

# Trademark Clearance and Usage Guide

Important Considerations  
About Trademarks

**Merchant & Gould**  
An Intellectual Property Law Firm

## Introduction

A trademark is a word, symbol, or a combination of both, which serves to indicate that your company is the source of goods. A service mark is the same except it is for services rather than products. Trademarks are valuable assets of your company and should be protected by following the simple procedures outlined below. If you have questions about how to use trademarks or service marks, do not hesitate to get advice from experts within your company, or from your attorneys.

Some trademarks are fanciful, meaning that the words have no meaning apart from the goods or services they identify. Examples of fanciful marks are KODAK® for film, and XEROX® for copiers.

Some trademarks are arbitrary, meaning they are an ordinary word but that word has no significance with respect to the goods or services it is used on other than to identify their source. An example of an arbitrary mark is APPLE® for computers.

Some trademarks are suggestive, meaning they bring to mind some property or function of the goods they relate to. Examples of suggestive marks are ELEPHANT for floppy disks, and DIAL® for deodorant soap.

Some trademarks are descriptive, meaning they describe the goods or services, or a quality or characteristic of the goods or services involved in a manner that does not require interpretation. Descriptive marks usually may be registered or protected only upon proof of distinctiveness, i.e., by proof of considerable sales and advertising, or long-standing use. Examples of descriptive marks are AMERICAN for over-the-road trailers, and REALTOR® for real estate counseling and sales services.

Generic words, which are merely descriptive or apt common names for products or services are not protectable trademarks or service marks. Many current generic names for products were once trademarks. Examples of generic names are ASPIRIN, KEROSENE, THERMOS, and ESCALATOR.

These trademarks were lost as assets for the companies that developed them when the public began to use them generically to describe the goods involved, as distinguished from a certain brand of those goods.

If your trademark or service mark becomes generic, it will no longer be the exclusive property of your company and can be used by anyone. To help ensure that your trademark property maintains its value and cannot be used by others, the simple rules inside this brochure should be followed.

## 1. Prior trademark searching and clearance can avoid problems later.

Prior to adoption and use of a trademark or service mark, steps should be taken to ensure that the mark is available for use and is not merely descriptive of the goods or services. This typically can be done quickly, and relatively inexpensively, through a computerized trademark or service mark search. Such a search entails reviewing a database which replicates the records of the United States Patent and Trademark Office for issued registrations and pending applications. Additional computer databases listing state registered marks, certain telephone directories, state corporate filings, and a wide variety of other sources may be consulted for an additional charge. Your trademark attorney will understand the information in such databases, and how current the information is.

In many cases, a “full” or “complete” search may be advisable. Such a search typically reviews federal and state registration records, and common law trademark uses such as certain trade directories, business name lists, domain names, and listings of certain published judicial decisions relating to relevant marks. Internet page content and International Registration information may also be included. Such a search may be a good investment as common law rights (rights acquired through use without a registration) may exist and stand in the way of acquiring rights to a mark nationwide. No search can uncover all potential types of common law trademark usage, but an appropriate search is a cost effective way of identifying potential problems in advance. A search may be able to identify prior, common law trademark rights which could preclude your ability to use or register your proposed mark. Moreover, the search may identify a famous or well-known trademark which could form the basis for a claim that your mark is illegally diluting the famous trademark. This risk should also be considered in selecting a new mark. Identifying potential problems in advance is often the best course.

There are also various ways in which at least a preliminary availability search can be performed quite quickly for various foreign countries, and more comprehensive availability searches can be obtained from foreign associates if you are planning to enter foreign markets. It is often advisable to consider the availability of marks in foreign countries when you are considering the availability of the mark in the U.S. so that a single mark might be utilized and registered for both U.S. and foreign markets.

As a trademark user, you probably are very knowledgeable about marks used by competitors, information contained in trade directories and other sources at your disposal, and certain marketing information about your product or service. This information should be shared with your attorney for a full assessment of your situation.



*This symbol is used to designate a trademark registered in the U.S. Patent and Trademark Office.*

## **2. Trademarks are special words which should always be used as adjectives that modify nouns.**

Whether printed or spoken, your trademark should be used to modify the common descriptive name for your product or service. Examples: CHEVROLET® automobiles, SEARS® department stores, and NIKE® athletic shoes.

The word “brand” may be used to further distinguish the trademark from the noun it modifies. Examples: NUTRA-SWEET® brand sweetener and SCOTCH® brand tape.

If you are in doubt whether you have used a trademark as an adjective, try removing the trademark from the sentence. If the sentence still makes sense, you have probably used the trademark correctly. Using a trademark as a noun or as a verb is improper trademark usage.

## **3. Trademarks should be distinguished from other words in printed materials; trademarks should be capitalized, and notice should be given of their status.**

To help distinguish trademarks from mere words, they should be capitalized when in print. Acceptable alternatives include placing the trademark in quotation marks or capitalizing the first letter of the mark. These rules should be followed throughout the text of a printed document. Other alternatives include italics, bold type, or contrasting colors.

Trademarks which are registered with the United States Patent and Trademark Office should include prominent use of the registration symbol ® on the shoulder of the mark. When appropriate, trademarks and service marks which are not yet federally registered may be accompanied by the TM or SM symbol, respectively. This rule should be followed at least for the first or most prominent usage of the mark in any printed material. Use of the ® symbol on products or literature distributed in countries where your mark is not registered may cause problems under local laws in those countries.

## **4. Trademarks should be used only in their exact format: a trademark should not be modified, changed, or used as a possessive noun.**

It is generally improper to make changes to a trademark or logo in use. Grafting together two trademarks, adding words or letters to a trademark, and making a trademark plural or possessive with an apostrophe “s” should be avoided. If new trademarks are developed, they should be cleared for use prior to adoption, and standards should be set for how the new marks will be used. These standards should be followed consistently.

TM

*This symbol may be used to indicate that the user considers a word, combination of words or logos to be a trademark.*

## **5. Register and maintain your trademarks; consider filing intent-to-use (“ITU”) applications to “reserve rights” in your proposed marks.**

Substantial advantages flow from a federal registration of your marks in the United States. These advantages include the right to use the ® registration symbol, notice to the world of your rights, and the statutory presumption of the owner’s exclusive right to use the mark in commerce.

Registered trademarks are considered to have been constructively used nationwide as of the filing date of the application. A major benefit of registration is that rights in the mark may become incontestable after five years from registration and cannot then be challenged, even by a prior user.

It is possible to file applications based on either a bona fide intention to use the mark at a later date, or based on commercial use of the mark in commerce. If an application is filed on the basis of an intention to use the mark, actual commercial use of the mark must be commenced before U.S. registration of the mark will issue. There are certain time limits and other restrictions which apply to intent-to-use applications.

Filing an application based on commercial use of a mark, as well as maintaining or renewing a registration, requires that the mark be used in the ordinary course of trade. This normally requires full-scale, routine use. Registrations require timely filing of declarations of use, and/or renewal documents to maintain them in force. Questions about these issues in the trademark law should be directed to your attorney.

## **6. Consider registering your trademarks in foreign countries of potential interest, and as Internet domain names.**

It is also possible to register trademarks in most foreign countries. Such registration can prevent difficulties in selling your goods, or providing your services, overseas. Many companies experience problems when they expand their trademark usage internationally without making adequate plans to preserve and protect their rights overseas, sometimes without even determining whether their trademarks are available to be used in determining whether their trademarks are available to be used in foreign countries. Prior planning in this area is advisable and may pay significant dividends.

In many foreign countries, rights are accorded to the first to register, so it is important to file applications in foreign countries of interest before a “trademark pirate” does so. For those companies interested in marketing in Europe, a single European Community Trademark Application can be filed to obtain a single registration which is valid throughout the European Union. This European Community Application can be

filed at a fraction of the cost of previous country-by-country filings. It is often advantageous and advisable to file foreign trademark applications within six months of filing a corresponding U.S. application, since under an International Convention, the foreign applications may then be entitled to the priority of the U.S. filing date.

In addition to securing foreign and domestic trademark registrations, many companies find that registering important trademarks as internet domain names prevents others from later securing the names and blocking use of the domain name by the trademark owner. This step may be very important.

## 7. Ongoing use of each mark is important.

In the United States, ongoing use of a mark is required to maintain trademark rights. Use in the ordinary course of trade is required to obtain a federal registration. Similar use is required to maintain the registration, and continuous use for at least five years is required before a registration can become incontestable. Please keep in mind that all rights in a mark may be lost or abandoned if there is no commercial use of the mark for a long period of time (for example, three years or more), or if usage of the mark is discontinued with no intention to resume.

In most foreign countries, registrations may be successfully challenged after several years of registration if the mark has not been used in that country since the registration issued. The trademark laws of foreign countries vary considerably, and care should be taken to verify that you are suitably protecting your rights throughout the world.

## 8. Police and protect your trademarks and service marks.

The trademarks of your company are valuable assets. Part of the value of trademarks and service marks comes from their exclusivity, and the fact that others cannot use confusingly similar marks on related goods or services. In order to preserve these rights, it is important to monitor the activities of others in your industry. This can be done by watching for the use of similar marks by competitors or by utilizing a "clipping service."

A "trademark watching" service and periodic trademark searches to monitor the state of the trademark register may be advisable for your important marks. This may include searching on the Internet. If competitors or others are using confusingly

similar trademarks, it may be essential to take action to prevent infringement and the possible narrowing of your rights. In this area, it's particularly important to seek legal advice. Failure to police your trademark rights may result in the loss of those rights. Merchant & Gould provides this service, on request, for a modest fee.

## 9. Appoint a responsible person within your organization to supervise your trademarks.

It makes sense to take good care of your trademarks and service marks. For many companies, a trademark can be one of its most valuable assets, which can last forever if properly used and maintained. In order to make sure that good usage practices are uniformly followed, a trademark supervisor or coordinator should be appointed. This person should review advertising, packaging, and other documentation before distribution for compliance with these rules. The trademark coordinator can also serve as the initial contact for others within the organization who have questions.

The trademark coordinator should also perform periodic audits to monitor compliance with these rules, monitor the volume and possible changing nature of the trademark "usage," and verify that any necessary registration renewals or new filings are brought to the attention of the attorneys.

## 10. Internet Considerations

The Internet presents several unique concerns to trademark owners. Most companies find that owning top-level domain names for each of their principal brands helps reduce problems. Periodic review of the Internet, both for conflicting domain names, metatags and content can identify issues and aid in policing infringers. Keep in mind that the Internet easily crosses international borders, and U.S. trademark law does not automatically apply on the Internet. Your own Internet site may create concerns and should be carefully prepared to confirm compliance with local and international laws. ■

*This brochure is intended to provide general information about trademarks. It should not be relied upon as legal advice, and is not a substitute for consultation with a lawyer. Since no brief publication can cover all the complexities of trademark law, you should seek advice, using this guide as a discussion tool.*