

TRADEMARKS

*What they are,
their value, and
how to use them*

Fredrikson
& BYRON, P.A.

/ WHERE LAW AND BUSINESS MEET

What is a Trademark?

A **trademark** is any word, phrase, symbol, design, sound, smell, color, product configuration, group of letters or numbers, or combination of these, used by a company to identify its products and to distinguish them from those of others. For example, FIZZIES® for tablets for making effervescent soft drinks (use ® for a registered mark) and LOT SHIFT™ for arc welding robots (use “tm” for an unregistered mark) are both trademarks.



A **service mark** is the same as a trademark except that it identifies and distinguishes the source of a service rather than a product. Where a trademark describes a product, a service mark describes services, such as HOMETIME® for a home improvement TV show. The terms “trademark” and “mark,” however, are commonly used to refer to both trademarks and service marks. You can use ® for a registered service mark and “SM” for an unregistered service mark.



A trade name is not a trademark and is not accompanied by a marking such as ® or TM or SM.

The difference between a trademark and trade name depends on how the words are used. For example, Buffalo Wild Wings, Inc. (trade name) provides BUFFALO WILD WINGS® (service mark) restaurant services.



Categories of Trademarks

IMMEDIATELY PROTECTIBLE MARKS

There are three types of marks that are considered inherently distinctive and thus can be protected as trademarks immediately. In descending order, they are:

Fanciful or coined marks are the most inherently protectible marks. They are made-up words that serve only to identify the source of a product or service and have no other meaning that conveys information about the product or service itself. Examples of such marks are KODAK® for cameras and EXXON® for petroleum products.

Arbitrary marks are actual, not made-up, words but are still not related in any way to, or convey any information about the nature of, the product or service with which they are associated. An example of an arbitrary mark is APPLE® for computers.

Suggestive marks are words that suggest some attribute of or benefit from the goods or services but do not describe the goods or services themselves. An example of such a mark is COPPERTONE® for sun tan lotion.

TERMS WHICH MAY OR MAY NOT BE PROTECTIBLE

Descriptive marks are words that merely describe the goods or services, or a characteristic of the goods or services. Descriptive marks are not immediately protectible and may never be protectible as trademarks unless and until they have achieved a distinctiveness through years of exclusive use and advertising. An example of a descriptive mark is RICH 'n CHIPS® for chocolate cookies.

Generic words describing a type of product or service, such as figurine or candle, can never be a trademark for a product or service of that type, because generic words only define the product or service but not its source.

The Value of a Trademark

The commercial value of a trademark arises from its ability to identify the product or service so strongly that consumers ask for it by its brand name because they know from past experience the quality to expect. The goodwill generated by well-known marks are valuable business assets. For instance, the value of Coca Cola's trademark portfolio is estimated at over \$50 billion, while the estimated value of the "SIEMENS" trademark alone is in excess of 10 billion EURO.

In addition, if you are the first to adopt and use a distinctive mark, you can prevent others from using confusingly similar marks for similar goods or services. The stronger your mark, the

greater your ability to stop other uses of the mark. Although not required in the U.S., you may register your mark in the United States Patent and Trademark Office and in all 50 states. You can also register your mark in most foreign countries.

Owning a U.S. trademark registration on the Principal Register (which is reserved for only those marks inherently distinctive) provides you with many benefits, including:

- constructive notice to the public of your ownership of the mark
- a legal presumption of your ownership of the mark and your

exclusive right to use it nationwide in connection with your goods or services

- the right to bring a lawsuit concerning the mark in federal court
- the use of the U.S. registration as a basis to obtain registration in foreign countries
- the right to file the U.S. registration with the U.S. Customs Service to stop the importation of infringing foreign goods

It is important, however, that you use any mark, registered or unregistered, properly.

How to Use a Trademark

You must use your trademarks properly and consistently in order to maintain and increase their strength and value. Your trademarks should inform consumers of the origin of your products or services but not describe the products or services themselves. You use the trademarks so that the public recognizes them, not as identifiers of products or services alone, *but as the identifiers of your version of that product or service*. If you use your trademarks properly, your rights in them will grow and last indefinitely.

If you are not careful, however, a mark can erode over time into a descriptive term for a particular product or service, it could become generic, or it could otherwise lose its significance as a trademark. Some trademark rights have been lost because the marks


became the generic names of the product. "Aspirin," "yo-yo," "linoleum," "cellophane," and "escalator" are examples. If you lose your rights in a trademark, anyone can use the mark, consumers lose the opportunity to identify a preferred brand, and you lose your investment in an asset.

To help protect your trademarks, there are several important things to consider when using trademarks, particularly in advertising literature, displays and signs, product packaging, labels, business documents, and correspondence.

- 1. You should always spell the trademark correctly, including spaces, hyphens, or other punctuation; use the trademark consistently; and do not use hyphenated variations or**

combine the mark with other words. If you change the form of a mark, a consumer may believe that it is just another word that is subject to variation or grammatical manipulation, thereby breaking down the distinctiveness of the mark and contributing to the mark becoming generic.

- 2. You should always display a trademark in a manner that distinguishes it from ordinary text and makes it more conspicuous than the generic name of the product or service.** You should use capitalization consistently and, preferably, use all capitals for the trademark, but if the mark is stylized, always use the same stylized format. You can also use other forms of typographical treatment to make it clear that a



For more information about the Trademark Group, visit our web site at www.fredlaw.com.

mark is not being used generically. For example, in addition to all capital letters, you can place the mark in quotation marks, in hand-lettered form, in a frame, in italics, in bold, underscored, or you can set it larger than body copy, in a different type, or in a different color from the remainder of the text.

- Capitalization: MEDTRONIC® pacemakers.
- Quotation Marks: “Buffalo Wild Wings®” restaurant services.
- Boldface Type & italics: ***Breathe Right®*** nasal strips.

3. You should place adjacent to the trademark a “notice symbol” or “marking” that tells the consumer that the mark being used is a trademark. “Marking” places others on notice of your trademark rights and discourages them from adopting the same or similar trademarks for their products or services.

You may use the “TM” designation on any term that you consider to be a trademark, regardless of whether or not you have filed an application to register with the USPTO. However, you may use the federal registration symbol “®” **only** after the USPTO actually *registers a mark*, and **not** while an application is pending. Also, you may use the registration symbol with the mark only on or in connection with the goods or services listed in the federal trademark registration. (Of course, you should first conduct a clearance search to be sure you have the right to use the mark.)

4. You should use the trademark only as a brand name in combination with the descriptive or generic name for a specific product or service. For example, UCare Minnesota provides HMO services under the mark UCARE®. The mark to be protected is

UCARE®, while the generic name of the services associated with the mark are HMO services. To use its mark properly, UCare Minnesota should refer to its HMO services as UCARE® HMO services and not as UCARE® without a descriptive term.



5. You should use the trademark in conjunction with the generic name of the product on every label, container, or text referring to the trademark. It is sometimes helpful to use the term “brand of” between the trademark and the generic name. For example:

- Correct: SONUS SOLUTION® hearing aids are of the highest quality.
- Incorrect: SONUS SOLUTION® is of the highest quality.

6. You should use a trademark only as an adjective, never as a verb or noun. You should not use the mark with a false singular by dropping an “s” at the end of the mark or a false plural by adding an “s” to the mark.

One way to ensure that a trademark is used in proper context is to follow each use with the generic noun for the product or service identified. To test proper use, you can ask the following question: “Would the sentence make sense if the trademark were omitted?” If the answer is yes, you are using the trademark properly; if the answer is no, you are using it improperly.

- By removing “MIDAS®” from the following sentence, it still makes sense:

“MIDAS® pro audio mixing consoles are the top of the line.” (Properly used as an adjective)

- Removing “MIDAS®” from the following sentence destroys the meaning at the risk of your mark becoming generic:

“MIDAS® is the top of the line.” (Improperly used as a noun)

7. You should not confuse trademarks with trade names.

Trade names are proper nouns whereas trademarks are adjectives.

8. You should label the product or its packaging with your trademark.

In order for trademark rights to be created and maintained, you must use your mark in connection with a specific product or service. Trademarks cannot identify the source of the product or service if they cannot be seen on products or in association with services. Trademarks are affixed by applying them directly to a product, to containers in which the product is packaged, or to tags attached to the product.

Your proper use of your trademarks is important. Proper use maintains a trademark’s ability to identify the origin of products and increases the trademark’s potential for “secondary meaning” or an indicator of quality. It also minimizes the likelihood that a trademark will become generic. Of course, the goal is not to just avoid a trademark from becoming generic and losing your trademark rights, but to create a distinct commercial impression in the minds of consumers regarding a trademark, and the products, services, and business it represents.

Check out

Trademark TopicsSM

Dos and Don'ts of Brand Management

Edited by Dean Karau

Located at www.fredlaw.com/areas/trademark/timely.html

Featuring:

- Articles on current issues that impact your brands
- Helpbul links
- Trademark resources
- Trademark Use Brochure
- Trademark Topics archive
- "Confusingly similar" trademarks
- And more

Dos and Don'ts of Trademark Use

DO:

1. Do use a trademark in distinct type.

Capitalize the entire trademark or set it off from other words through bold or italicized type face:

MIDAS[®] not Midas

2. Do use a mark as a proper adjective.

Associate the mark with the descriptive name of the product or service in all labeling and sales promotional pieces, feature or technical articles, published reports, and news releases:

MEDTRONIC[®] pacemakers

3. Do use a mark with notice of its status.

If the mark is registered with the USPTO, use one of the following with each mark:

- ®
- TM (trademark)
- SM (service mark)

DON'T:

1. Don't use a mark as a noun.

WRONG: LR Mate[®] keeps costs under control.

2. Don't use a mark as a verb.

3. Don't change a mark's form.

WRONG: Buffalo-Wild-Wings[®] (no hyphens)

4. Don't use a mark in a possessive form.

WRONG: Fizzies' qualities are outstanding.

5. Don't use a mark to modify or describe any words other than the appropriate generic or descriptive name.

6. Don't abbreviate a mark.

7. Don't wrongly identify a mark as registered.

FOR ANSWERS TO TRADEMARK ISSUES, CONTACT:



Dean R. Karau

612.492.7178

dkarau@fredlaw.com

Dean is a shareholder in Fredrikson & Byron's Intellectual Property, Intellectual Property Litigation, and Technology & E-Commerce practice Groups. He counsels clients in developing and implementing intellectual property protection strategies for building brand and product value around the globe. Dean works with clients whose trademark portfolios range from one trademark to over 800 trademarks; and in industries as varied as professional audio equipment, medical devices, pharmaceuticals, and financial services.

In addition to clearing, prosecuting, and maintaining clients' trademarks and managing their worldwide portfolios, Dean assists clients in weaving elements of patent, trademark, and copyright law to create a broad cloak of intellectual property protection. He also assists clients in enforcing those intellectual property rights domestically in trademark opposition and cancellation proceedings before the Trademark Trial and Appeal Board, as well as in trademark and unfair competition litigation in the federal district courts. Internationally, Dean manages clients' enforcement efforts and coordinates IP protection across borders.

Fredrikson & BYRON, P.A.

200 South Sixth Street
Suite 4000
Minneapolis, Minnesota
55402-1425

main 612.492.7000
fax 612.492.7077

www.fredlaw.com