

Trademarks

A key asset for many businesses is the name of its products or services and associated trademarks and service marks, including any associated designs, which distinguishes them from that of its competitors. With many businesses, it is critical to the continued success of the venture that its trademarks and/or service marks be protected from infringing or other unlawful use by another, unrelated business. A trademark refers to a word or design that is used in connection with goods (*e.g.*, a bicycle or a clothing item), while a service mark refers to a word or design that is used in connection with services (*e.g.*, an appliance repair shop or a hardware store). The following discussion about trademarks applies equally to service marks.

1. *Establishing Trademark Rights.* Trademark rights may be “automatically” established, under “common law,” by simply using the trademark. To use a trademark, it must be affixed to the product and the product must be sold to another party. Common law trademark rights require no filing with the U.S. Patent and Trademark Office (“PTO”). However, these common law trademark rights from unregistered use are limited to the geographic region of use and “zone of foreseeable expansion.” The TM symbol or SM symbol can be used to notify others of a common law trademark or service mark, respectively.

2. *Enforcing Trademark Rights.* Once trademark rights are established through use, the owner is entitled to preclude any other business from using the same or similar mark so as to cause “likelihood of confusion.” Thus, an owner can obtain a court order enjoining the use of a confusingly similar mark. However, “likelihood of customer confusion” is a subjective determination entailing consideration of a variety of factors, the principal of which are: (a) similarity of the marks; (b) similarity of the goods or services; (c) similarity of the trade channels; (d) sophistication of customers; and (e) the intent of the junior user.

3. *Federal Registration.* Although not required to protect a trademark, federal registration is advisable to maximize legal protection. Without a registration, trademarks generally are entitled to protection only where the relevant products or services are marketed.

The primary advantage conferred by federally registering a trademark is nationwide priority that precludes all others from using a confusingly similar mark, unless they used the mark prior to the registrant's filing date, or are entitled to an earlier date based on a prior filing or earlier foreign priority of corresponding foreign applications. This means, for example, that a brewery which sells its product regionally and later expands to a national market will be protected in its new markets. That is a brewery having a federally-registered trademark could expand into other areas of the U.S. without risk of encountering subsequent intervening conflicting trademark rights in the new markets. Absent a federal registration, however, a trademark would not be protected against such intervening uses in markets where the relevant product or service has not been sold.

Other advantages of federal registration include statutory triple damages for intentional infringement, a statutory presumption that the trademark is valid and the registrant is the exclusive owner of the mark, access to federal court, and the right to exclude infringing imports.

An application for registration must be filed with the U.S. Patent and Trademark Office near Washington, D.C. An application to register a trademark may be filed either before, in an intent-to-use application, or after, in a use-based application, the mark is used in connection with an actual sale of product or service. If based on use, the application must be accompanied by exemplars or specimens of the mark in actual use (*e.g.*, labels or advertisements).

A straightforward use-based application will normally mature into a registration between 8 to 15 months. This assumes that no substantive issues arise while the application is pending and that no opposition is commenced by another trademark owner. If the Patent and Trademark Office raises a question about an applicant's right to register the mark, or if the owner of a similar mark opposes the registration, the process can take significantly longer.

An intent-to-use application prosecution can take considerably longer, depending mainly upon when an applicant commences using the mark. The Federal Trademark Act requires that an intent-to-use applicant file a statement verifying use of the mark in interstate commerce within six months of receiving notice that the application has been allowed. However, the applicant may extend the period of up to a maximum of three years.

Once federal registration issues, the owner is entitled to use the symbol ®, designating presumptive nationwide exclusive rights, next to the mark. Note the use of this symbol prior to registration is prohibited.

4. *Effective Period/Renewal/Expiration of Federal Registrations.* Federal registrations remain effective for ten years. However, an affidavit of use must be filed during the sixth year. Failure to file this affidavit of continuing use results in loss of the registration.

Registrations can be renewed for ten-year periods provided that a renewal fee is paid and a renewal application is completed and submitted. The application requires a statement that the mark is in current use in commerce, and an attached specimen showing the mark in current use. If a mark has not been in use in commerce, an applicant must show that nonuse was due to special circumstances and not to an intention to abandon the mark. An application for renewal can be submitted at any time within six months of the expiration date of the registration. For an additional fee, an application can be submitted within three months after expiration of the original registration.

5. *State Trademark Registration.* Some limited advantage can also be obtained by state registration of the mark. Generally, state registration can be obtained more quickly and appear on data bases searched by and thus provide notice to others of its trademark. Local businesses may also search only the relevant state registrations to clear a mark. Furthermore, some state registrations entitle the owner to statutory damages for infringements, without necessitating that willfulness be established.

State registration is typically available very quickly and may therefore be worthwhile to a new company seeking to ensure immediate protection of its mark or design. However, although it is not required, federal registration of a trademark is advisable to obtain maximum legal protection. In either case, an application to register a trademark may be filed either before (an “intent to use”

application) or after (a “use-based” application) the mark is used in connection with the actual sale of a product or service.

A trademark may be registered in Washington by filing an application in Olympia. The process is normally completed within 30 days and accords protection enforceable within the state.

6. *International Trademark Protection.* Companies doing business internationally should also evaluate whether to register their marks abroad. Unlike the United States, most countries laws do not provide for common law rights based on use alone. Rather, the vast majority of foreign jurisdictions condition trademark protection on registration of the mark. Thus, a pirate can preclude from a trademark owner using a mark in a foreign mark by registering its mark. The United States is a party to conventions and treaties with various countries that permit a U.S. applicant to claim the date of a U.S. application as the priority date for foreign trademark protection, but only if the applicant files in the foreign country within six months after the date of the U.S. filing. Similarly, companies that have filed a foreign application may claim the benefit of the foreign filing date, but only if the U.S. application is filed within six months of that date.

For assistance with the registration of trademarks or service marks, please contact any of the following:

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