

# BASICS OF TRADEMARK LAW

WHAT IS A TRADEMARK?  
WHAT IS PROTECTED?  
WHAT IS NOT PROTECTED?  
WHAT IS FAIR USE?

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# WHAT IS TRADEMARK?

A **trademark** is a word, symbol, or phrase,...

- used to identify a particular manufacturer or seller's products...
- distinguish them from the products of another.
- used to identify services, (also known as service marks)

# WHAT IS TRADE DRESS?

A **tradedress** is a color, packaging,...

- used to identify certain features of a particular manufacturer of a product...
- May not protect if sort of functional or competitive advantage

# IS IT A TRADEMARK?

Your mark must be **distinctive**: identify the source of a particular good.

## 4 Categories:

- (1) Arbitrary or fanciful**: bears no logical relationship to the underlying product; and are given a high degree of protection,
- (2) Suggestive** :evokes or suggests a characteristic of the underlying good; inherently distinctive and are given a high degree of protection,

# IS IT A TRADEMARK?

- (3) **Descriptive:** directly describes, rather than suggests, a characteristic or quality of the underlying product; tell us something about the product; not inherently distinctive and are
- **protected only if** they have acquired "**secondary meaning.**" (when consuming public primarily associates that mark with a particular producer, rather than the underlying product. The public need not be able to identify the specific producer; only that the product or service comes from a single producer)
  - Court weighs 4 factors for secondary meaning: (1) amount and manner of advertising; (2) volume of sales; (3) length and manner of the term's use; (4) results of consumer surveys

# IS IT A TRADEMARK?

(4) **Generic**: describes the general category to which the underlying product belongs. Generic marks are entitled to **no protection** under trademark law because they are simply too useful for identifying a particular product. Giving a single manufacturer control over use of the term would give that manufacturer too great a competitive advantage. Under some circumstances, terms that are not originally generic can become generic over time (a process called "[genericity](#)"), and thus become unprotected.

# TRADEMARK RIGHTS

## (1) First Use in Commerce

(1) This priority is limited, however, to the geographic area in which I sell ; OR

## (2) (2) First to register the mark with the U.S. Patent and Trademark Office ("PTO").

(1) bona fide intention to use the mark in commerce

(2) registration of a mark with the PTO gives a party the right to use the mark nationwide, even if actual sales are limited to only a limited area BUT This right is limited, however, to the extent that the mark is already being used by others within a specific geographic area. If that is the case, then the prior user of the mark retains the right to use that mark within that geographic area; the party registering the mark gets the right to use it everywhere else.

# WHY REGISTER WITH USPTO?

1. Right to use the mark nationwide, subject to the limitations
2. Nationwide constructive notice to others that the trademark is owned by the party. Can bring infringement suit in federal court
3. Better damage model-recover treble damages, attorneys fees, and other damages
4. Potentially after five years, become "incontestable," at which point the exclusive right to use the mark is conclusively established

# GUARANTEED APPROVAL? NO

1. ALL trademark applications must be approved by USPTO office
2. Refusal Examples (inclusive but not exhaustive):
  1. Generic marks or descriptive marks that have not attained secondary meaning.
  2. "Immoral or scandalous" marks,
  3. Certain geographic marks
  4. Marks that are primarily surnames, and
  5. Marks that are likely to cause confusion with existing marks.

# DON'T LOSE YOUR RIGHTS

- **Abandonment**-when its use is discontinued with an intent not to resume its use. Such intent can be inferred from the circumstances. If 3 consecutive years then prima facie evidence of abandonment.
- **Improper licensing or assignment** -Where the use of a trademark is licensed (for example, to a franchisee) without adequate quality control or supervision by the trademark owner, that trademark will be canceled. Similarly, where the rights to a trademark are assigned to another party in gross, without the corresponding sale of any assets, the trademark will be canceled.
- **Genericity** -A word will be considered generic when, in the minds of a substantial majority of the public, the word denotes a broad genus or type of product and not a specific source or manufacturer. So, for example, the term "thermos" has become a generic term and is no longer entitled to trademark protection. Although it once denoted a specific manufacturer, the term now stands for the general type of product. Similarly, both "aspirin" and "cellophane" have been held to be generic. In deciding whether a term is generic, courts will often look to dictionary definitions, the use of the term in newspapers and magazines, and any evidence of attempts by the trademark owner to police its mark.

# TRADEMARK INFRINGEMENT

**“LIKELIHOOD OF CONFUSION”**-likely to cause consumer confusion as to the source of those goods or as to the sponsorship or approval of such goods.

-Court factors: (1) strength of the mark; (2) proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) similarity of marketing channels used; (6) the degree of caution exercised by the typical purchaser; and (7) the defendant's intent

# TRADEMARK DILUTION

Dilution **only if the mark is famous**. Courts factors: (1) the degree of inherent or acquired distinctiveness; (2) the duration and extent of use; (3) the amount of advertising and publicity; (4) the geographic extent of the market; (5) the channels of trade; (6) the degree of recognition in trading areas; (7) any use of similar marks by third parties; (8) whether the mark is registered

If above factors are met, then owner of a mark can bring an action against any use of that mark that dilutes the distinctive quality of that mark, either through "blurring" or "tarnishment" of that mark; unlike an infringement claim

- **Blurring** occurs when the power of the mark is weakened through its identification with dissimilar goods. For example, Kodak brand bicycles or Xerox brand cigarettes. Although neither example is likely to cause confusion among consumers, each dilutes the distinctive quality of the mark.
- **Tarnishment** occurs when the mark is cast in an unflattering light, typically through its association with inferior or unseemly products or services.
- **Likelihood of confusion** unnecessary.

# DEFENSES TO INFRINGEMENT

- **Fair use** -occurs when a descriptive mark is used in good faith for its primary, rather than secondary meaning, and no consumer confusion is likely to result.
  - Some courts call it nominative use. Nominative use occurs when use of a term is necessary for purposes of identifying another producer's product, not the user's own product.
- **Parody**- may be permissible if they are not too directly tied to commercial use.
  - FIRST AMENDMENT rights sometimes govern the defense

# REMEDIES FOR INFRINGEMENT

- Injunctions
- Monetary relief
  - Profits
  - Costs of Suit
- If BAD Faith, then triple damages
  
- For Dilution Suit
  - If Infringer wilfully traded on Plaintiff's goodwill in using the mark, Otherwise only Injunction