counsel if you have any questions or concerns. Do not use this information as a substitute for legal advice.



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