

Bridging the Gap between Trademark Registration and Enforcement

By Trevor C. Lang

In today's ever changing and expanding marketplace, the underlying value of businesses has changed. The most valuable assets of many of today's leading companies is the goodwill and reputation associated with its name and products. Trade and service marks such as brand names, logos, and slogans designate the origin of goods and services while building goodwill amongst consumers. Lanham Act § 45, 15 U.S.C. § 1127. Due to their heightened value, marks are often the subject of disputes; yet, despite such value, many owners are discovering that it is increasingly difficult to effectively protect their marks. Accordingly, this article highlights common areas of federal registration that develop into obstacles when protecting a mark by those who are less familiar with trademark law and litigation.

While protection of a mark begins with use in the U.S., an often-neglected element of the trademark formula is properly composed and secured federal registration. Any person can pursue federal registration with the United States Patent and Trademark Office (USPTO). USPTO, *Filing the Application and Other Documents*, http://www.uspto.gov/faq/trademarks.jsp#_Toc275426693 (accessed Oct. 31, 2012.) In fact, the USPTO provides a deceptively simple application process, including step-by-step guidelines and links to instructional "TM Newsflash" YouTube videos, which come across as campy parodies of the evening news. USPTO, *Trademark Basics*, <http://www.uspto.gov/trademarks/basics/index.jsp> (accessed Oct. 30, 2012). As a result, mark owners may often apply for federal registration themselves or turn to their former attorney, whom may have limited familiarity with trademark law.

Unlike the application process, the USPTO offers little guidance concerning the relationship between registration and the future protection of a mark—"the owner of a registration is responsible for bringing any legal action to stop a party from using an infringing mark." *Id.* Such a configuration is akin to teaching a teenager how to build a car without any guidance about how to drive it. While the driver will eventually learn to drive, there will likely be a few mishaps along the way. Likewise, the consequences of failing to register a mark without anticipating conflicts can result in losing a mark, damaging the strength of the mark, or infringing on another's mark.

Notwithstanding, the USPTO should be commended for their registration system; still, it is precisely because of the convenience of federal registration that many applicants, whom may not otherwise be familiar with trademark law, seek federal registration without foreseeing future disputes. Consequently, this article offers applicants direction to bridge the gap between

trademark registration and enforcement in the areas of search and evaluation, priority, goods and services description, and how problems are compounded during international registration.

It is uncontroverted that federal registration affords many benefits, including the right to use ® with a mark, Lanham Act § 29, 15 U.S.C. § 1111, *prima facie* evidence of the validity of the mark, *id.* at § 7(b), incontestability after five years of continued use, *id.* at § 15, constructive national use and notice of ownership, *id.* at § 22, readily available extension of international rights, *id.* at § 61, protection from illegal importation, *id.* at § 42, and the like. Irrespective of these benefits, an applicant must first determine whether their proposed mark is capable of federal registration, and if so, whether such registration will generate unanticipated obstacles before applying to the USPTO.

In order to attain federal registration, a proposed mark must not be deemed “confusingly similar” to currently registered or filed marks. Trademark Manual of Examining Procedure (TMEP) § 1207 (8th ed. 2011). Specifically, a proposed mark will be rejected, “when consumers viewing the mark would probably assume that the goods [or services] it represents are associated with the source of a different product identified by a similar mark.” *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596, 608 (9th Cir. 2005). To determine whether two marks are confusingly similar, courts apply a multi-factor test, which is fact intensive and made on a case-by-case basis. *Id.* at 609. Applicants can usually identify potentially conflicting marks with properly composed searches and practical sense.

Search & Evaluation

To ensure successful registration and future protection of a mark, applicants must adequately search for confusingly similar marks in “commerce.” According to the USPTO, “‘commerce’ means all commerce that the U.S. Congress may lawfully regulate; for example, interstate commerce or commerce between the U.S. and another country.” USPTO, All About Trademarks, <http://www.uspto.gov/smallbusiness/trademarks/registering.html> (accessed Oct. 30, 2012). Yet, applicants are only required to refrain from submitting a confusingly similar mark previously filed with the USPTO by searching the Trademark Electronic Search System (TESS). Lanham Act § 12(a), 15 U.S.C. § 1062(a). Since trademark protection extends to any mark currently used in commerce, applicants must expand the scope of their search efforts beyond TESS if they wish to avoid prospective disputes regarding their mark. Curiously, this aspect is seldom mentioned by the USPTO. It appears the USPTO mentions searching beyond TESS for 32-segmented seconds during a 13:43 “TM Newsflash” video. TM Newsflash 03: Searching, <http://www.youtube.com/watch?v=8iUR5p6q8X0> (accessed Oct. 30, 2012). Consequently, given the scope of in commerce, an applicant may successfully attain federal

registration but subsequently lose their mark if it infringes on another since the U.S. is a “first-to-use” rather than a “first-to-file” jurisdiction. Lanham Act § 7(c), 15 U.S.C. § 1057(c).

Priority

In the U.S., trademark rights are established by use rather than by registration. Simply being the first to file an application with the USPTO does not ensure priority over any unregistered marks already in use. *Id.* Under the common law, if two marks are deemed confusingly similar, use of an unregistered mark provides the user territorially priority over a later-filed federal application—irrespective of the marks prominence. *Id.* Should a dispute arise, mark owners must establish a priority date through actual documented use of a mark. The mark with the documented first use is most likely to prevail, and federal registration is the best kind of documentation. Hence, applicants must understand the principal of priority rights of similar marks in commerce before seeking federal registration to avoid future disputes.

Search Suggestions

It is imperative to search beyond TESS to ensure use of a strong mark. Federal registration is not required under the Lanham Act, and as a result, most mark owners do not seek registration. *Id.* at § 43, 15 U.S.C. at § 1125. Preferably, applicants should conduct a thorough TESS search (including live and dead/abandoned marks), examine secretary of state databases, and explore the Internet for marks that may be confusingly similar to a proposed mark. Discovering dead or abandoned marks on the USPTO’s TESS is one of the best ways to further direct an investigation. Unfortunately, there is no centralized searchable database for state specific marks, and searching each state can be unduly cumbersome and time consuming. Thus, at a minimum, an applicant should search state registrations where their mark will be primarily used in connection with their goods and services. Finally, it is vital to conduct an exhaustive internet search using a variety of search engines and mark variations. Mark variations include alternative and misspellings, translations, phonetic spellings, and pseudo-marks. TMEP § 104. Adequately searching for similar marks in commerce is necessary to ensure the future protection of any mark.

Goods & Services

Mark owners may be unable to fully enjoy the benefits of federal registration if the goods and services description is not sufficient in scope. During the application process, the USPTO requires an applicant to identify the goods and services for which the applicant will use the mark. Lanham Act § 30, 15 U.S.C. § 1112. Whether the application is on-line or in paper, an applicant may either select from the pre-accepted list maintained by the USPTO deemed the Acceptable Identification of Goods and Services Manual (the “List”) or elect to create their own

goods and services description if filing under the standard Trademark Electronic Application System (TEAS) form. USPTO, ID Manual, <http://tess2.uspto.gov/netahtml/tidm.html> (accessed Oct. 30, 2012). Each scenario presents unique problems if an applicant is unfamiliar with the consequences of identifying the goods and services description.

Mark owners obtain the right to exclude others from adopting confusing similar marks, which is determined by the goods and services description and the mark itself. TMEP § 1207.01. For illustration, “Delta” currently enjoys multiple federal registrations by multiple owners. Still, the same mark may co-exist since the goods and services descriptions are different, e.g., “air transportation of passengers”; “plumbing products, namely, faucets”; or “welding torches”; yet, if an applicant attempted to register “Delta” with a goods and services description involving air travel, the proposed mark would be deemed confusingly similar and would not succeed to registration.

If the goods and services identification is too narrow, the mark may restrict the growth of a business while being unable to guard against confusingly similar marks. On the other hand, if the goods and services identification is too broad, the initial application will likely be denied by the USPTO as being too vague to distinguish from other marks. *Id.* at § 1402. For instance, an applicant whom produces health and wellness rubber bracelets and related jewelry may seek to identify their goods and services with a single and very specific definition, “bracelets and jewelry featuring electronic chips for attracting energy to the body wherein the electronic chips increase in power in the presence of electromagnetic fields, for the purpose of re-balancing the human energy field.” It would be proper to advise against goods and services identification this narrow because even substantially similar yet differing products would not be covered under that registered mark thereby hindering the owner’s ability to expand their product line and enjoin competitors whom attempt to adopt confusingly similar marks in related fields.

Conversely, an applicant may attempt to include every definition that contains the word “jewelry,” which results in a repetitive and overly broad definition unlikely capable of registration. Rather, an applicant that is already producing goods should include several definitions that cover current products, e.g., “jewelry,” “rubber or silicon wristbands in the nature of a bracelet,” “bracelets,” “plastic bracelets in the nature of jewelry,” and so forth. Thus, ensuring a sufficient goods and services description is essential to allow a business to flourish within the parameters of the mark and to exclude confusingly similar marks.

International Registration

In addition to losing the ability to protect a mark domestically, owners of federally registered marks may lose their international registrations if they do not anticipate future complications when applying to the USPTO. More than ever, trademark owners seek to expand their

domestic rights for a variety of reasons. However, domestic rights, whether federal or state, do not provide protection beyond the borders of the U.S. *Id.* at § 1901.

Historically, if an individual in the U.S. sought foreign trademark registration, they had to hire counsel within each desired country and comply with their individual and often varied registration procedures, which can be costly and time-consuming. Presently, one of the most convenient ways for owners of federally registered marks to seek foreign registration is under the Madrid System. The Madrid Protocol (the “Protocol”) is one of two treaties comprising the Madrid System for international registration of trademarks that allows mark owners to seek foreign registration in any of the member countries by submitting a single International Application. *Id.* at § 1900. The International Bureau of the World Intellectual Property Organization (WIPO) administers the Madrid System and coordinates applications, renewals, and other relevant documentation for the 185 member states. WIPO, Member States, <http://www.wipo.int/members/en/> (accessed Nov. 14, 2012). While WIPO administers the International Registration, attaining registration is ultimately determined by the foreign trademark office within each country.

Before submitting an International Application, mark owners must balance the need against the cost of international registration. True, use of centralized administration can reduce time and money, but such savings can quickly convert to unpredicted expenses and energy. In addition to WIPO’s basic administration fee, each country charges an individual fee for processing, which can vary substantially. WIPO, Individual Fees under the Madrid Protocol, http://www.wipo.int/madrid/en/madridgazette/remarks/ind_taxes.html (accessed Nov. 19, 2012). Moreover, applicants may need to respond to administrative office actions within individual countries that require local counsel, thereby increasing time and expense.

While foreign registration may be desirable for some, international registrations are dependent on the originating (federal) registration for five years after the date of the International Application. Lanham Act § 63, 15 U.S.C. § 1141c. If the original registration is restricted, abandoned, cancelled, or expired, with respect to some or all of the goods and services listed in the International Application, the USPTO must notify WIPO resulting in the cancellation of the International Application or subsequent registrations. *Id.* Thus, a poorly crafted federal application may result in the termination of domestic and international trademark rights.

Summary

The degree of protection afforded to a registered trademark is dependent on how the mark was initially registered. The USPTO’s systematic registration guide should continue to be used in conjunction with an understanding of the long-term consequences of trademark infringement and enforcement. Specifically, applicants must understand how to adequately search and

evaluate similar marks in commerce, the principal of priority rights, how to sufficiently identify the goods and services description of a mark, and be aware of the consequences and intricacies of international registration.

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