

## Brand Protection and Trademark Law Basics

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Practically every business has a brand—a name, a logo, or some other mark used to identify its products or services. Such marks include trademarks (for goods) and service marks (for services), as well as collective marks and certification marks. Throughout this article, the terms “trademark” and “mark” are used to refer to both trademarks and service marks. (The details pertaining to other types of marks are beyond the scope of this article.)

### PURPOSE OF TRADEMARKS

Trademarks are protected by the law in order to provide the public with a means of identifying the source of a product or service. Trademarks allow businesses to develop brand reputation and public goodwill in connection with the associated goods or services, and consumers rely upon trademarks and the reputation of the products sold under those marks to inform their buying decisions. As a result, trademarks are often among the most valuable and important assets owned by a business.

### WHAT IS A TRADEMARK?

A trademark is any word, phrase, symbol, design, color, sound, scent, or any combination thereof, adopted and used by a business to identify its goods or services and to distinguish them from those manufactured, provided, or sold by others. Trademark law also protects trade dress (the overall “look” of a product or service, such as the distinctive fluted bottle used by The Coca-Cola Company to package Coke), fictional characters (such as the gecko character used by GEICO), and the personae of real people. The owner of a trademark has a limited property right in the exclusive use of the mark (subject to certain limitations).

### HOW TRADEMARK RIGHTS ARE ACQUIRED

Trademark rights are created through use, not registration, and such use establishes a business’s common law rights in

the mark. Those common law rights protect the owner’s use of the mark in the geographic area where it is used, in the channels of trade in which the products or services are offered or sold, and for those goods and services with which the mark is associated. Such unregistered marks are also protected under some state statutes and under federal law. The owners of unregistered trademarks and service marks are entitled to use the <sup>TM</sup> and <sup>SM</sup> symbols respectively to indicate their claim of ownership. (Trademark rights may also be established through the federal registration of a mark based upon a bona fide intent to use the mark in commerce, but such federal registration of a mark does not affect common law trademark rights based upon actual use before the filing date of the federal trademark application.)

Because trademark rights are established by first use, before developing a brand or filing a trademark application, a business should conduct a comprehensive trademark search. Doing so protects the business from investing substantial resources into developing a brand that is the same as or confusingly similar to a mark that is already in use by another business.

### FEDERAL TRADEMARK REGISTRATION

Although unregistered trademarks receive some protection under the common law and under federal law, trademarks can be further protected through registration under both Virginia and federal laws. Federal trademark registration provides significant additional substantive and procedural rights. Marks are not eligible for federal registration if they fall within certain prohibited categories, such as deceptive matter or national symbols.

### Benefits of Federal Registration

An applicant obtains a federal registration by filing an application with the United States Patent and Trademark Office (USPTO). Federal registration under the Lanham Act

can be on one of two registers—the Principal Register or the Supplemental Register. The Supplemental Register is for registration of potential marks that are capable of distinguishing the applicant’s goods or services but are not inherently distinctive and have not yet acquired a “secondary meaning” in the minds of consumers as an identifier of the specific provider of goods or services.

Registration on either register provides a number of benefits, including: (i) it grants the right to use the registered trademark symbol: ®, (ii) it grants the right to file a trademark infringement lawsuit in federal court and to obtain monetary remedies, including infringer’s profits, damages, costs, and, in some cases, treble damages and attorneys’ fees, (iii) it acts as a bar to the registration of another confusingly similar mark, and (iv) it may serve as the basis for an international trademark application.

Registration on the Principal Register provides additional benefits, including: (i) a statutory presumption that (a) the mark is valid, (b) the registrant is the owner of the mark, and (c) the registrant has the exclusive right to use the registered mark; (ii) the registration is proof that the mark has acquired secondary meaning; (iii) the registration serves as constructive notice of a claim of ownership, eliminating any justification or defense of good faith adoption and use made by a third party after the registration date; (iv) the registrant is entitled to nationwide priority based on the filing date; and (v) after five years on the Principal Register: (1) the registration can only be challenged on certain limited grounds (such as that it has become generic, is functional, or was abandoned) and it can no longer be cancelled on the basis that it creates a likelihood of confusion with someone else’s mark (no matter how much evidence of actual confusion exists), and (2) the owner of the registration is eligible to file an Affidavit of Incontestability to make the registration incontestable, creating conclusive evidence of the registrant’s exclusive right to use the mark, subject to certain statutory defenses.

### Distinctiveness Requirement

In order for a mark to be eligible for federal registration, it must be distinctive—that is, it must be capable of

identifying the source of particular goods or services. Trademarks that are more distinctive receive a wider scope of protection and are, therefore, stronger marks. The distinctiveness of trademarks is measured along a spectrum, of increasing distinctiveness: (1) Generic, (2) Merely Descriptive, (3) Suggestive, (4) Arbitrary, and (5) Fanciful.

A generic term is the common name of a type of good or service, such as *wine* (for wine), *software* (for computer software), and *consulting* (for consulting services). Generic terms are the opposite of trademarks, and are incapable of ever serving as distinctive source identifiers. It is possible for a trademark to lose its distinctiveness through widespread misuse such that it becomes the generic term for a product (a process known as “genericide”). A mark that has become generic is no longer entitled to protection. Many former trademarks have fallen victim to genericide, including *zipper*, *cola*, *escalator*, and *thermos*.

A merely descriptive mark immediately identifies or brings to mind the characteristics, qualities, ingredients, composition, functions, purpose, attribute, use, or other features of a product or service. Examples include *VISION CENTER* (for an eye care facility), *FANTRIP* (for travel agency services . . . for fan-themed destinations), and *THE BREATHABLE MATTRESS* (for beds, mattresses, box springs and pillows). Laudatory terms, such as *best*, *reliable*, *deluxe*, and *tasty*, are generally considered to be merely descriptive. A merely descriptive mark is eligible for registration on the Supplemental Register. But it can only be registered on the Principal Register upon a showing that the mark has “acquired distinctiveness” and has a “secondary meaning” in the mind of the public as an identifier of the specific provider of goods or services.

Suggestive marks are words that evoke or suggest some characteristic or attribute of the underlying goods or services but do not describe the goods or services themselves. Unlike a merely descriptive mark, a suggestive mark requires the exercise of imagination to associate the word with the underlying product. Examples include *STRONGHOLD* (for nails), *COPPERTONE* (for tanning products), and *MICROSOFT* (for computer software).

An arbitrary mark is a word that has no logical relationship to the underlying product or service, including a generic term applied to an unrelated product. Examples include *APPLE* (for computers and consumer electronics), *PENGUIN* (for books), and *COMET* (for cleaning products). Fanciful marks are the strongest marks. A fanciful mark is an invented word created solely for the purpose of functioning as a trademark, including *EXXON*, *CLOROX*, *STARBUCKS*, and *GOOGLE*.

Each trademark application must indicate one or more classes of goods or services in which the mark is used. The international classification system includes 34 classes of goods and 11 classes of services. In addition, the application must identify the specific goods or services within the class on which the mark is used. The distinctiveness of a mark is measured based on this classification and description. Thus, *Apple* is generic for the fruit (in Class 31) but arbitrary for computers (in Class 09).

Because trademark rights are tied to particular goods and services, it is possible for different companies to have registrations for an identical mark for use in connection with unrelated goods or services. For example: *DOVE* (for soap and beauty products) and *DOVE* (for chocolate and

candy); *DELTA* (for passenger air transportation services) and *DELTA* (for plumbing fixtures); and *DELL* (for paperback books), *DELL* (for dolls), *DELL* (for furniture), and *DELL* (for computers). Marks that are more distinctive or that have become famous enjoy a wider scope of protection than less distinctive marks.

### Basis of Registration

There are five bases for federal registration: (1) actual use in commerce; (2) intent to use in commerce; (3) claim of priority based on a foreign application; (4) foreign registration; and (5) an extension of protection under the Madrid Protocol. The first two bases are the most common. The intent-to-use procedure gives the applicant the benefit of constructive-use priority based upon the application date, but an intent-to-use application cannot be registered on the Supplemental Register.

The Lanham Act defines *commerce* as any commerce that may lawfully be regulated by Congress, and it defines *use in commerce* as “the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark” (15 U.S.C. § 1127). In most cases, use in commerce requires interstate use or use between the United States and



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**Andrew Stockment** focuses his practice on intellectual property and technology, corporate and business law, and cybersecurity and data privacy. He guides clients through the formation, operation, purchase, finance, and sale of businesses and the development, protection, and licensing of their intellectual property and technology assets. Andrew leads Flora Pettit’s Cybersecurity and Data Privacy practice and counsels clients regarding information governance and data security and privacy issues, and he assists organizations with cybersecurity incident response and data breach notification compliance. He regularly drafts and negotiates a wide range of licenses and agreements, including commercial contracts, software development agreements, copyright, trademark, patent, and trade secret licenses, commercial software licenses, and website terms of use and privacy policies. Andrew frequently publishes and speaks on intellectual property, technology, and cybersecurity issues, and he currently serves on the Intellectual Property and Information Technology Law Section Council of The Virginia Bar Association (VBA).

a foreign country, and purely intrastate use generally will not qualify a mark for federal registration.

When a trademark application meets the requirements for registration, the USPTO will publish the mark in the *Official Gazette* for a 30-day opposition period. This process gives the public notice that the USPTO intends to issue a registration for the mark and it gives any person who would be harmed by the registration an opportunity to file an Opposition proceeding to prevent the registration.

**Maintenance, Monitoring, and Use**

Once a business obtains a federal trademark registration, it must maintain the registration by periodically paying maintenance fees and filing declarations of continued use and renewal applications. In order to fully capitalize on the benefits provided by a federal trademark registration, the trademark owner should protect the mark by monitoring

use by others of the same or confusingly similar marks. If the owner discovers that a confusingly similar trademark application is filed or that another business is infringing its trademark, the owner should seek legal counsel to determine the appropriate response to protect its valuable rights in its brand. (Potential responses include filing an Opposition to prevent another business from registering a confusingly similar trademark, sending a cease and desist letter, offering to license the trademark to the infringer, and filing a trademark infringement lawsuit in federal court.) In addition to policing use by other businesses, the trademark owner must ensure that it uses its own mark properly to avoid the narrowing or loss of its trademark rights (such as, through genericide).

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