

LAWSON & PERSSON, P.C.

TRADEMARKS

Trademark Basics

Trademarks protect consumers from confusion about the source of goods or services. A trademark protects its owner from use of the mark in a way that is likely to divert sales by confusing customers into thinking that a given product was produced by the trademark owner. A trademark may be used to distinguish goods from each other, to guarantee consistency or quality of the product and to advertise and promote products.

Words, designs, sounds, or other designations may serve as trademarks, but in order to qualify for trademark protection, the mark must be distinctive. Marks that are descriptive of the good's function, characteristics, ingredients, method of use, or geographic origin are not distinctive and thus may not be trademarked unless they have acquired distinctiveness, or secondary meaning, through use. Generally, secondary meaning is presumed if the mark has been in use for more than 5 years.

Trademark rights are acquired through use, and unregistered trademarks and trade names may be protected in the courts through the common law of unfair competition. However, federal trademark registration offers significant advantages, including the ability of the owner to obtain exclusive rights in all states of the union rather than simply in those in which sales actually occur, to sue in federal court, and to keep infringing products from being imported into the United States. Unregistered, or state registered, trademarks are denoted by the symbol "tm" while federally registered trademarks are denoted by the symbol "®".

United States trademark registration involves an examination by the Patent and Trademark Office to determine whether the mark is distinctive and whether it is likely to be confused with another registered mark. If the mark survives the examination process, it is published for opposition in the Official Gazette of the PTO. Opposition is a proceeding where a third party claims that it will be damaged by registration of the mark. This may be because of an existing common law trademark right, an argument that the mark would cause confusion or is not distinctive, or other basis for denying registration. If the mark is not opposed, or survives the opposition, the trademark is granted and the "®" symbol may be used. Once granted, a registered trademark can last indefinitely through renewal and continued use, provided the mark is not abandoned or becomes generic.

Many former trademarks, such as escalator, aspirin, nylon, thermos, yo-yo, and raisin bran, have become generic names through inadequate protection and have been lost to the trademark owner. In order to protect marks from becoming generic, the following precautions should be taken when using trademarks:

- Trademarks should always be used as adjectives and never as nouns. Ex. Advil® ibuprofen or Advil brand ibuprofen, not simply Advil.
- Trademarks should always be capitalized and followed either by "brand" or the appropriate trademark symbol.
- Trademarks should never be abbreviated.
- Misuse of trademarks by third parties, such as sales representatives, customers, or the press, should be noted and corrected.

If a registered trademark is infringed, the trademark owner will have a number of choices for bringing suit including whether to bring suit in federal or state court and what particular legal theories to pursue. Under federal law, a trademark is infringed if the accused infringing mark is “likely to cause confusion, or to cause mistake, or to deceive”. Proof of actual confusion is not required, though can be effective at proving a likelihood of confusion. If trademark infringement is found, the trademark owner has a number of available remedies. The owner may seek an injunction to stop continued infringement, may seek monetary damages, both actual and punitive, or an award of the infringer's profits, may move for impound and destruction of the infringer's profits, and seek an award of attorneys' fees.

Trademark Registration

The process of obtaining and maintaining a federal trademark registration is fairly straightforward. However, it does require that certain actions be taken. A synopsis of this process, and estimated costs for each step, is presented below.

1. The first step in registering a trademark is to perform a full trademark search. Such a search is required in order to insure that the applicant has the requisite good faith in adopting the mark that will allow the applicant to avoid a later finding of willful infringement of a third party's mark. A trademark search involves searching all federal, state and common law trademarks for similar marks. If a similar mark is found, the mark is analyzed to determine whether the proposed mark is likely to cause confusion among consumers and an opinion is prepared. We charge a fixed fee of \$750.00 for performing trademark search and preparing a suitable opinion letter.
2. If there are no similar marks uncovered during the trademark search, or it is concluded that the proposed mark is not likely to be confused with similar marks, then the filing paperwork is prepared and the application filed. In the event that the applicant is currently using the mark, an “in-use” application is prepared. Such an application includes a statement of the dates of first use and first use in interstate commerce, and three specimens of the mark as it is used in interstate commerce. If the mark is not yet used, then an “intent-to-use” application is filed. This type of application simply requires that the applicant swear that they have a “bona fide intention to use the mark”, and does not require that specimens be provided. Regardless of the type of application to be filed, a drawing of the mark must accompany the application. As this drawing may not be altered after filing, trademarks of designs or logo's must be in final form before the application is filed. We charge a fixed fee of \$375.00 for preparing and

filing a trademark application. In addition, there is a government fee of \$325.00 per class of goods or services upon which the mark is used. For example, if you were a musician and your goods were pre-recorded music on compact discs and tapes, you would register in a single class. However, if you were also using the mark on tee shirts, you would register for a second class. If you also used the mark in connection with musical performances, you would register for a third class. Etc.

3. Within three to nine months after filing, we should receive an Official Action from the United States Patent and Trademark Office. This action may be a “Notice of Allowance” or “Notice of Publication”, indicating that the mark has been allowed as filed. However, it will typically be a rejection or objection on some grounds. If the objection is based upon the need to more clearly state the goods or services, or to provide additional information, the cost to prepare a suitable response will typically be between \$350 and \$500. If, however, the Examining Attorney rejects the mark as likely to be confused with a registered mark, then the cost for preparing and filing a response will be between \$1,000.00 and \$2,500.00. In either event, once an Official Action is received, we review the Action and prepare a letter outlining its contents and providing a cost estimate for preparing a response.
4. Within two to three months after a response has been filed, we will typically receive another Official Action, affirming the rejections, or a Notice of Allowance or Notice of Publication, indicating that the mark has been allowed. A Notice of Allowance will be received in connection with “intent to use” applications and requires that a “Statement of Use” be filed within six months in order for the mark to be published. A Statement of Use will include the same statement of dates of first use and first use in interstate commerce, and specimens that are submitted in connection with an “in-use” application. In addition, a government fee of \$100.00 per class and a fixed legal fee of \$250.00 must be paid in order to make such a filing. In the event that the mark is not used within the six months following mailing of the “Notice of Allowance”, a “Request for Extension of Time” must be filed along with a government fee of \$150.00 per class. As was the case with the Statement of Use, we charge a fixed legal fee of \$250.00 for filing such a Request. Once a Statement of Use has been filed and accepted, a “Notice of Publication” will be sent.
5. A “Notice of Publication” is a document that indicates the date that the mark is to be published for opposition in the Official Gazette of the Patent and Trademark Office. Under the trademark laws, anyone who believes that they will be damaged by the registration of a mark may file a Notice of Opposition within one month of publication of the mark. If such a Notice is filed, the applicant is notified and must decide whether to continue with the opposition. Opposition is an inter-parties proceeding, similar to a civil lawsuit in Federal Court, in which each of the parties presents their case to the Trademark Trial and Appeal Board. Because of its similarities with civil lawsuits, the cost of prosecuting an opposition to its conclusion will typically be between \$30,000 and \$80,000. If no opposition is filed, the mark will be registered and a “Certificate of Registration” will be mailed.
6. Within the first five years following registration, any third party who failed to oppose the registration, but believes that they will be damaged by the registration, may file a Petition for

Cancellation of the mark. Like an opposition, a cancellation proceeding is an inter-parties proceeding, similar to a civil lawsuit in Federal Court, in which each of the parties presents their case to the Trademark Trial and Appeal Board. Because of its similarities with civil lawsuits and oppositions, the cost of prosecuting a cancellation proceeding to its conclusion is also typically between \$30,000 and \$80,000.

7. If no cancellation is brought within five years, or if a Petition for Cancellation is successfully defended, the Registrant will file affidavits under sections 8 and 15 of the trademark laws. The affidavit under section 8 is a sworn statement that the mark remains in use, and must be filed in order to maintain registration of the mark. An affidavit under section 15 is a permissive filing that allows the mark to be deemed incontestable, meaning that the validity of the mark cannot be challenged. The government fees associated with these filings are \$100.00 per class and \$200.00 per class respectively, and our legal fee for preparing and filing a combined affidavit is \$375.00.
8. Finally, federal trademark registrations must be renewed every ten years in order to remain in force. The government fee associated with this renewal is currently \$400.00 per class, while our legal fee is, again, fixed at \$375.00.

Our Approach to Trademarks

We take a full service approach to trademarks by assisting our clients in the selection, registration, policing and enforcing of their marks.

- By accessing a number of proprietary and non-proprietary databases, we aid our clients in selecting an appropriate mark by performing searches of multiple possible marks to determine which are available and which are liable to cause problems.
- Once a mark is selected and found to be registerable, we prepare all of the necessary paperwork and file the application with the trademark office.
- During the registration process, we deal directly with the trademark office to gain allowance of the application.
- Once your mark is registered, we offer policing services through which we monitor Official Gazette for registration of similar marks to allow for opposition by the client. In addition, we can perform periodic computerized searches for the mark to inform the client of infringing uses.
- If an infringement occurs, we are licensed attorneys in the State of New Hampshire and, therefore, are competent to bring suit within the state. In addition, our contacts with attorneys in other states and countries allow us to assist with your litigation regardless of venue.

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TRADEMARK INFORMATION FORM

Mark: _____

Applicant: _____

Address: _____

City, State, Zip: _____

Goods/Services: _____

Date of first use: _____

Date of first use in interstate commerce: _____

Additional Information Required

- If the mark includes a design, you must provide a clean, black ink, copy of the design for filing with the application
- If the mark is in use, you must provide three specimens of the mark as it was first used in interstate commerce; i.e. sold in different states or in foreign countries. The specimens must be boxes, tags, or other items bearing the mark that are displayed alongside the product and/or shipped with the product upon sale.
- If the applicant is a corporation or LLC, you must provide the name and title of an officer of the corporation who has authority to sign on behalf of the business entity.
- If the mark includes the name of a person, you must explain your relationship, if any, with that person.
- If the mark is an acronym, you must disclose this to us along with the established meaning of the acronym.
- If you know of other uses of the mark, you must inform us of this fact and provide as much information as possible regarding these other uses.

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