

THE TRADEMARK REGISTRATION PROCESS



Trademarks are assets of the owner of the mark and can become incredibly valuable through the use of the mark in association with the delivery of goods and services. Federal registration of trademarks (for goods) and service marks (for services) provides a number of important advantages including nation-wide constructive notice of the registrant's exclusive right to use the mark in association with the goods and services listed in the registration.



QUALIFICATION FOR FEDERAL REGISTRATION

A mark must meet two basic requirements to qualify for Federal registration:

- The mark must be distinctive as applied to the goods or services and cannot merely describe the goods or services. The mark also cannot so resemble a mark already in use, as to create a likelihood of confusion by a customer as to the source of the goods or services.
- The mark must be actually in use on the goods or services; and must have been used in interstate commerce, such as by delivering the goods with a label bearing the mark or by delivery of the services in more than one state.

An application to register a trademark may be filed based either on actual use of the mark or on a bona fide intent to use the mark for the goods or services. The filing date of an intent-to-use application becomes a constructive first use date for the mark with the goods or services listed in the application. This affords earlier protection and priority for registration over a subsequent use by another.

TRADEMARK SEARCH

A trademark search prior to adoption and use of a mark for your goods or services is advisable to determine whether the mark conflicts with an existing mark. The Federal trademark statute and the common law of every state generally preclude use and registration of a mark which is confusingly similar in sound, meaning or appearance to a mark which has been previously used by another for the same or similar goods or services. The United States Patent and Trademark Office (the "USPTO") will reject an application to register a mark if it finds that customers would be likely to confuse the source of the goods and services in view of a mark subject of a Federal registration or subject of an earlier application for Federal registration.

Further, approval of a company name by a state, such as when forming a corporation or an LLC, does not mean that trademark or service mark rights can be developed for that name. Use of a company name as a brand identifier is subject to the issue of whether the name as a trademark creates a likelihood of confusion in view of prior marks of others. A search is therefore recommended to avoid infringement of prior marks, costs for changing to another mark, and expenses of applications when rejection appears likely.

A search including Federal marks (registered and pending applications for registration), state registered marks and many common-law marks, can cost between \$1500 and \$2000. These costs include our fees for reviewing the search report and rendering an opinion as to whether the mark is available for adoption, use and registration. However, an inexpensive direct-hit, knock-out search may be conducted to eliminate a proposed mark from further consideration before conducting the more comprehensive search. Notwithstanding such a detailed search, there is always a business risk in adopting a proposed mark. That is, an owner of a mark may challenge the use or the application to register the proposed mark. The search may be directed to the words used in the mark and to the stylized graphic.

Evaluation of whether a mark would be likely to cause confusion to consumers is based on a number of factors. Generally, one considers whether the marks are similar in sound, meaning, or appearance. If so, one considers whether the goods or services associated with the marks are so related that a consumer would believe the goods or services originate from the same source. Other factors include the nature and extent of the use of the same or similar marks, the channels of trade in which the goods or services are marketed, the similarities of the consumers for the goods, the sophistication of the consumers, as well as other relevant factors.

REQUIREMENTS FOR AN INTENT-TO-USE APPLICATION

- An ink drawing or electronic image (jpg; high resolution) of the mark if used in a special style or design.
- A description of the goods or services.
- A bona fide intent to use the mark for the goods or services.

REQUIREMENTS FOR AN APPLICATION BASED ON ACTUAL USE

- An ink drawing or electronic image (jpg; high resolution) of the mark if used in a special style or design.
- A description of the goods and/or services.
- A specimen showing the mark as actually used, preferably an original label or packaging for the goods or a copy of the advertising for the services. A mark is used by being applied to the goods or packaging that are delivered in the ordinary course of business in interstate commerce or used in the advertising of the services delivered in the ordinary course of business in interstate commerce.
- The date the mark was first used anywhere by the applicant for the goods or services.
- The date the mark was first used in interstate or foreign commerce.

ESTIMATED ATTORNEY'S FEES

Presently, our charges for preparing and filing an application for federal trademark registration are \$500, including the government filing fee for an application in one of the trademark classifications. The government separates goods and services into a number of different classifications.

If a trademark examining attorney at the USPTO raises any points requiring a response in either type of application, additional legal fees will be incurred. We docket, review, and report on correspondence received from the USPTO, and these legal services incur charges that we invoice.

The intent-to-use application will incur other charges because additional documents are required. Specifically, the intent-to-use application requires later filing a statement that use of the mark has commenced. Extensions of time may be obtained for filing the statement if the application is approved prior to the commencement of use of the mark. A petition for the extension must include a showing of good cause based on the applicant's ongoing efforts to make use of the mark in commerce on or in connection with each of the relevant goods or services. Those efforts may include product or service research or development, market research, manufacturing activities, promotional activities, steps to acquire distributors, steps to obtain governmental approval, or other similar activities. In the alternative, the applicant must submit a satisfactory explanation for the failure to make efforts to use the mark in commerce. The ongoing efforts should be supportable with contemporaneous documents as to those efforts.

REGISTRATION PROCESS

An application to register a trademark is typically examined by a trademark examining attorney about three to four months after filing the application. The examining attorney evaluates the application for compliance with legal requirements for registration of the mark. Also, the examining attorney conducts a search of Federal registered marks and marks subject of Federal applications to register.

The examining attorney determines whether another mark exists such that the proposed mark if used for the identified goods and/or services of the applicant would be likely to cause confusion to consumers as to the association, sponsorship, or affiliation of the applicant's goods and services with those of the owner of the other mark. If there are matters and issues to be resolved, the examining attorney issues an Official Action explaining the basis for any objections, informalities, or rejection of the application. The applicant has an opportunity to respond to the Official Action and seek to resolve the issues so that the application may proceed.

If the application is approved by the examining attorney, the mark is published for a period during which persons may object and oppose the application for registration. If no opposition is filed, the registration of the mark would issue in due course for an application based on actual use, barring unforeseen circumstances.

A notice of allowance would issue for an intent-to-use application . The notice sets a six month period in which to file a statement of use. Subsequent six month periods may be obtained by petition and payment of government fees. A showing of activities undertaken to make use of the mark is required for petitions subsequent to the first petition. The statement of use must be filed by the third anniversary of the notice or the intent-to-use application lapses.

Use of a trademark occurs by applying the mark to the goods or packaging for the goods (such as by imprinting, labels, hangtags, or other attachment) delivered in interstate commerce (across state lines) in the ordinary course of business. Service marks are used in the advertising for the services delivered in the ordinary course of business in interstate commerce.

MAINTAINING A TRADEMARK REGISTRATION

The term of a Federal trademark registration is 10 years from registration. The registration may be renewed if the mark continues in use in interstate commerce in the ordinary course of business by the registrant for the goods or services listed in the registration.

A declaration of continuing use of the mark must be filed between the fifth and sixth year after registration in order to maintain the registration during its initial term.

A mark is subject to challenge as abandoned in view of non-use of the mark for a three-year period without an intention to resume use.

A mark may be accorded incontestable status after five years of continuous use. This status limits certain defenses by others in the event of litigation involving the mark. This status is established by filing a notice with the USPTO.

USE OF A TRADEMARK

A trademark should be used distinctively to indicate its function as a trademark; for example, displayed in a font different from the surrounding text, including the designation [™] or SM adjacent the mark, or using a generic word for the goods or services adjacent the mark to reflect the “brand” identifier function of the trademark as to those goods and services. A trademark owner cannot use the ® symbol until a Federal registration is granted for the mark. The trademark should not be used as a noun, but rather the trademark is an adjective that modifies a generic term for the goods or services.

RECORDS

It would be wise for you to keep a record of when and how the mark is first used and to keep samples of such use. Also, we recommend that the symbol ™ be placed near the mark. This is the preferred method of indicating a claim of common-law rights in an unregistered mark, to begin protecting the mark. The ® symbol should be used only for a mark that is subject of a Federal registration.

PRIORITY OF TRADEMARK RIGHTS

Generally, trademark rights arise through use of the mark on the goods or on its packaging or in the advertising for the services. Such use develops common law (non-statutory) trademark rights in the particular geographic areas to which the goods or services are delivered. First use of a mark in a geographic area generally results in priority for ownership of the mark associated with the goods or services delivered, and for the right to stop others from using the same or a confusingly similar mark in that same geographic area for the same or similar goods or services.

These rights are subject to the rights of another person who later innocently adopts and uses the mark in another geographic area. Thus, even with common law rights in a mark, another person may, without knowledge of those common law rights, adopt and use the mark for the same or similar goods and services in another geographic area, and become a "senior user" in the other geographic area.

A person without knowledge of an earlier use of the mark by another may take steps to seek federal registration of the mark. As discussed above, federal registration provides nation-wide constructive notice to others of the exclusive right to the mark and is not limited to the particular geographical area of use. In such event, the person first to use may be limited to a geographical carve-out while the person second to use but who seeks federal registration may be accorded the remainder of the national geographic areas and the federal registration. This is a significant exception to the general rule that first use gives the user priority to the mark.

We recommend that owners of marks seek federal registration as early as possible to avoid the possible superior rights of another person who adopts and uses the mark without knowledge of the earlier use of the mark.