

# TRADEMARK BASICS

## What Lawyers Need to Know to Protect Clients in an Internet Age

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### I. What is a Trademark?

#### A. An indication of origin of goods or services, quality assurance, valuable goodwill.

A trademark is a form of intellectual property that serves as an indication to the consumer of the origin of goods or services. Goods or services sold under the same trademark are assumed to come from the same source – a source the consumer is familiar with, even if not known by name. A trademark is an indication that the consumer can expect a certain level of consistent quality, whether high (*e.g.*, TIFFANY for jewelry) or not so high (*e.g.*, FADED GLORY for clothing).

A trademark's value lies in the goodwill inherent in the trademark. A mark is valuable if consumers purchase the goods or services sold under it because of the trademark.

The term “service mark” (note that it is two words) means a mark used for services as opposed to goods. The term “trademark” can be used in two senses, depending on the context. Trademark can be an inclusive term for both service marks and marks for goods. Or it can be a term used specifically for marks for tangible products.

In the United States and common law countries, legal rights in trademarks come from use of the mark in commerce. Federal registration of trademarks is beneficial and desirable for reasons discussed below, but

registration is not a prerequisite to being able to assert or enforce legal rights in a trademark that one has actually used. (This is in contrast to a copyright, which must be registered before it can be enforced.) In some jurisdictions, not the United States, trademark rights come from being the first to register. Use is not required.

B. A trademark can be a word or phrase, design (logo), sound, color, smell, three-dimensional.

Many things can serve as trademarks. The most usual are words that identify the brand of the goods or services. However a slogan – a phrase used in connection with advertising or promoting the goods, for example THE PAUSE THAT REFRESHES for cola – can also be protected as a trademark. Designs or logos associated with goods or services can also be trademarks, whether or not they contain any literal elements. However, purely ornamental design elements can only rarely serve as trademarks. Sounds can serve as trademarks, for example the three-note chime for NBC. Smells, fragrances or odors can also, in some circumstances be trademarks, and can even be registered in the United States. Trademarks can also be three-dimensional or have moving elements.

A color alone can serve as a trademark, although examples are rare. It can only occur where the color of the good, itself, indicates the origin of the good to the consumer. An example might be the drug NEXIUM, which has been heavily promoted as the “purple pill” for heart burn.

C. Trade dress

Trade dress refers to the distinctive appearance of a product and its packaging, other than trademarks used for the product. Color combinations, ornamental packaging designs or container shapes, for example, can be protectable elements of trade dress. It is important to note, however, that elements that are functional cannot serve as protectable trade dress. An element is functional if it makes the product better or more useful in some way than a similar product without that

element. Thus, if competitors need to use a particular element to make a product that performs comparably, that element cannot be protected as trade dress.

Trade dress can also be associated with services. For example, in *Two Pesos, Inc v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992), the Supreme Court held that the distinctive look of a company's chain of Mexican restaurants could be protected as trade dress so that another company could not copy that look for its restaurants.

D. Trademarks are not the same as trade names or company names

The name of a business entity or a trade name or "d/b/a" under which a company does business is not a trademark and is not protectable as a trademark even where the company's trademark appears as part of the company name. For example, Acme Widget, Inc. is a company name, Acme Widget may be a trade name that company uses, but ACME is the company's trademark for widgets.

To have rights in a trademark, a business must make "trademark" use of the trademark. This means use in some distinctive manner so that the mark stands out in some fashion as the "brand name" of the good or service sold under the mark. Thus, a tag simply stating, "This mattress is a product of the Nightingale Mattress Company" would not constitute trademark use of "Nightingale." However, a tag stating, "This is a **NIGHTINGALE** mattress from the Nightingale Mattress Company" does make trademark use of "Nightingale." Different size, different type style or something else that makes the trademark stand out as different or distinctive are the hallmarks of trademark use. It is important to make sure that your clients do make *bona fide* trademark use of trademarks that they want to protect. This is particularly important for service businesses that may not be thinking in terms of branding or brand identity.

#### E. A trademark is not a copyright or a patent

Each of the three major species of intellectual property – patents, copyrights and trademarks – have distinctive attributes and play different roles. Clients often do not appreciate these differences and do not know what type of protection they need or could obtain. Thus, a client who says, “I want to patent this” may really need trademark or copyright protection.

A patent gives the owner of an invention that is useful, novel and non-obvious a right to exclude others from making, using or selling, the invention or products made using it for a finite period of time, typically 20 years. A copyright gives the author of a work fixed in a tangible medium a bundle of exclusive rights in the work, which may generally be characterized as the exclusive right to exploit the work, for a longer term of years, the author’s life plus 70 years for individual authors and a long, fixed period for juristic person authors.

A trademark is not the same type of property right. Although a trademark gives the owner the exclusive right to sell the same, or related, goods or services under the mark, trademark rights are as much intended to protect consumers as trademark owners. One major purpose of trademark law is to protect consumers from purchasing goods or services in the mistaken belief that they come from the source they know and trust, indicated by the trademark. Other distinctions and similarities to appreciate include:

- Although patents and copyrights provide finite protection, a trademark can last as long as it is used for the specified goods or services. Although United States trademark registrations must be renewed every ten years, there is no limit to the number of renewals as long as continued use can be documented;
- A patent requires full disclosure of the invention sufficient to enable one skilled in the relevant area to practice the invention. A trademark, however, does not require the owner to disclose

the formula for making the goods, which may remain a trade secret;

- A copyright only protects the author's particular expression of an idea. It does not prevent another author from conveying the idea using different expression. A trademark is similar in that it does not protect the owner against the sale of competing goods, it only protects against the sale of those goods under the trademark.

## II. How are trademarks protected?

As noted above, trademarks are entitled to protection by virtue of use, not registration. Nevertheless, the best way to protect a client's trademark in the United States is through a federal trademark registration under the Trademark Act of 1946, also known as the Lanham Act, 15 U.S.C. §§ 1051 *et seq.* A copy of the Lanham Act is included as Exhibit 1.

### A. Federal registration

A federal registration is obtained by filing and prosecuting a trademark registration application with the United States Patent and Trademark Office. The process, described in more detail below, takes approximately 12 to 15 months and, if successful, culminates in the issuance of a trademark registration certificate. Some examples of registration certificates for various types of trademarks are collected in Exhibit 2.

The process of making a trademark registration application may involve filling out a form, but the success or failure of the effort can depend on the experience, skill and knowledge of the one filling out the form. In all but the simplest cases legal knowledge, experience and skill can significantly enhance the chances for successful registration, the scope of the trademark protection obtained, and hence the value of the registration. Accordingly, clients are best advised to have an experienced trademark practitioner represent them in connection with the application. LegalZoom and other web-based services are simply no substitute.

The statutory benefits of obtaining a federal trademark registration include:

- *Prima facie* evidence of the validity of the mark and the registration;
- *Prima facie* evidence of ownership of the mark;
- The exclusive right to use the mark throughout the United States for the specified goods or services;
- *Prima facie* evidence of continuous use of the mark;
- Constructive notice of ownership and use;
- “Incontestability” of the mark after 5 years continuous use.

Obtaining a federal trademark registration also has tangible, non-statutory benefits. These include:

- Less likelihood that a third party will infringe the mark or adopt it in a different area of the country;
- The trademark is taken more seriously by the courts. Although trademark rights come from use, not registration, judges and juries tend to be more impressed with a federally registered trademark and accord it more protection than an unregistered, but protectable, mark.

Certain things may not be federally registered as trademarks (although, in theory, they may be able to serve as trademarks). These include (a) a mark that is primarily merely a surname (*e.g.*, JONES’ RESTAURANT for restaurant services), unless the mark has acquired distinctiveness as a trademark through use (*e.g.*, SMUCKER’S for jam) Lanham Act § 2(e)(4), (f), 15 U.S.C. § 1152(e)(4), (f), (b) the flag or coat of arms of any nation, state or municipality, Lanham Act § 2(b), 15 U.S.C. § 1152(b), (c) immoral, deceptive or scandalous matter, Lanham Act § 2(a), 15 U.S.C. § 1152(a), and (d) the name, portrait or signature of a deceased President or his widow (or presumably her widower) without the spouse’s consent, Lanham Act § 2(c), 15 U.S.C. § 1152(c).

Where a client's trademark has a distinctive typeface or is associated with a particular logo, the best practice is to register the mark two ways – as a “word mark” in block capital letters, and as a “special form drawing” showing the mark or logo as it actually appears on goods or in connection with services. The first protects the wording of the mark in any form. The second protects the design elements of the mark or logo.

#### B. State registration

State trademark registrations are available in New York and in most, if not all, of the other 49 states. However, because federal registration is so much more valuable and desirable than state registration, state registrations are little used and rarely necessary or indicated. The only exception is for a mark that is used purely locally, *i.e.*, the goods or services, or those promoting them, never cross state lines. Such a mark could not qualify for federal registration because use in interstate or international commerce is required. In the Internet age, purely local use of a mark is rare, but such a mark would be a candidate for state registration.

There is no substantial value in obtaining a state registration in addition to a federal registration.

#### C. Common law

Unregistered trademarks are entitled to protection under both federal and state law. Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), provides a federal cause of action for infringement of an unregistered trademark used in interstate or foreign commerce. State unfair competition law also provides a basis on which to sue for infringement. Nevertheless, the benefits of federal registration make it far and away the better alternative for your clients.

#### D. International protection

Under the prevailing internationally recognized principle known as “territoriality,” trademark rights typically exist in each country only within the borders of that country and only to the extent protected by that

country's trademark law. For this reason, with some exceptions created by international agreements, such as the Community Trademark covering the entire European Union and the Andean Pact covering member Latin American nations, trademark owners must protect their marks in each country where they need protection, usually by registration there. Territoriality is a basic principle of U.S. trademark law, *e.g.*, *Buti v. Impresa Perosa, S.R.L.*, 139 F.3d 98, 103 (2d Cir. 1998); *Person's Co. v. Christman*, 900 F.2d 1565, 1568-69 (Fed. Cir. 1990), as well as the trademark law of most nations. Under the territoriality principle, use of a mark outside a country does not give the user any rights to use the mark, or to stop others from using it, in that country. This is true even where the user in that country is acting in arguable "bad faith" by not only using the mark but also adopting trade dress and other elements used by the foreign user in an attempt to create the impression that the user is associated with the foreign trademark owner.

Under the territoriality principle, a trademark has a separate legal existence under each country's laws, and its proper lawful function is not necessarily to specify the origin of a good or service, but rather to symbolize the domestic goodwill of the domestic trademark owner so that the consuming public may rely with an expectation of consistency on the domestic reputation earned for the mark by its owner, and the trademark owner may be confident that his goodwill and reputation will not be injured through use of the mark by others in domestic commerce. *Osawa & Co. v. B & H Photo*, 589 F. Supp. 1163, 1171-72 (S.D.N.Y. 1984).

A comprehensive discussion of international trademark protection is outside the scope of this program. However, in general, a client should seek protection in foreign jurisdictions where it is currently doing business, and in jurisdictions to which it anticipates expanding in the foreseeable future. News of good trademarks travels fast and clients do not want to find when they seek to expand to a new country that someone

else has registered their trademark ahead of them in anticipation of reaping a profit from the client's purchase of it.

There are three primary methods of obtaining protection for your clients' trademarks in foreign jurisdictions:

- Individual registrations in the foreign countries of interest obtained through counsel in those jurisdictions;
- Various registrations that grant rights in a group of countries, typically obtained through foreign counsel. These include:
  - A "CTM" or Community Trademark registration – one registration that covers the entire EU;
  - Several groups of African nations that offer registrations covering the entire group;
  - A Benelux registration covering Belgium, The Netherlands and Luxembourg (indeed, these three countries no longer offer separate country registrations);
- An "International" registration under which protection can be obtained in certain countries that have ratified an international treaty known as the Madrid Protocol. This international registration system is administered by the World Intellectual Property Organization in Switzerland. It does not offer U.S. trademark owners protection in Canada, Mexico or Latin America and offers only limited coverage in Asia. The International application is made through the US Patent & Trademark Office by US counsel. Local foreign counsel is necessary only if there is a problem in a particular country.

Each of these choices has pros and cons and there is no clear cut preferred alternative. The best way to proceed has to be determined in each instance by an experienced, knowledgeable trademark practitioner.

### III. Selecting and Clearing a New Trademark

Clients often come to their lawyers with ideas for, or decisions concerning, trademarks for new products or services. A lawyer can be of significant assistance to a client, and should be involved, in evaluating the suitability and effectiveness of a proposed mark and determining whether the mark is available in the United States for the specified products or services. The former process helps insure that the mark will be as strong, distinctive and protectable as possible, and thus capable of becoming a valuable trademark. Too often the trademarks that clients, or consultants they hire, propose are simply not good choices from a trademark protection standpoint. The latter process, called “clearing” the mark helps make sure that the client’s choice will not infringe someone else’s existing trademark rights, and that the client will not invest time, effort and money in building goodwill for a mark that may have to be changed.

#### A. Preliminary search

The clearance process typically begins with a preliminary screening search of federally registered trademarks and pending trademark applications to rule out a potential mark that is already federally registered or applied for for the same or similar goods or services. The search can be made on the Patent and Trademark Office’s website at [www.uspto.gov](http://www.uspto.gov). If the mark, or a very similar mark, for the same goods, or related or similar goods, comes up on the preliminary search, then a new selection should be made. If the proposed mark clears the preliminary search, the clearance process then proceeds to the next step. A preliminary search alone is never sufficient.

#### B. Obtaining a full availability search report

The second step in the clearance process is obtaining a search report known as a “full US availability search report.” The report is most efficiently obtained from a search firm that specializes in trademark and intellectual property searches. The turnaround time is typically three to

four days. However, the report can be obtained faster, if necessary, for additional cost.

In addition to federal registrations and pending applications, the search report will also show state registrations, common law usage (such as business names, press article usage, and other unregistered usage) and Internet usage, including similar registered Internet domain names. All of this information is important because, as noted above, trademark rights come from usage and unregistered users may have rights that could be infringed.

C. Factors that make a trademark “available” or “unavailable” and assessment of risk

Full search reports are typically 100 to 300 pages and they do not answer the question whether the mark is “available” or “unavailable.” They merely provide information. They need to be carefully read and evaluated to make a judgment as to whether the mark is “available.” Sometimes further follow up through a trademark investigator is necessary to determine whether a mark that shows up on the report is actually being used.

Many factors go into evaluating “availability.” A full description is beyond the scope of the program, however, the lawyer needs to consider both whether there are other marks in use that are the same or similar in sound, appearance or connotation to the client’s proposed mark, and whether the goods or services associated with them are the same or closely related to the client’s goods or services. Sometimes there is no definitive answer and the client can only be advised of the potential obstacles to use or registration, and the level of potential risk. Clients sometimes receive a formal opinion of counsel concerning availability of a trademark. Sometimes a client is better advised not to seek a formal opinion or does not want to pay the additional fees it would require. In such a case, the lawyer should nevertheless carefully record the advice given to the client.

D. Availability as a company name is not sufficient

It is very important to understand that availability of a company name in a particular jurisdiction or jurisdictions, based on a search in the Secretary of State's office, is not sufficient to establish that the distinctive element of the company name is available for use as a trademark. Accordingly, that the name Nightingale Mattress Corp. may be available in New York or Delaware does not mean that the trademark NIGHTINGALE is available for mattress. Similarly, registering or obtaining a company name in a jurisdiction is not the same as registering a trademark. A client may insist that it has the right to use NIGHTINGALE as a trademark because it "owns" the name "Nightingale Mattress Corp." but that notion is flat-out wrong.

E. Assessing the potential strength of a new trademark

In addition to clearing a proposed trademark, counsel should advise the client on the general strength and desirability of the mark from a trademark law standpoint. Whether the mark will sell the product is up to the client. However, whether the mark will be distinctive and protectable is something counsel should advise on. Many clients, however, choose to ignore the advice because they are wedded to their choice of a weak mark.

The strength and distinctiveness of a trademark is evaluated on a sliding scale, but there are four general categories, representing fixed points along the scale. See *Two Pesos, Inc v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992); *Abercrombie & Fitch v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976)

1. Arbitrary/Fanciful

Arbitrary or fanciful marks are the strongest, most distinctive, and hence most protectable types of trademarks. An arbitrary or fanciful mark has absolutely nothing to do with the goods or services. A coined word, such as KODAK for film, is the strongest type of trademark because it is absolutely fanciful. An actual word or words having no association with

the goods or services is also considered strong. BAZOOKA for bubble gum, or BUTTERFLY for picture frames would be good examples.

## 2. Suggestive

Suggestive marks are also strong, but are a notch below arbitrary/fanciful marks in strength and predictability. A suggestive mark has some relation to the goods or services, but it takes a measure of thought and perception to discern the connection. *See Stix Prods., Inc. v. United Merchs. & Mfgs., Inc.*, 295 F. Supp. 479 (S.D.N.Y., 1968). BEAUTYREST for mattresses or PASSION for perfume (*see Taylor*) are useful examples of suggestive marks. NIGHTINGALE for mattresses would probably fall between arbitrary and suggestive on the scale. On the one hand it could be arbitrary because the bird has nothing to do with a mattress. On the other hand, the mark does suggest night (when you use a mattress) and nightingales are often associated with the evening and bedtime.

## 3. Descriptive

Descriptive marks directly describe an attribute, ingredient or quality of the good or service. They are weak marks and are not entitled to trademark protection unless the user can establish "secondary meaning" which is a legal concept that requires that consumers associate the trademark with the company that originates the goods or services, whether or not they know the name. STRONGHOLD for nails could give rise to endless debate as to whether it is suggestive or descriptive. QUICK BURGER for fast food hamburgers or NORFOLK MARKET for a farmers market located in Norfolk, Connecticut are examples of descriptive marks. Clients should be encouraged to select stronger marks that are at least suggestive.

## 4. Generic

Generic marks simply represent a form of the common name for the good or service. They are never entitled to trademark protection. ZIPPER

for a fly closing device on pants or FLOWER POT for a planter for potted plants are examples of generic marks. Note, however, that a generic word for a good may still serve as a strong trademark for a good to which it bears no relation. For example, TOY SOLDIER would be generic, and unprotectable, as a mark for military action figures, but could be a trademark for apparel.

It is particularly important to advise a client to avoid adopting a generic mark when the client is introducing a new or revolutionary type of product. If the brand name becomes the generic name of the good in the public's perception, any trademark rights will be lost. Examples of trademark rights lost by being allowed to become generic include ESCALATOR for moving staircases and ASPIRIN for a headache remedy. Both were originally proprietary trademarks. XEROX is quasi-generic. The Xerox Corporation works very hard to promote the idea that a "photocopy" is a generic term and a XEROX is a brand of photocopy from the Xerox Corporation. Clients need to be counseled against using their marks, or allowing others to use their marks, as generic terms.

The "doctrine of foreign equivalents" also comes into play here. In general, that doctrine provides that a foreign language word with the same meaning as an English language trademark is confusingly similar to that trademark and, hence, not available. In the context of generic marks, it means that a generic term for the good or service in a foreign language is as unprotectable as the English word for the good or service.

##### 5. Third party usage

Usage by third parties of the same, or similar, marks for the same or similar goods has a decided weakening effect on a trademark. Even if the mark is protectable in theory, the scope of protection will be narrow. Competitors will be permitted to use highly similar and potentially confusing marks. If there are a lot of similar third party marks in use, your client should be counseled to select a more distinctive trademark. On the other hand, third party use of the mark for goods or services unrelated to

the client's goods does not have a weakening effect, although there is some effect on the mark's distinctiveness.

#### IV. The Federal Registration Process

A basic understanding of the federal trademark registration process is important. The process takes typically 12-15 months from filing of application to issuance of registration, assuming a "smooth trip" with no problems being raised by the trademark examiner and no opposition by a member of the public.

It is not necessary for a client to wait until a registration is obtained before commencing use of a trademark. Indeed it is not even possible. Use must be shown before a registration may even be issued. The client should apply for the mark as soon as it has been selected and should commence use of it as soon it is able. The registration process will independently take its course.

##### A. Intent-to-use vs. use-based applications

Federal trademark registration applications may be filed before use of a mark begins, although (for United States marks) a registration may not be issued until proof of actual use in interstate commerce is shown.

Where a client plans to commence use in the future, but has not yet done so, a trademark application may be filed based on "intent-to-use" the mark. Lanham Act § 1(b), 15 U.S.C. § 1051(b). At some point before the registration is issued, proof of actual use of the mark must be submitted. However, through filing of an "intent-to-use" based application, a client may secure potential trademark rights in a mark for more than three years before actual use commences. As long as a registration ultimately issues, the client's nationwide priority in the trademark will date from the filing date of the application.

Alternatively, if use of a mark has already commenced, a trademark application may be filed based on actual use under § 1(a) of the Lanham Act, 15 U.S.C § 1051(a). This procedure saves the extra step of filing a

separate allegation of use or amendment to allege use, and the extra \$100 filing fee associated with it.

## B. Examination

In the ordinary course of events, a trademark registration application will languish in the Patent & Trademark Office for about four or five months before being assigned to an examiner who will examine the application. If the application is found to be entirely in proper form, the examiner will pass the application to “publication,” and it will be published for opposition as described below. If the examiner has issues to raise with the application, an “office action” will be issued, as described below, and an adequate response will be required before the application can proceed.

Depending on what issues the examiner raises, the response to an office action can be anything from a telephone call to clear up something simple, for example a requirement to revise the description of the goods or services in the application, to filing the equivalent of a litigation brief, for example to respond to a refusal to register based on confusing similarity to an existing registration. If an extensive response to an office action is necessary, the cost of prosecuting the trademark application may escalate significantly. If so, the client always has the option of abandoning the application by not responding to the office action.

Some applications may require several rounds of office actions and responses. At the end of the process, the examiner will either be satisfied that all matters have been resolved, or will conclude that something cannot be resolved and issue a final refusal to register. If the former, the application will be “passed to publication” (see below). If the latter, the applicant may ask for reconsideration (usually futile), or appeal to the Trademark Trial and Appeal Board (“TTAB”), an administrative body that hears appeals from decisions of trademark examiners, among other things.

### C. Publication

Once passed to publication, an application is published in the Patent and Trademark Office's "Gazette," which comes out each Tuesday. Publication triggers a thirty-day period during which any member of the public may object to registration of the mark by filing an Opposition to registration before the TTAB. It is also possible to seek an extension of time to oppose registration rather than file immediately.

If an opposition is filed, it may be possible to resolve the matter with the Opposer through some sort of settlement. If not, the opposition process becomes essentially a litigation, with discovery, depositions and a trial (not live, but on papers), and can become quite expensive.

### D. Allowance (for intent-to-use applications) and statement of use

Assuming no opposition or extension of time to oppose is filed within the thirty-day period, an intent-to-use application (for which proof of actual use has not yet been filed) is issued a Notice of Allowance. This triggers a six-month period in which the applicant must file proof of actual use, known as a Statement of Use, or seek a further six-month extension of time to file a Statement of Use. An applicant may obtain up to five six-month extensions of time to file a Statement of Use, thus preserving rights in the trademark for up to three years. Once actual use in commerce is demonstrated in a statement of use, the registration is issued within several months. Although proof of use is required for only one type of good or service in each class, it is very important to be sure that the client is actually using the mark on all goods or services for which registration is sought before filing proof of use (or to delete goods or services that the client has decided not to pursue from the application). Failure to do so can leave the registration vulnerable to a later claim of fraud on the Trademark Office, which, if successful, will lead to cancellation of the registration. *Medinol Ltd. v. Neuro Vasx, Inc.*, 67 U.S.P.Q.2d 1205 (T.T.A.B. 2003).

#### E. Registration

After publication without opposition (or after filing of a Statement of Use for intent-to-use applications), the actual trademark registration certificate is issued.

#### F. Maintenance of registration and renewal

The term of a trademark registration is ten years. However, between the fifth and sixth anniversary of the registration date, a trademark owner must file an affidavit of continued use pursuant to § 8 of the Lanham Act, 15 U.S.C. § 1058, to keep the registration in force. The purpose of this requirement is to prune dead wood (marks no longer being used) from the trademark register. At the same time the § 8 affidavit is filed, if the trademark owner's use of the mark has been continuous for five years, an affidavit of incontestability may also be filed pursuant to § 15 of the Lanham Act, 15 U.S.C. § 1065. This will make the trademark registration "incontestable," which does not mean that it is literally incontestable. It means that the grounds on which the registration may be challenged are considerably narrowed.

Between the ninth and tenth anniversary of registration, an application for renewal, including proof of current use, must be filed. The trademark registration may be renewed every ten years thereafter an unlimited number of times, so long as use of the mark continues. Lanham Act § 15, 15 U.S.C. § 1059.

#### V. Proper use of ®, TM and SM symbols.

Attorneys need to understand the meaning and proper use of the symbols ®, <sup>TM</sup> and <sup>SM</sup>. The ® symbol may *only* be used with a federally registered trademark, and may not be used until the registration is actually issued, even though an application is pending. Once registration is issued, it is important to use the ® symbol with a trademark to give notice that it is registered. Failure to use the ® will limit the damages available in

infringement litigation unless the defendant had actual notice that the trademark was registered. Lanham Act § 29, 15 U.S.C. § 1111.

The <sup>TM</sup> and <sup>SM</sup> symbols are not statutorily regulated. They are used as a self-declared indication that the user claims trademark or service mark rights in whatever words or logos the symbols are used with. They may be used before or during the application process at the trademark owner's discretion. Use of these symbols does not confer any trademark rights. They merely indicate that the user *claims* trademark rights. Indeed, these symbols are often used for words or phrases that the user would have little hope of protecting as trademarks, usually because they are descriptive.

There is a lot of confusion concerning how often the ®, <sup>TM</sup> or <sup>SM</sup> symbols must be used. Clients often resist using them each and every time the trademark appears because they believe it interferes with the appearance of their marks or sales materials. In fact, it is not necessary to use the symbols with the trademark invariably. The purpose of the symbols is to give notice of trademark rights and it is sufficient if they are used often enough to perform this notice function. How often that is will, of course, vary from case to case based on the mark and the nature of the usage.

## VI. Infringement of a trademark

A trademark is infringed when another user uses a mark that is sufficiently similar to a given mark for goods or services that are sufficiently similar to the given mark's goods or services, so that the use of the mark for the goods or services is likely to cause a substantial number of consumers to be confused concerning whether or not the goods or services come from a common source. Obviously, there is no bright line test by which counsel can determine whether there is infringement in a given situation. It is heavily dependant on an evaluation of many relevant facts and circumstances.

Courts (and hence lawyers trying to advise clients on what courts would do) determine whether there is infringement by evaluating a set of non-