

United States

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1. Legal framework

US trademark law is generally governed by the Lanham Act, which was enacted in 1946 and is codified at 15 USC 1051 *et seq.* The Lanham Act addresses trademark protection at federal level. The various states also have their own state trademark statutes, which generally offer overlapping protection but are sometimes interpreted more broadly, particularly in the dilution context, and therefore should be consulted as well. Finally, the United States is a signatory to the Paris Convention and has also joined the Madrid Protocol.

Even with these various statutory and treaty schemes, it remains important to remember that trademark protection in the United States requires actual use of the mark. Without actual use, a registration obtained via the Lanham Act through reliance on the Paris Convention or the Madrid Protocol will not provide protection from infringement. Moreover, aside from registrations obtained through these international mechanisms, registration is not possible without actual use of the mark.

2. Unregistered marks

Because use is a requirement for protection under US trademark law, unregistered marks receive a great deal of protection at common law and under a claim for unfair competition pursuant to Section 43(a) of the Lanham Act. Unregistered marks are essentially protected from the moment that they are put into commercial use. Any amount of *bona fide* commercial use can lead to the grant of protection. However, the extent of protection for unregistered marks is limited to the geographic area of the actual use or reputation of the mark. Thus, even though registration is not required for protection, the type of protection afforded to

unregistered marks is more limited. For this reason, registration is generally recommended.

3. Registered marks

Scope of protection

Registration affords the following benefits:

- Registered marks are afforded nationwide protection dating back to the filing date of the underlying application. Thus, a mark that may be used only in a limited geographic area can be protected nationally.
- Registered marks are considered presumptively valid, such that proof of secondary meaning is not required.
- Ownership of a registered mark is presumed, thus shifting the burden of proof in the case of an ownership dispute.
- Owners of federally registered marks may use the registration symbol (®), whereas common law users may not use this symbol but can use the TM symbol.
- Registration is necessary in order to record a registration with the US Customs Service so that infringing merchandise can be seized at the borders.
- The US Patent and Trademark Office (USPTO) will refuse registration to later filed marks that are confusingly similar to registered marks.

The benefits of registration apply only to registrations on the Principal Register, with the exception that owners of registrations on the Supplemental Register are entitled to use the registration symbol and marks on the Supplemental Register will be cited by the USPTO against later filed confusingly similar marks.

Requirements for registration

Trademarks must be registered in the name of the owner. Licensees and distributors are not entitled to own trademarks in their own name.

Any individual or legal entity (including partnerships and corporations) can own a trademark. However, unincorporated divisions cannot own marks in their own name. Marks can also be jointly owned.

In order to qualify for registration on the Principal Register, a mark must not be descriptive or generic. Only marks that meet a certain level of distinctiveness will be registered. These include inherently distinctive marks (those that are at least suggestive from the outset) and marks that have acquired distinctiveness through sufficient use. As to this latter category, acquired distinctiveness is generally presumed after five years of use to the substantial exclusion of others. However, some marks that are so highly descriptive will not be afforded the benefit of this presumption, such that the USPTO will require actual proof of acquired distinctiveness.

Not only must marks be sufficiently distinctive, but they cannot be immoral or scandalous, create a false association with a person, include certain government indicia or be confusingly similar to a prior registered mark.

4. Procedures

Application

Applications may be filed directly by the owner or by an attorney admitted to the bar of any state of the United States. Additionally, requests for protection may be filed through the Madrid Protocol by representatives that are not attorneys in the United States. However, any further action taken before the USPTO must be taken directly by the applicant or an attorney in the United States. The USPTO has strictly enforced this rule when attorneys not admitted in the United States have tried to file responses that have issued in connection with applications filed through the Madrid Protocol. In those cases, the USPTO

categorizes such filings as ‘incomplete responses’ and requires that a proper representative appear to file the response within as little as 30 days.

Applications may be submitted on paper or electronically. The USPTO encourages electronic filing by giving a slightly discounted rate on official fees for electronically filed applications and by treating the date of receipt of an application as the filing date. Thus, paper applications transmitted through the mail are at a disadvantage.

Applicants must certify that they are using the mark or that they have a *bona fide* intent to do so, even if the application is filed through the Madrid Protocol or in reliance on the Paris Convention.

The United States recognizes service marks, certification marks and a variety of non-traditional marks such as sounds and colour. Additionally, multi-class applications are permitted upon payment for each additional class in an application. Only a single mark is permitted per application.

Examination

All marks are examined for distinctiveness and for prior rights, as well as for adherence to informalities. If no problems are detected in the application, it will be passed on for publication. Otherwise, an office action will issue setting forth the refusal and/or requirements in order to place the application in condition for publication. Currently, the initial examination period at the USPTO takes approximately seven months from the application filing date.

Marks that are not sufficiently distinctive (including generic and descriptive terms, surnames and geographical terms) will be refused registration. Some of these designations may be registrable on the Supplemental Register (eg, descriptive terms and surnames). Others may not be registered at all (eg, generic terms, deceptively

misdescriptive terms and geographically misdescriptive terms).

All marks are also examined for prior rights. The USPTO conducts a search of all pending and registered marks (on both the Principal and Supplemental Registers). Registration will be refused based on any prior registered mark that is confusingly similar to a later filed mark. Additionally, potential refusals will be raised based on confusingly similar marks that are the subject of prior pending applications. In the case of confusingly similar prior pending marks, a formal refusal will not be entered until the prior mark issues to registration. Applicants are afforded the opportunity to present arguments against cited registrations and potential refusals based on prior pending applications. If arguments against potential refusals do not convince the examining attorney, the application will be placed in suspension pending the disposition of the prior filed application. If arguments against formal refusals do not convince the examining attorney, a final refusal will be issued. Applicants may appeal such refusals to an administrative tribunal, the Trademark Trial and Appeal Board (TTAB).

In addition to the substantive examination, the USPTO reviews applications for compliance with other requirements. Approximately 80% of all applications receive office actions, many directed to informalities. Drawing requirements, details concerning the applicant, specimen of use requirements and particularized identifications of goods or services are strictly enforced. Strict adherence to the Acceptable Manual of Identifications (<http://tess2.uspto.gov/netahtml/tidm.html>) can help avoid objections that an identification of goods/services contains indefinite language. However, for goods or services that may be too new or specialized to have made their way into the manual, crafting an acceptable identification can be challenging.

Applicants are afforded six months to respond to a first office action. If all issues raised in the first office action are not resolved by the response, a second office action (with another six-month response period) will issue. If no new issues are raised in the second office action, that office action will be designated as final, meaning that all requirements must be satisfied by the end of the response period or an appeal must be taken to the TTAB to avoid abandonment. There is no possibility of extending the six-month response period.

Opposition

Upon approval of an application by the examining attorney, an application will be published for opposition in the *Official Gazette*. Potential opponents have 30 days from the publication date to file an opposition or request an extension of time to do so. Extensions of up to 90 days are possible without the consent of the applicant. One further 60-day extension is possible, but only with the consent of the applicant. No further extensions are possible, such that the total opposition period cannot exceed 180 days from publication. At that point, potential opponents must either oppose or allow the application to proceed.

Oppositions may be lodged based on any of the grounds for refusing registration (most commonly, lack of distinctiveness and prior rights). Opponents must have standing in order to bring an opposition. This means that they must have a stake in the outcome such that they would be directly damaged by the registration of the mark.

Oppositions before the TTAB are similar to lawsuits in court. There are extensive provisions for conducting discovery, making motions and presenting evidence at trial. Recent amendments to the TTAB rules of practice make the proceedings even more like federal court cases – for example, by requiring the opposer to serve

notice of opposition on the applicant and by requiring the parties to confer about discovery and produce initial disclosures. The most significant difference between TTAB oppositions and lawsuits in court remains that evidence is taken through depositions and presented through written submissions rather than given in person at trial. An oral hearing before the TTAB is possible upon request. Since August 1 2006 these hearings have been open to the public.

Registration and beyond

Marks that are not opposed on publication are ready for registration. Aside from applications based on the intent to use, all other applications proceed to registration upon expiration of the opposition period. Intent-to-use based applications are instead issued a notice of allowance, which sets the timeframe within which use must be demonstrated to the USPTO in order for a registration to be issued.

The use requirements continue even after registration. Any mark that is not used for a three-year period following registration is subject to a presumption of abandonment and thus vulnerable to a cancellation claim. Additionally, evidence of use must be presented to the USPTO between the fifth and sixth years after registration and every 10th year following registration. Upon payment of an additional fee, a six-month grace period for meeting these maintenance deadlines is available for most registrations. The deadlines applicable to registrations obtained via the Madrid Protocol are different, but this will have no impact until around February 2010 – that is, five years from the date of issuance of the earliest US registration obtained through the Madrid Protocol. Failure to follow these maintenance requirements will result in cancellation of the registration.

As with the filing of the initial application, maintenance filings must be made by the owner of the registration. To avoid refusals at

maintenance time, any name change, assignment, merger or other change in ownership should be notified to the USPTO. Additionally, it is best for such name changes to be recorded at the time of their occurrence, rather than at maintenance time. Recordation of name changes protects against the mark being assigned to another party. Moreover, it is sometimes difficult to produce the evidence required to complete the chain of title years after the fact.

Removal from register

As discussed above, marks will be removed from the register for failure to meet the maintenance requirements.

Additionally, marks can be cancelled upon the successful petition of a third party. The same grounds that can be asserted in an opposition to an application may be asserted against a registration in a cancellation proceeding. However, some of these grounds can be brought only within five years of registration. Most significantly, a claim based on prior rights in a confusingly similar mark can be asserted only during this five-year period. However, other grounds are always available such as fraud, abandonment and genericness. There is a growing line of cases invalidating and/or refusing registration to marks where applicants and registrants have filed false declarations that their marks were in use for certain goods or services. Under the current law, an entire registration can be invalidated for fraud if it was based on a false statement that the mark was in use, even if that statement referred to only one of a list of goods. Trademark owners are well advised to be extra cautious in their assertions of use, during both the examination phase of applications and the post-registration maintenance phase.

Searches

The USPTO conducts a prior rights search in connection with each application during the

examination period. Searches can also be undertaken in order to ascertain the availability of a mark or in order to assess the strength of a mark for the purposes of determining an enforcement strategy. These searches are conducted privately, not through the USPTO.

There are several mechanisms for conducting searches:

- The USPTO maintains a searchable database accessible through its database at www.uspto.gov. There is no fee for using the search feature. Searches that can be conducted range from very basic directed searching to sophisticated searches employing Boolean logic. As the database is limited to the USPTO's records, a search will not disclose common law references.
- Numerous commercial vendors have searchable databases that can be accessed for a fee. Some of these include access to registrations at state level. These databases tend to have more sophisticated search capability and other features that are not available through the USPTO's free database (eg, the ability to create reports or to search for marks in other commercial databases or on the Internet).
- Comprehensive searches are also available for a fee from several commercial vendors. These searches include not only references from the USPTO but also state registrations, internet uses and other common law uses. They tend to employ highly sophisticated search strategies and provide the best information for determining the availability and/or strength of a mark. Most search companies do not charge by the class, but rather charge the same amount regardless of the number of classes involved.
- Design searches tend to be limited to searches of the USPTO database and can be conducted through online resources (including the USPTO website) or from commercial vendors. As the USPTO employs a complicated system

for categorizing designs, searches performed by professionals at commercial vendors tend to be the most reliable. Commercial vendors tend to charge more for additional classes in design searches.

5. Enforcement

Causes of action for registered marks include infringement, unfair competition and dilution. Unregistered marks may be enforced through unfair competition claims and state causes of action, including for dilution. Although there is no special tribunal that is dedicated to trademark claims, most trademark claims are brought in federal court (as opposed to state court). The federal courts are thus more familiar with trademark claims than the state courts, for which such actions tend to be rare.

Most trademark actions are civil proceedings to resolve a dispute between private parties. However, in the case of counterfeiting criminal proceedings may be brought by the government. The penalties in such cases are governed by the Trademark Counterfeiting Act of 1984, 18 USC 2320. An individual may be imprisoned for up to 10 years for a first offence and up to 20 years if convicted for a second offence. Monetary fines can also be imposed.

Remedies

Although monetary damages are available in trademark infringement and unfair competition actions, the most commonly afforded remedy in a trademark action is an injunction. In cases where the trademark holder can prove that the defendant's actions are causing the threat of imminent harm, a preliminary injunction is also possible.

Monetary damages are available to successful plaintiffs in cases of infringement or unfair

competition or in the case of wilful dilution. Damages can take the form of defendant's profits, plaintiff's actual damages and the costs of the action. Unless the plaintiff can demonstrate direct economic consequences from the defendant's conduct, it is difficult to be awarded damages. In many circuits, an award of the defendant's profits requires an extra showing of bad conduct by the defendant. Additionally, under certain exceptional circumstances the court may award three times the amount of damages and/or the plaintiff's attorneys' fees. These fees are intended as compensation and are explicitly not to be awarded as punitive damages.

Timeframe and procedure

If a motion for preliminary injunctive relief is brought with or shortly following commencement of the action, a hearing will be held in relatively short order. Many cases are resolved once a decision is made on preliminary injunctive relief. If preliminary injunctive relief is not sought and/or the case proceeds to trial, the case may continue for a year or even several years until a decision is rendered.

Cases brought in federal court (ie, most trademark cases) are subject to mandatory initial disclosure rules and additional discovery thereafter. There are now also strict rules pertaining to the preservation of electronic documents that must be produced. In addition, parties can be deposed and documents must be exchanged. After discovery, motions may be made in anticipation of or in an attempt to avoid trial. The trial is conducted via live testimony before the trier of fact, which may be a judge or a jury.

In the case of infringement and unfair competition, the general test for determining success on the merits of a claim is whether there is a likelihood of confusion between the plaintiff's mark and the defendant's mark. Under the Dilution Revision Act 2006, the standard for proving dilution was changed from "actual

dilution" to the "likelihood of dilution". The relaxation of this standard was balanced by other changes to the statute, such that it still remains to be seen whether it will be easier to prevail in a dilution claim.

6. Ownership changes – legalization requirements

Ownership changes

Trademarks may be assigned, as long as they are assigned along with the goodwill that they represent. Stated otherwise, they cannot be assigned "*in gross*" apart from the goodwill they symbolize.

Mergers and other changes in company structure may also affect the ownership of trademarks. All such ownership changes that affect marks that are the subject of registrations and/or applications before the USPTO should be recorded with the USPTO in order to maintain the correct chain of title for future maintenance purposes and in order to prevent a third party from innocently purchasing the same rights from the prior owner.

In order to prevent the trafficking of marks that are not actually in use, the USPTO does not allow assignments of applications based on intent to use before evidence of use has been submitted, unless the entirety of the business related to the mark has been assigned with the mark. Language indicating that the business has been assigned as well should be included in the assignment.

Licensing

Trademarks may be licensed for use by another. In fact, the trademark owner need not itself use the mark at all if the mark is being used via a proper licence. Licences need not but may be recorded with the USPTO. The main requirement for a proper licence is that the owner exercises

quality control over the use of the mark. This does not mean that a certain level of quality is required, but only that the trademark owner sets the level of quality that is required and ensures that the requisite level is achieved.

A licence need not be written and thus quality control is not required to be in writing. However, a written licence with quality control provisions is the most effective means for proving compliance with the quality control requirement. Failure to exercise quality control can be used as grounds for invalidation of trademark rights, thus providing an incentive for licences to be in writing and the quality control provisions to be explicitly stated.

statutory cause of action for cybersquatting that entitles a trademark owner to bring a lawsuit in federal court under 15 USC 43(e). Like most of the dispute resolution policies, the US statute requires a showing of the defendant's bad faith.

7. Areas of overlap with related rights

Although trademarks and copyrights offer different types of protection, there are instances where protection via these different IP rights may overlap. In particular, design marks that meet the threshold of minimal creativity may be subject to copyright protection and can be registered with the US Copyright Office. In contrast to trademark law, copyright law does not require use of the design at all by the rights holder in order to be able to prevent infringement and/or to recover damages. Rather, copyright law protects against copying, regardless of whether the design is associated with a product and regardless of whether there is consumer confusion. Thus, the degree of similarity between the plaintiff's work and the accused's work will be the main issue in a copyright claim.

8. Online issues

Trademark holders may avail themselves of the various administrative dispute resolution mechanisms applicable to the various top-level domains. Additionally, the United States has a