

## **TRADEMARK BASICS**

### **What Is a Mark?**

Marks indicate the source of a product or service, typically the person or company that produced, sponsored or endorsed the product or service. Almost anything may serve as a mark, provided that it performs this function. A mark may be comprised of a word or words (XEROX®); letters (KFC®); designs (the Nike swoosh, the University of Louisville cardinal head); shapes of containers or other trade dress (the Coke® bottle shape); or even a color (pink home insulation) or sound (NBC chimes). Marks may be divided into various categories, such as trademarks for use with goods, service marks for use with services, and certification marks for certifying that goods are made by members of a particular union or trade association or that they come from a particular region. However, the term "trademark" is commonly used to refer to any type of mark.

### **What trademark law protects**

A primary goal of trademark law is to avoid consumer confusion. Trademark law protects both consumers and sellers by avoiding situations where the marks of two sellers are so similar that a consumer familiar with one mark might believe that products sold under the other mark are produced by or associated with the owner of the first mark. Trademark protection helps to ensure that a consumer making a purchase is not deceived as to the source of the products. This protects consumers, who get what they think they are getting, and protects sellers from competitors who might unfairly sell products using a mark that is likely to be confused with an earlier mark.

### **Acquisition of trademark rights**

Trademark rights arise from use of the mark in commerce. To obtain rights to a mark, one must normally sell products or offer them for sale in association with the mark. A prior user of a mark will enjoy protection against later users of confusingly similar marks. Protection for the mark is normally available only in those geographic areas where the mark is in use or in the normal zone of expansion from those areas. On the other hand, a federal trademark registration protects the mark throughout the entire U.S., regardless of where the mark has been or is currently being used.

### **Enforcement of trademark rights**

The concept of likelihood of confusion is central to trademark law, because an earlier user of a mark may prevent another's later use of an identical or similar mark if that use is likely to cause confusion. A court will examine a variety of factors to determine whether the later mark is likely to cause confusion. Among these factors are the similarity of the marks, the similarity of the products, the similarity of the customers and marketing channels, the intent of the junior user in choosing its mark, and whether there is evidence of actual consumer confusion. If a likelihood of confusion is found, the senior user may normally obtain an injunction against further use of the later mark and may recover any damages it has suffered, including the defendant's profits, treble damages, attorneys fees and costs.

## **Dilution of famous marks**

Trademark law ordinarily prevents people from using a mark so similar to an existing mark as to be likely to cause confusion among customers. Additionally, many state statutes and the Federal Trademark Dilution Act prevent the use of marks which are so similar as to lessen the distinctiveness of famous marks. These laws deviate from the main aim of trademark law to protect the consumer from confusion, in that they protect owners of famous marks.

## **Registration of trademarks**

Federal law, as well as the law of most states, allow trademarks to be registered. Once an application is filed, the U.S. Patent and Trademark Office will search its records to determine whether there are apparently conflicting registered marks. If not, and if registration is not refused on some other ground (such as descriptiveness), the mark will be published for opposition. This affords others an opportunity to oppose registration of the mark and argue why the applicant's mark should not be registered. The typical basis for opposition is that the applicant's mark is likely to cause confusion with the opposer's mark. State law registration is normally a more routine process.

## **Benefits of registration**

Significant benefits arise from ownership of a federal registration. The owner of a registered mark will enjoy protection against confusingly similar junior marks throughout the country (rather than just in the owner's trading area), as well as presumptions that the mark is valid and that the owner of the registration owns the mark. The federal registration provisions also allow an applicant to reserve a mark that it is not currently using when the applicant has a bona fide intent to use the mark. These "intent to use" provisions allow a business to get an early indication of whether it will encounter significant resistance to use of a mark. This can be particularly useful where it intends to devote substantial resources to marketing products under the mark. Registration on the federal supplemental register and state registrations provide much more limited benefits.