



TRADEMARKS: **Building A Brand**

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INTRODUCTION

Trademarks and service marks are powerful assets that can differentiate your product or service from competitors. When used correctly they can protect your brand, enable you to expand into new markets in the U.S. and worldwide, and provide you with a financial asset for your balance sheet. The following guidelines listed below provide a general framework on how to effectively create, use and protect your trademarks and service marks.

WHAT IS A MARK?

A trademark is a word, name, symbol, color, smell, or other device that identifies the source of a product and distinguishes it from other products. Although technically a trademark used in conjunction with services is called a service mark, the term “trademark” is often used interchangeably for both trademarks and services marks.

The scope of legal protection a trademark receives is based on several factors including the distinctiveness of the mark, the specific goods/services, the channels of trade within a marketplace, and the target market to name a few. Trademarks are generally grouped along a continuum with arbitrary and fanciful marks at one end and generic marks at the other end.

ARBITRARY AND FANCIFUL MARKS

Arbitrary and fanciful marks generally receive immediate and the broadest legal protection as they bear no relation to the goods/services other than to identify the source. A *fanciful mark* is a mark that has no ordinary meaning apart from the goods/services the mark identifies. Examples include GOOGLE® for search engines and CLOROX® for bleach.

An *arbitrary mark* is a mark that has an ordinary meaning but the meaning has no significance to the products or services the mark identifies. Examples include DOMINO'S® for pizza and TARGET® for discount retail stores.

SUGGESTIVE

After arbitrary and fanciful marks are *suggestive marks*. These marks require imagination or thought to reach a conclusion as to the nature of the goods/services to which the mark is applied. Examples of suggestive marks include TIDE® for laundry detergent and FROOT LOOPS® for fruit flavored circular cereal. These marks have legal protection without proof of acquired distinctiveness (also called “secondary meaning”).

DESCRIPTIVE

A mark is considered *descriptive* if the mark describes the good/service or describes a quality or characteristic of the good/service. Descriptive marks can only be protected upon a showing of acquired distinctiveness. In other words, the mark must have “acquired distinctiveness” as a trademark before legal protection is given. Acquired distinctiveness is shown through proof of public association between the mark and the source of the good/service. Examples of descriptive marks include SPEX® for eye glasses and FIRST BANK® for banking services.

GENERIC

Merely descriptive marks that can never achieve distinctiveness as a trademark are considered *generic marks*. Consumers identify generic marks as the definition of the good or service. In some instances, marks that were once distinctive became generic after the public began to use them broadly with respect to a type of good or service and not as a source of the good or service. If a mark is found to be generic, the legal protection afforded to the mark is destroyed and anyone is free to use the term. Examples include ESCALATOR and ASPIRIN.

Once a mark is found generic it becomes extremely difficult to recapture any legal protection. Therefore, it is important to use marks correctly in order to maintain the value of the mark, and thus the value of the brand.

ADOPTING A MARK

In the U.S., trademark rights are obtained through use of the mark. A mark that has been used in some capacity, but is not federally registered, develops “common law” rights. The scope of protection for common law rights varies, but is generally limited to the goods/services for which the mark is used and the geographic territory in which the goods/services are offered.

Trademark Availability Search

Before adopting a new trademark, it is advisable to determine whether the mark is available for use with the intended goods or services. A search that reviews federal and state trademark records as well as common law and Internet databases can be beneficial. While a search cannot guarantee no issues will develop, it is a cost effective way to identify possible obstacles or issues that may affect the application process or scope of protection for a particular mark.

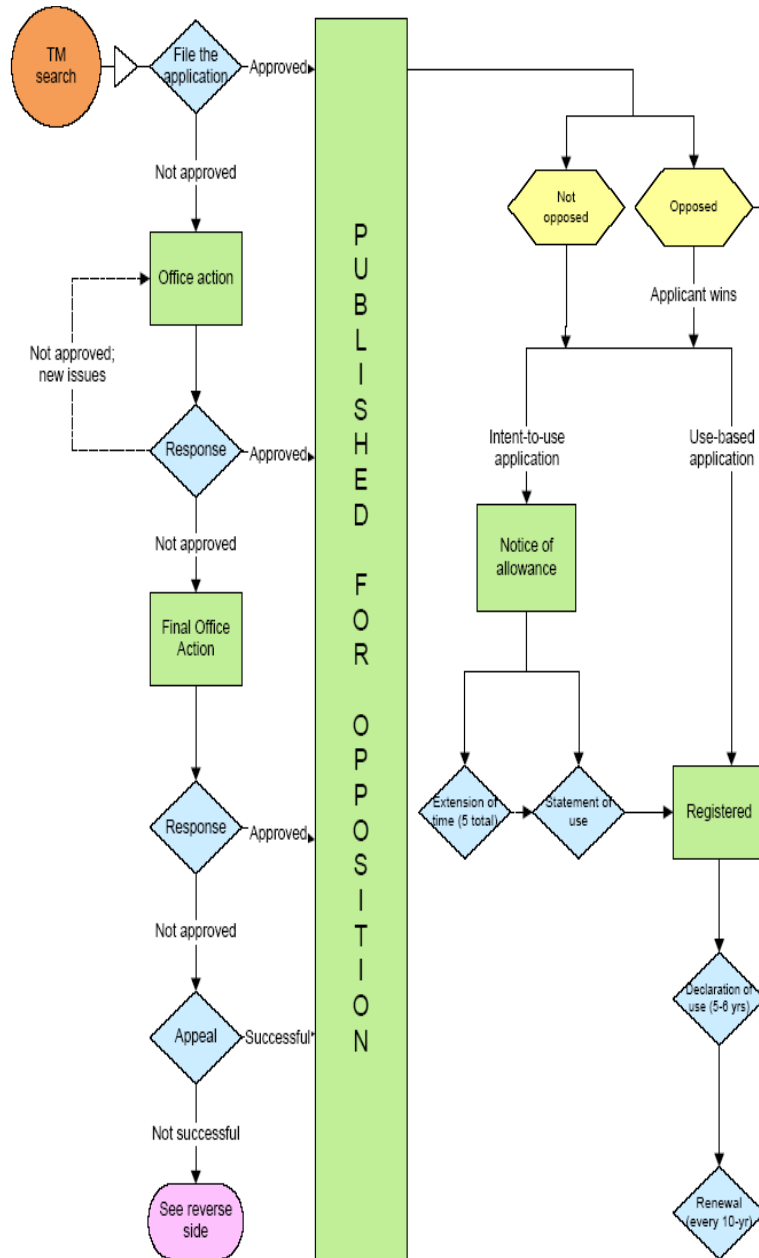
U.S. Federal Registration

To obtain the full benefits of legal protection in the U.S. it is best to federally register a mark. A federally registered mark gives the owner exclusive nationwide rights to use the mark and provides constructive notice of one’s trademark rights to the rest of the world.

An application for a federal registration can be filed based on use of the mark in U.S. interstate commerce or based on an intention to use the mark in U.S. interstate commerce. There are also allowances for U.S. registration of a mark based on a home application filed in other countries.

A declaration of continued use must be submitted to the Trademark Office between the fifth and sixth year after registration and a Renewal must be filed every ten years from the date of registration.

USPTO TRADEMARK PRACTICE



PROTECTING YOUR MARK

In the U.S. one of the most important ways to protect your legal trademark rights is to ensure ongoing use of the mark. Rights in a mark will be abandoned if usage of a mark is discontinued without sufficient proof of excusable non-use.

Enforcement

A trademark owner is obligated to police its own marks in the marketplace. It is important to monitor the activities of third parties to ensure that confusingly similar marks are not being used for closely related goods/services. Failure to police your marks may lead to loss of or diminished trademark rights.

There are several ways to become aware of potential third party infringers. Trademark owners may inadvertently stumble upon these potential infringers at trade shows, through current or potential customers, employees, or even friends of a friend. “Clipping Services” and “Trademark Watching” are methods focused on systematic methods to monitor for potential infringing activities of a mark. Once a potential issue is identified, legal counsel should be consulted.

Foreign Registrations and Internet Domains

A trademark owner should consider whether registering its mark in other countries or as an internet domain name would aid in further protecting the mark, and thus the brand. Registering a mark immediately in other countries and as an internet domain name can prevent others from engaging in activities which block entry into the international marketplace.

Most countries grant trademark registrations based on a first come, first serve basis. When considering trademark registration in some countries, it is also important to consider filing translations and transliterations of the mark in order to prevent competitors from weakening the brand.

USING YOUR MARK

In order to properly protect and possibly increase the value of your trademark asset, it is important to use it correctly.

Proper usage includes:

- Only use the mark in one consistent format.
- Do not modify the mark by making it plural or possessive.
- Do not combine the mark with another mark.
- Only use the mark as an adjective to modify the descriptive term for your good or service. A mark should never be used as a noun or a verb. For example, TIDE[®] laundry detergent or CLOROX[®] bleach.
- Distinguish the mark from other words in the material in which it is placed. For example, capitalize the first letter of the mark or the entire mark, change the color, font or size of the mark, or place the mark in bold, italics or underlining.
- Place the mark prominently in marketing material.
- When a mark is federally registered, the registration symbol ® should be displayed prominently next to the mark.

When a mark is not registered or awaiting registration the trademark symbol **TM** or the service mark **SM** can be used to distinguish your mark.



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