United States

Contributing firm
Duane Morris LLP



Authors
Lewis F Gould, Jr, Gregory P Gulia, Vanessa C Hew and **Mitchell A Frank**

Legal framework

Federal and state protection

In the United States, trademark law is governed by federal and state law. Federal trademark law is governed by the Lanham Act, which governs the scope of trademark use, registration, protection and enforcement. Other federal statutes governing trademark use include:

- the Federal Trademark Dilution Act of 1995 and the Trademark Dilution Revision Act of 2006;
- the Anti-cybersquatting Consumer Protection Act of 1999;
- the Anti-counterfeiting and Consumer Protection Act of 1996; and
- the Trademark Counterfeiting Act of 1984.

Trademark rights in the United States are not exclusively governed by federal law. State trademark statutes and common law provide overlapping protection regarding the registration and enforcement of trademarks. However, the requirements and scope of state trademark protection vary by state. Generally, federal trademark law does not pre-empt state trademark law unless a conflict exists between federal and state law.

International treaties

The United States is a signatory to:

- the Paris Convention;
- the North American Free Trade Agreement;
- the General Agreement on Tariffs and Trade;
- the Agreement on Trade-Related Aspects of Intellectual Property Rights;
- the Madrid Protocol; and
- the Singapore Treaty on the Law of Trademarks.

The Madrid Protocol is an international treaty that allows a right holder to seek registration in any of the signatory countries which have joined the protocol by means of a single international application.

On October 1 2008 the United States ratified the Singapore Treaty, which was the first international instrument to recognise non-traditional trademarks marks such as colour, sound, three-dimensional, olfactory, taste and touch marks. The Singapore Treaty also addressed:

- the form and means of transmittal of communications with trademark registries of the signatory nations and authentication of signatures;
- relief when an applicant or a holder has missed a deadline in connection with a procedural action; and
- issues relating to the recording of trademark licences.

Unregistered marks

In the United States, trademark rights are conferred through use. Federal registration of a trademark will be granted only upon a demonstration of *bona fide* use of the trademark in connection with the relevant goods or services in interstate commerce.

Under federal law, unregistered marks are afforded trademark protection provided that such trademarks have been used in interstate commerce or in foreign commerce with the United States. However, the commercial use of the mark must be in the ordinary course of trade. Use of an unregistered mark solely for the purpose of reserving rights is insufficient to confer trademark protection.

Under the Lanham Act, the owner of an unregistered trademark is protected against infringement and dilution of the mark by others. Section 43(a) of the Lanham Act provides that anyone that uses any mark or false designation of origin in connection with any goods or services that is likely to cause confusion, mistake or deception as to the source or sponsorship of goods or services shall be liable in a civil action. The Lanham Act also protects unregistered trademarks from dilution. However, the protection of unregistered marks may be limited to the geographical area where the unregistered mark has been in actual use or has acquired recognition.

Registered marks

Federal trademarks registered on the Principal Register are entitled to several benefits, including:

- a legal presumption of the registrant's ownership of and exclusive right to use the mark;
- federal jurisdiction over an action concerning the mark;
- incontestable status of the registration upon fulfilment of certain requirements; and
- the ability to prevent importation of infringing foreign goods.

Requirements for registration

An application to register a mark must be filed by the owner of the mark or, with respect to 'intent to use' applications, by the party which itself (or via a licensee) has *bona fide* intent to use the mark. Trademark registrations may be owned by individuals or entities.

Representative of applicant

Provided that no other attorney or law firm has previously been appointed as a representative, it is unnecessary for an attorney to file a power of attorney or any other document authorising his or her appointment as the owner's representative. Generally, any attorney who meets the statutory requirements and appears in person or files a document on behalf of the owner will be accepted as a duly appointed representative.

Scope of protection

Generally, the key to determining eligibility for trademark protection is whether the proposed mark is capable of serving a source identification function by distinguishing the trademark holder's goods from those of others.

Potential trademarks are generally categorised in five levels of distinctiveness in ascending order of strength:

- generic terms;
- descriptive marks;
- suggestive marks;
- arbitrary marks; and
- fanciful marks.

Generic terms (ie, words which are synonymous with the underlying product or service) are not entitled to registration or protection as trademarks. Merely descriptive marks (ie, marks which describe characteristic of the goods or services) may be entitled to trademark registration or protection upon a showing of secondary meaning. Secondary meaning is achieved when, in the minds of the public, the primary significance of the mark is to identify the source of the product. Suggestive, arbitrary and fanciful marks may qualify for protection without proof of secondary meaning.

Trademark protection will also be denied where the mark:

- is confusingly similar to or dilutes a prior registered mark;
- is geographically descriptive or misleading;
- is merely a surname;
- creates a false association with a person;
- is immoral or scandalous;
- is merely ornamental; or
- features governmental symbols or insignia.

However, a trademark can consist of anything that can be used to indicate the source of goods or services. Words, logos, non-functional product packaging, designs, pictures, slogans, colours, shapes, scents or sounds can all function and be registered as trademark s and service marks. Where the proposed mark is not inherently distinctive, the applicant must demonstrate that the proposed mark has acquired secondary meaning.

Procedures

Examination

All trademark applications are examined to determine that:

- all procedural requirements have been satisfied;
- there are no conflicting prior filed or registered marks;
- the mark is entitled to registration based on the criteria discussed above; and
- the mark is in actual use.

Currently, the initial examination period at the US Patent and Trademark Office (USPTO) takes approximately three to seven months from the application filing date, assuming no issues are raised during examination.

If the examining attorney determines that the trademark application is not entitled to registration, the examining attorney will issue an office action advising the applicant of any perceived deficiencies regarding the application and whether these deficiencies can be corrected or addressed. Currently, approximately 80% of all applications receive office actions.

Applicants are afforded an opportunity to amend the application or respond to any substantive refusals regarding the application. An applicant has a non-extendable period of six months to respond to an office action. If the examining attorney's objections are not resolved by the applicant's response to the office action, a second office action may be issued and the applicant will be afforded six months to respond to the office action. If the response to the second office action fails to address the objections to the examining attorney's satisfaction, a final refusal will be issued.

A final refusal of a trademark application maybe appealed before the Trademark Trial and Appeal Board. To appeal a final refusal of an application, the applicant must file a notice of appeal and pay the appropriate fee within six months of the mailing date of the final refusal. An appeal brief must then be filed within 60 days of the USPTO receiving the notice of appeal and fee.

Opposition

If the examining attorney determines that the mark is entitled to registration, the mark will be published in the *Official Gazette*. Any party which believes that it will suffer damage as a result of registration of the mark has 30 days from the publication date to file either an opposition to registration or a request for an extension of time to oppose. Extensions of up to 90 days may be granted without the consent of the applicant. Thereafter, with the consent of the applicant, an additional 60-day extension of time to oppose the application may also be granted.

The notice of opposition must state:

- the grounds for opposition; and
- the basis for the opposer's belief that it will be damaged by registration of the mark.

Any grounds that the USPTO could have raised for refusing registration of the trademark may be cited as grounds for opposition.

Opposition proceedings are conducted before the Trademark Trial and Appeal Board. Opposition proceedings have procedures for filing motions, conducting discovery and introducing evidence at trial. In board proceedings the parties submit trial briefs and introduce evidence through testimonial depositions and notices of reliance. Oral hearings before the board may be granted upon written request. Decisions in board proceedings may be appealed in any federal district court or in the Court of Appeals for the Federal Circuit.

Registration and maintenance of registrations

Unopposed use-based applications may generally proceed to registration. 'Intent to use'-based applications cannot proceed to registration without a demonstration that the mark is being used in commerce. In such cases a notice of allowance is issued and a deadline is set by which use of the mark must be demonstrated. Extensions of such deadlines may be granted in six-month increments on request. However, the total extensions may not aggregate more than 24 months in total.

All trademark registrations issued or renewed on or after November 16 1989 remain in force for 10 years, provided that affidavits of use or excusable non-use are filed. Registrations issued before November 16 1989 remain in force for 20 years, provided that an affidavit or declaration of use or excusable non-use was filed during the sixth year after the date of registration. Upon the periodic filing of the required affidavit and payment of the prescribed fee, registrations may be renewed indefinitely for additional terms of 10 years. Applications for renewal may be filed between one year prior to the registration's 10th anniversary to six months after the 10th anniversary, subject to payment of the appropriate fees.

A trademark must be used in interstate commerce in order to maintain the registration. Evidence of use must be filed with the USPTO between the fifth and sixth year after the issuance of the registration, and every 10th year following the registration. The USPTO provides a six-month grace period for meeting these requirements, subject to payment of an additional fee.

Cancellation of registrations

Trademark registrations may be cancelled for failure to meet the maintenance requirements or through petition by a third party. Cancellation of trademarks registered for less than five years may be sought on any grounds that could have been asserted to bar the initial trademark application from registration. However, trademarks which have been registered for more than five years can be cancelled only on specific grounds enumerated in the statute (eg, genericism, abandonment or fraud).

The Trademark Trial and Appeal Board adjudicates cancellation proceedings, which have various discovery procedures for filing motions, conducting discovery and the introduction of evidence at trial.

Searches

Upon submission of the initial application, the USPTO conducts an initial examination to determine whether the subject mark conflicts with any prior-filed applications or registered marks. The USPTO also maintains a searchable database of federal trademark registrations and applications on its website at www.uspto.gov. Although the USPTO does not provide information regarding state registrations or common law uses of marks, various commercial vendors offer comprehensive trademark searches of the state registries, the Internet and various other databases to determine common law usage of the marks.

Enforcement

Trademark rights may be enforced in either federal or state courts. Causes of action may be brought in the federal courts to enforce rights in both registered and unregistered marks. With respect to the enforcement of trademark rights in state courts, the statutory requirements, causes of actions and remedies vary from state to state. Most trademark actions are litigated in the federal courts, although many plaintiffs elect to include both federal and state claims in these actions.

Under federal law, the Lanham Act provides

several related causes of action with respect to the enforcement of trademark rights.

Infringement

Anyone that uses in commerce any reproduction, counterfeit, copy or colourable imitation of a registered mark in connection with goods or services which is likely to cause confusion may be liable for trademark infringement. To establish a claim of trademark infringement, a plaintiff must establish:

- ownership of a protectable trademark; and
- that the defendant's use of a junior mark creates a likelihood of confusion with the prior mark.

Dilution

The Federal Trademark Dilution Act of 1995 and the Trademark Dilution Revision Act of 2006 protect owners of famous marks from:

- blurring, which constitutes the erosion of the distinctive quality of a mark; or
- tarnishment, which constitutes the unauthorised use of a mark in connection with inferior products or in an unwholesome or unsavoury manner.

False designation of origin

Anyone that uses any mark or other false designation of origin in connection with any goods or services which is likely to cause confusion or mistake or deceive as to the origin, source or sponsorship of certain goods or services shall be liable in a civil action.

Cybersquatting and counterfeiting

Other relevant US federal statutes include the Anti-cybersquatting Consumer Protection Act, the Trademark Counterfeiting Act of 1984 and the Anti-counterfeiting and Consumer Protection Act of 1996. The Anti-cybersquatting Act provides remedies for bad-faith registration, trafficking or use of domain names which incorporate or are similar to trademarks. The Trademark Counterfeiting Act and the Anti-counterfeiting Act impose criminal and civil penalties for intentionally trafficking in counterfeit goods. In counterfeit trademark cases, a prevailing plaintiff may elect for statutory damages or actual damages and profits. Statutory damages may be awarded in an amount between $1,000 and $200,000 "per counterfeit trademark for each type of goods or services sold" and, in cases of wilful infringement, in an amount up to $2 million "per counterfeit trademark per type of goods or services sold" in addition to the legal fees and expenses incurred in prosecuting the claim.

Remedies

Generally in infringement, unfair competition and dilution actions, injunctive relief, monetary damages and attorneys' fees are available. Monetary damages may be awarded in the form of the defendant's profits, the plaintiff's actual damages and the costs of the action. Under exceptional circumstances, courts may also award treble damages and attorneys' fees upon a demonstration of bad faith. Where a plaintiff can demonstrate that the defendant's actions create a threat of imminent and irreparable harm, the court may issue a temporary restraining order or preliminary injunction.

Ownership changes and rights transfers

Trademarks may be assigned provided that the trademark is assigned along with the goodwill that the trademark represents. Assignments or changes in the ownership of registered marks can be effectuated through the execution of a written document memorializing the assignment or change in ownership. While recordation of assignments is permissive and not mandatory, recordation is strongly recommended:

- to be protected against subsequent *bona fide* purchasers;
- to establish a clear chain of title; and
- because recordation creates a *prima facie* assumption as to the validity of the form of the assignment.

In the United States, licensing of trademarks is permitted. Trademark licences need not be recorded with the USPTO. However, US law requires that the rights holder exercise control over the use of the mark and quality control over the goods or services used in connection with the licensed mark. While there are no formal quality standards for licensed goods or services, the rights holder must demonstrate that it has established standards for quality control and that the rights holder sufficiently monitors the licensed goods or services to ensure that these standards are met.

Failure to exercise quality control over a licensee's use of a mark can constitute 'naked licensing' and can jeopardise the validity of the trademark registration.

Related rights

Other forms of IP protection, such as copyright, patent rights or rights of publicity, may be available for certain types of trademark. Although the rights protected under copyright, patent and right of publicity laws are different, in some cases these rights can overlap with trademark rights. For example, logos and advertising slogans which qualify for trademark protection may also merit copyright protection, provided that such works meet the minimum standards of creativity to merit copyright protection. Under the copyright laws, such works shall be protected from any unauthorised copying or distribution of works which are substantially similar to the protected work. Similarly, product configurations may qualify for both trademark and design patent protection. New, non-obvious ornamental product configurations maybe entitled to design patent protection. In addition, names may be used as trademarks, but are also protectable by the right of publicity or right of privacy. In the United States, the right of publicity or privacy is protected under state law and varies from state to state and may protect an individual's name, likeness, voice and persona.

Online issues

Trademarks are protected from various types of infringement on the Internet. Examples of online infringement include the unauthorised use of a trademark in connection with domain names, metatags and the sale of trademarks by search engines as key words in connection with weighted search results or in connection with the strategic placement of sponsored links and banner advertisements. The Anti-cybersquatting Act provides remedies for bad-faith registration, trafficking or use of internet domain names which incorporate or are similar to trademarks. Moreover, the courts have also held the unauthorised use of trademarks in metatags or as keywords in internet search engines do constitute trademark infringement under the theory of initial interest confusion. WTR

Examination/registration		
Representative requires a power of attorney when filing? Legalised/notarised?	**Examination for relative grounds for refusal based on earlier rights?**	**Non-traditional marks registrable?**
No/No	Yes	Yes: colours, non-functional product packaging; shapes and factory; slogans; sounds.

Unregistered rights	
Protection for unregistered rights?	**Specific/increased protection for well-known marks?**
Yes	Yes

Opposition
Can a registration be removed for non-use? Term and start date?
Yes: within 30 days of publication, subject to extensions.

Removal from register		
Can a registration be removed for non-use? Term and start date?	**Are proceedings available to remove a mark that has become generic?**	**Are proceedings available to remove a mark that was incorrectly registered?**
Yes: presumption after three years' non-use.	Yes	Yes

Enforcement		
Specialist IP/trademark court?	**Punitive damages available?**	**Interim injunctions available? Time limit?**
Yes: TTAB has non-exclusive jurisdiction. ITC may resolve trademark issues.	No: but treble damages and attorneys' fees may be available.	Yes

Ownership changes
Mandatory registration for assignment/licensing documents?
No/No

Online issues	
National anti-cybersquatting provisions?	**National alternative dispute resolution policy (DRP) for local ccTLD available?**
Yes	No: UDRP applies.

Duane Morris LLP

Duane Morris LLP
1540 Broadway, New York
NY 10036-4086, United States
Tel +1 212 692 1000
Fax +1 212 692 1020
Web www.duanemorris.com



Lewis F Gould Jr
Partner
lfgould@duanemorris.com

Lewis F Gould Jr chairs the IP practice group of Duane Morris LLP. He has focused his practice for more than 40 years on IP law, with emphasis on domestic and international patent and trademark matters. He advises clients on a broad spectrum of patent and related issues in a variety of technologies. He also counsels clients on trademark and copyright matters, including clearance, registration and litigation. He manages patent and trademark litigation before the US Patent and Trademark Office and in federal courts, locally and nationally.

Mr Gould is a graduate of the Dickinson School of Law. He received his undergraduate degree from Temple University, where he serves as a member of the board of trustees.



Gregory P Gulia
Partner
gpgulia@duanemorris.com

Gregory P Gulia has counselled clients on a broad range of trademark issues. He has also negotiated countless trademark, entertainment and advertising agreements, as well as licences and purchases, and litigated numerous complex trademark, trade dress, copyright, anti-counterfeiting, domain name, unfair competition, and rights of publicity and privacy cases for major media corporations, entertainers, luxury goods makers, fashion companies, international store chains and consumer products companies in courts throughout the United States. Mr Gulia is a member of the International Trademark Association Alternative Dispute Resolution Committee. He frequently speaks, writes and is interviewed about trademark issues.



Vanessa C Hew
Partner
vchew@duanemorris.com

Vanessa C Hew concentrates her practice in the area of IP litigation. Ms Hew has handled complex litigation for Fortune 500 and other leading companies involving a broad range of claims, including trademark and trade dress infringement, trademark dilution, counterfeiting, false advertising and common law unfair competition. She has extensive experience representing clients in the fashion, personal care, food, music, film and publishing industries in federal and state courts and in proceedings before the Trademark Trial and Appeal Board.

Ms Hew serves on the International Trademark Association Emerging Issues Committee – Design Rights Subcommittee. She is a graduate of Georgetown University Law Centre and Georgetown University.



Mitchell A Frank
Special counsel
mafrank@duanemorris.com

Mitchell A Frank practises in the area of IP law, focusing on all aspects of trademark and copyright counselling, including trademark clearance, enforcement and protection, licensing and trademark and copyright aspects of acquisitions and divestitures. Before joining Duane Morris, Mr Frank was assistant general counsel for commercial law and trademarks at Unilever United States, Inc. He counselled Unilever management on trademark maintenance, enforcement and protection, and unfair competition matters and negotiated and drafted trademark licence agreements. Before joining Unilever, Mr Frank was global trademark counsel for Best Foods.