

Practising Law Institute  
Patents, Copyrights, Trademarks, and Literary Property Course Handbook Series  
PLI Order No. G0-0111

July - August, 2002

Understanding Basic Trademark Law 2002

**\*209 FUNDAMENTAL PRINCIPLES OF TRADEMARK AND UNFAIR COMPETITION  
LAW**

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#### **Introduction**

\*217 This substantive outline examines the basic principles regarding trademark protection under US law, including, distinctiveness, clearance and registration issues, theories of protection, trade mark and trade dress infringement, dilution and unfair competition claims available under Section 43(a) of the Lanham Act. It also briefly discusses state statutory and common law trademark protection doctrines.

#### **BASIC PRINCIPLES OF TRADEMARK AND UNFAIR COMPETITION LAW**

**Professor Doris Estelle Long**

### **I. THE THEORY BEHIND TRADEMARK PROTECTION IN THE UNITED STATES**

#### **A. PROHIBITING UNFAIR COMPETITION**

1. A trademark should be protected to prohibit one party passing off its goods or services as those of another.

2. This policy places the source designating function of a trademark at the center of trademark protection laws.

## B. PROTECTING THE COMMERCIAL MAGNETISM OF THE MARK

1. "The protection of trademark laws is the laws recognition of the psychological function of symbols. If another poaches upon the commercial **\*218** magnetism of the symbol he has created, the owner can obtain legal redress." (Mishawaka Rubber & Woolen Mfg. Co. v. SS Kresge Co., 316 US 203 (1942))

2. The "property right" in trademarks commercial magnetism is given greatest importance in the Federal Trademark Dilution Act.

## C. PROTECTING THE INFORMATIONAL VALUE OF THE MARK

1. Trademarks convey product information to consumers about the qualities and characteristics of the goods or services on which it is used.

2. Such product informational value is protected primarily through stringent application of quality control standards and prohibition of the tarnishment of the reputation of the mark.

## D. PREVENTING CONSUMER CONFUSION AS TO SPONSORSHIP OR AFFILIATION

1. Trademarks may serve to convey the approval or endorsement of goods and services even if consumers would not consider the trademark owner to be the source of the goods. (Dallas Cowboy Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200 (2d Cir. 1981))

**\*219** 2. Such false endorsement and sponsorship is demonstrated largely through the unfair competition claims which are available under Section 43(a) of the Lanham Act, 15 USC § 1125(a))

## E. ENCOURAGING COMPETITION

1. "Congress recognized that a trademark aids competition in the marketplace because it helps a consumer distinguish among competing products. Trademarks also encourage producers to maintain a high quality product by assuring that any goodwill associated with their products is not misappropriated by competitors." (Fun-Damental Too Ltd. v. Gemmy Industries Corp., 111 F.3d 993 (2d Cir. 1997))

# II. THE FEDERAL/STATE INTERPLAY

## A. STATE PROTECTION FOR SOURCE DESIGNATORS

1. Trademarks can be protected under state and federal laws. State trademark protection is governed by both state common law principles and state statutes.

2. Each state has a state registration system. The protection afforded to such registrations is limited to the borders of the state in question. A **\*220** state registration does not allow the owner to use the ® symbol. Only federally registered trademarks can use this symbol. (See be-

low)

3. Each state also provides common law protection for trademarks. Such common law protection is based on the use of the mark in the state. Trademarks are protected based on their geographic use, and the geographic extent of their reputation in the market as a source designator. (Stork Restaurant v. Sahati, 166 F.2d 348 (9th Cir. 1948))

4. As a general rule states apply the same general rules in connection with the protection of trademarks that are required under the Lanham (Federal Trademark) Act.

5. Among the same general requirements that apply to both include the requirement of distinctiveness, the obligation to use the mark as a source designator and the duty to use the mark in commerce in connection with the applicable goods and services. However, for states, only use in intra state commerce is required.

6. For that reason this outline will focus on the treatment of these and other issues under federal law.

## **B. FEDERAL PROTECTION FOR SOURCE DESIGNATORS**

**\*221** 1. The first trademark statute was enacted in 1870 and was struck down by the Trademark Cases, 100 U.S. 82 (1879), because it was based on Article I, Section 8, cl. 8 of the U.S. Constitution (The Copyrights and Patents Clause) which gives Congress the right to enact laws to "promote the progress of science and useful arts."

2. In the Trademark Cases, 100 US 82 (1879), the U.S. Supreme Court held that trademarks did not promote science or useful arts because "[t]he ordinary trade-mark has no necessary relations to inventions or discovery. The trade-mark recognized by the common law is generally the growth of a considerable period of use, rather than a sudden invention." In further rejected efforts to equate trademarks with "writings" since marks did not qualify as "fruits of intellectual labor" but "may be, and generally is, the adoption of something already in existence as the distinctive symbol of the party using it."

3. The most recent U.S. trademark law was enacted in 1948, called the Lanham Act. It has been amended numerous times and is contained in Title 15 of the U.S. Code.

**\*222** 4. The Lanham Act is the federal trademark statute. Section 32 protects federally registered marks against infringing uses. (15 U.S. C. § 1114) Section 43(a) protects unregistered marks against infringing uses. (15 U.S.C. § 1125(a)) The Lanham Act also contains provisions which prohibit false advertising in interstate and foreign commerce (15 USC § 1125(a)), which prohibit "dilution" of "famous" marks (15 USC § 1125(c)) and which prohibit Cybersquatting. (15 USC § 1125(d))

## **III. THE DEFINITION OF A TRADEMARK**

### **A. THE CATEGORIES OF PROTECTED MARKS UNDER THE LANHAM ACT**

1. A trademark includes "any word, name, symbol or device, or any combination thereof" used

"to identify and distinguish his or her goods" and "to indicate the source of the goods, even if that source is unknown." (Lanham Act, 15 USC § 1127)

2. A service mark includes "any word, name, symbol or device, or any combination thereof" used "to identify and distinguish the services of one person from [those] of others" and "to indicate the source of the services, even if that source is unknown." (Lanham Act, 15 USC § 1127)

**\*223** 3. A certification mark includes "any word, name, symbol or device, or any combination thereof" used "to certify regional or other origin, material mode of manufacture, quality, accuracy or other characteristics of such person's goods or services or that the work or labor on the goods or services was performed by members of the union or other organization." (Lanham Act, 15 USC § 1127)

4. A collective mark is a trademark or service mark "used by members of a cooperative, an association, or other collective group." (Lanham Act, 15 USC § 1127)

5. Trade dress "involves the total image of product and may include features such as size, shape, color, or color combinations, texture, graphics or even particular sales techniques." (John H. Harland Co. v. Clark Checks, Inc., 711 F.2d 966 (11th Cir. 1983))

## B. THE DIVERSITY OF PROTECTABLE MARKS

1. Colors (Qualitex Co. v. Jacobson Products Co., 115 S. Ct. 1300 (1995))

2. Fragrances (In re Clark, 17 USPQ2d 1238 (TTAB 1990))

**\*224** 3. Sounds (In re General Electric Broadcasting, 199 USPQ 560 (TTAB 1978))

4. Numerals and Alphanumeric Marks (In re Clairol, 457 F.2d 509 (CCPA 1972))

5. Moving Images (TRI STAR, Reg. No. 1, 981, 980)

6. Tiles (PHANTOM OF THE OPERA DESIGN, Reg. No. 1,767,685)

7. Trade Dress (Two Pesos, Inc. v. Taco Cabana, Inc., 505 US 763 (1992) (restaurant décor))

8. Slogans (Roux Laboratories v. Clairol Inc., 427 F.2d 823 (CCPA 1970) (HAIR COLOR SO NATURAL ONLY HER HAIR DRESSER KNOWS FOR SURE))

## II. CREATING TRADEMARK RIGHTS

### A. ESTABLISHING DISTINCTIVE SOURCE IDENTIFIERS

1. In order to be protected a commercial symbol, etc. must be distinctive. It must be recognized as a source designator. Under US trademark law, marks which are either inherently distinctive (protectable upon use **\*225** because of their strong significance as a source identifier), or which have acquired distinctiveness as a result of sufficient use to acquire recognition as a source designator (protectable only upon evidence of secondary meaning) may be protected as

trademarks.

2. In *Abercrombie & Fitch Co., v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976), the court identified four different categories of marks. In descending order of distinctiveness, they are: 1) arbitrary and fanciful marks; 2) suggestive marks; 3) descriptive marks; and 4) generic marks.

3. An arbitrary mark is considered inherently distinctive. A mark is arbitrary if the term has no direct or indirect relationship to the product or service in question or any of its qualities or characteristics. Arbitrary marks include "ivory" for soap or "tea rose" for flour.

4. Fanciful marks are composed of made-up words such as "Kodak" for film or "Exxon" for gasoline. They are also considered inherently distinctive.

**\*226** 5. Suggestive marks are those marks that suggest a feature or characteristic of the product or service. "If it requires imagination, thought and perception to reach a conclusion as to the nature of the goods [or services]," the mark is suggestive (*Stix Products, Inc., v. United Merchants & Manufacturers, Inc.*, 295 F Supp 479 (SDNY 1968)). Such marks include "copertone" for suntan lotion and are considered inherently distinctive.

6. A descriptive mark is one which "forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods," (*Stix Products, Inc., v. United Merchants & Manufacturers, Inc.*, 295 F Supp 479 (SDNY 1968)). A descriptive mark cannot be registered or protected without proof of secondary meaning. Such proof of secondary meaning is considered evidence of the mark's "acquired distinctiveness."

7. A generic mark is one which is the common descriptive term for the good or service. (Often referred to as "apt descriptive.") It refers to the genus of a particular good or service. Generic marks can never be protected.

**\*227** 8. Marks may become generic over time if they lose their source designating function. (*King Seeley Thermos Co. v. Aladdin Industries, Inc.*, 321 F.2d 577 (2d Cir. 1963). See also *In re Styleclick.com, Inc.*, 58 USPQ2d 1523 (TTAB 2001)(finding the terms "virtual" and "e" to be generic designators for the Internet).

9. Under the doctrine of foreign equivalents, foreign words are generic if, when translated, they would be the generic name or the good or service at issue. (*In re Sorbet, Inc.*, 228 U.S.P.Q. 27 (T.T.A.B. 1985)("le sorbet" generic for fruit ice).

10. Even though marks may generally be protected as inherently distinctive if they meet the Abercrombie test, the Supreme Court has held that single color marks may only be protected upon evidence of secondary meaning. (*Qualitex Co. v. Johnson Products Co.*, 115 S. Ct. 1200 (1995); *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 US 205 (2000))

11. A mark has acquired secondary meaning, if "in the minds of the public, the primary significance of a product feature or term is to identify the source of the product, rather than the product itself." (*In Wood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 851 n. 11

(1982))

**\*228** 12. Among the types of evidence relied upon to prove secondary meaning are consumer surveys, extensive advertising featuring the mark, long term continuous and exclusive use, extensive sales of products bearing the mark and media articles featuring the mark. (Centaur Communications Ltd. v. A/S/M Communications, Inc., 830 F.2d 1217 (2d Cir. 1987))

## B. SPECIAL PROBLEMS FOR TRADE DRESS PROTECTION

1. To qualify as a protectable trade dress the "device" must demonstrate both distinctiveness and non-functionality. The trade mark owner bears the burden of proving both the distinctiveness and the non-functional nature of the mark. (15 USC § 1125(a)(3))

2. For package and container trade dress, courts generally apply the Abercrombie test to determine the level of distinctiveness of the trade dress at issue. Such trade dress may be protected without evidence of secondary meaning. (Two Pesos, Inc. v. Taco Cabana, Inc., 505 US 763 (1992))

3. Some courts, however, apply the test of distinctiveness set forth in Seabrook Foods, Inc. v. Bar-Well Foods Ltd., 568 F.2d 1342 (CCPA 1977). They are:

- \*229** a. Whether the design is a "common" basic shape or design;
- b. Whether it is "unique or unusual in a particular field" or
- c. Whether it is "a mere refinement of a commonly adopted and well-known form of ornamentation for a particular class of goods."

4. For product configuration trade dress, however, the Supreme Court has determined that such trade dress can never have acquired distinctiveness. Instead, the owner must always demonstrate that such trade dress has acquired distinctiveness through evidence of secondary meaning. (Wal-Mart Stores, Inc. v. Samara Brothers, Inc., 529 US 205 (2000))

5. Non-functionality is determined by deciding whether the mark is functional from a utilitarian or aesthetic point of view.

6. Precluding protection for functional marks encourages competition by assuring that functional aspects remain available for competitors to use.

7. "Granting trade dress protection to an ordinary product design would create a monopoly in the good themselves." **\*230** (Fun-Damental Too Ltd. v. Gemmy Industries Corp., 111 F.3d 993 (2d Cir. 1997))

8. "A product feature is functional and cannot serve as a trademark 'if [the product feature] is essential to the use or purpose of the article or if it affects the cost or quality of the article,' that is, if exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage." (Qualitex Co. v. Jacobson Prods. Co., 514 US 159, 165 (1995))

9. To determine utilitarian functionality the court considers a variety of factors, including:  
(a) whether the feature is essential to the purpose or use of the product;  
(b) whether the feature affects the cost or quality of the product;



(c) whether protection hinders competition;

**\*231** (d) Whether the design is covered by a utility patent. If such patent discloses the design, it may be considered functional but only if the feature is a required element of the patent. A feature of a product disclosed in an expired patent which "serves a functional purpose" cannot be accorded trade dress status. (*Best Lock Corp. v. Schlage Lock Co.*, 413 F.2d 1195 (C.C.P.A. 1969)).

(e) The existence of a utility patent that discloses the utilitarian advantage of the design at issue is strong evidence of functionality but may be countered by evidence that the design is merely ornamental, incidental or arbitrary aspect of the device. (*TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 121 S. Ct. 1255 (2001)).

(f) Whether the owner's advertising materials tout the utilitarian advantages of the design. If it does, such advertising is strong evidence of functionality. (*Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654 (7th Cir. 1995))

**\*232** (g) Whether there are available alternative designs. Such designs must not be inferior to the owner's design in meeting the functional goals of the product. (*Pebble Beach Co. v. Tour 18 Ltd.* 155 F.3d 526 (5th Cir. 1998))

(h) Whether the owner's design is significantly cheaper or simpler to manufacture. (In re *Weber-Stephen Products Co.*, 3 U.S.P.Q. 2d 1659 (T.T.A.B. 1987))

2. To determine aesthetic functionality courts consider a variety of factors, including:

(a) Whether purchasers are attracted to the features in question because of their aesthetic qualities, rather than their source designating function. (*Damn I'm Good, Inc. v. Sakowitz, Inc.*, 514 F. Supp. 1357 (S.D.N.Y. 1981))

**\*233** (b) Whether protection hinders competition by limiting the range of adequate alternative designs. Such features must be clearly superior to available alternatives. (*Brunswick Corp. v. British Seagull, Ltd.*, 35 F.3d 1527 (Fed. Cir. 1994)(color black for outboard motor functional due to compatibility with wide variety of boat colors)

(c) Whether advertising touts the design for its aesthetic features. (*Brunswick Corp. v. British Seagull, Ltd.*, 35 F.3d 1527 (Fed. Cir. 1994))

(d) Whether the feature is an "important ingredient" in the commercial success of the product.

(e) The "important ingredient" test has been generally disfavored. (*Wallace International Silversmiths, Inc., v. Godinger Silver Art Co.*, 916 F.2d 76 (2d Cir 1990), cert. denied, 499 U.S. 976 (1991)).

(f) Nevertheless, the language in *Quaitex* may resurrect elements of the commercial success test since it does not limit itself to cost concerns.

#### **\*234 B. THE NEED FOR ACTUAL USE**

1. Marks are protected from the date of use. Creation alone is not sufficient to develop rights in a mark. Thus, the person who "creates" the mark gains no rights under U.S. trademark law unless and until he uses or authorizes another to use the mark in commerce as a source designator.

2. No trademark rights attach under U.S. law unless and until a mark is "used" in commerce. Registration alone is not sufficient.

3. Priority of use is the determining factor in deciding who has trademark rights in the mark.
4. However, certain foreign owned marks may be registered under the Paris Convention and other treaty obligations without use. (See below)
5. In addition, applications may be filed based upon a bona fide intention to use the mark. (See below)
6. To qualify as "use in commerce" sufficient to qualify for trademark protection the use must be a "bona fide use in the ordinary course of trade." (15 U.S.C. § 1127)
7. Use must occur in interstate commerce for registration under the Lanham Act.
- \***235** 8. The Lanham Act indicates that Congress intended to regulate interstate commerce to its full extent. (Larry Harmon Pictures Corp. v. William Restaurant Corp., 929 F.2d 662 (Fed. Cir. 1991))
9. Consequently, intrastate transactions that affect interstate or foreign commerce are sufficient to meet the interstate commerce requirements under the Lanham Act. (In re Application of Silenus Wines, Inc., 225 USPQ 230 (TTAB 1984))
10. Token use or uses for the purpose of reserving a mark are no longer sufficient.

## B. AFFIXATION

1. For goods under the Lanham Act, the mark must be placed on the goods, or their containers, or on tags or labels affixed to the goods or on displays "associated" with the goods, and the goods must be sold or transported in interstate or foreign commerce.
- \***236** 2. For services under the Lanham Act, the mark must be used or displayed in the sale or advertising of the services and the services must actually be rendered in interstate or foreign commerce. Use on promotional materials is generally sufficient. So is testing of drugs or medical devices, and test marketing so long as the mark is used on the actual goods.
3. Advertising in the US a restaurant located in Milan Italy does not qualify as use in the US because the services are not rendered in US commerce. (Buti v. Impresa Perosa SRL, USPQ 2d 1985 (2d 1998)).

## II. REGISTRATION REQUIREMENTS

### A. THE BENEFITS OF REGISTRATION

1. Registration is not required in order to protect a trademark.
2. Registration on the Principle Register of the U.S. Patent and Trademark Office, however, provides numerous benefits.
3. Registration permits use of the ® symbol which may warn others away from using confusingly similar marks (referred to as an "in terrorism" effect).

**\*237** 4. Upon registration, the trademark owner is granted constructive notice status as of the date of the application through-out the United States. (15 U.S.C. § 1057 (c)) Thus, any mark adopted after application will not be considered to be adopted in good faith, even if the second owner had no knowledge of the pending application or mark.

5. Upon registration, the trademark owner is also granted constructive use status as of the date of the registration through-out the United States. (15 U.S.C. §1057(e)). Thus, the trademark owner is considered the prior user in connection with any confusingly similar mark used after the date of application, even if the owner has not actually used the mark in a particular geographic locale. (15 U.S.C. § 1057 (c))

6. The PTO will refuse to register any subsequently applied-for marks which the PTO considers confusingly similar to a registered mark, thus making the PTO an unofficial enforcer of the trademark owner's rights.

7. Registration serves as constructive notice of the registrant's claim to the mark. (15 U.S.C. § 1072)

**\*238** 8. Registration serves as prima facie evidence of the registrant's ownership of the mark, its registrability, and the registrant's exclusive right to use the mark in commerce in connection with the goods or services specified in the certificate. (15 U.S.C. § 1057 (b))

9. All marks which are distinctive, have been used in interstate commerce and meet the remaining requirements for registrability (see below) may be registered on the Principle Register.

#### **\*239 B. THE PROCESS OF REGISTRATION FOR USE-BASED APPLICATIONS**

1. An application to register a mark that is currently being used in interstate commerce must be filed with the US Patent and Trademark Office. Such application may be filed by mail or electronically.

2. Electronic applications are filed with the US Patent and Trademark Office using TEAS (**T**rademark **E**lectronic **A**pplication **S**ystem). The forms and instructions for filing with TEAS are available at [www.uspto.gov/teas/index.html](http://www.uspto.gov/teas/index.html).

3. Applications based on current use of the mark must contain the following:

4. An affidavit attesting to the use of the applied-for mark in connection with the goods and/or services described in the affidavit "to the best of the verifier's knowledge and belief", as well as the verifier's belief "to the best of [his] knowledge and belief that no other person has the right to use such mark "either in identical form or in such near resemblance thereto as to be likely ... to cause confusion." (15 USC § 1052 (a))

5. Identification of the applicant, including the name and address of the correspondent with the US Patent and Trademark Office.

**\*240** 6. A description of the goods and services for which the mark is being used.

7. A drawing of the mark.
8. A specimen of the mark's use in commerce for each class for which registration is sought.
9. The dates of use and first use in interstate commerce.
10. A signed verification by the applicant of the facts supporting the application for registration. This verification requires that the applicant have a good faith belief that he is entitled to use the mark. (E-Cash Technologies, Inc. v. Guagliardo, 136 F. Supp.2d 1056 (CD Cal. 2000))
11. Payment of the required filing fees.
12. Applications are examined to determine whether there are statutory bars to registration of the applied-for mark. (See below). If the application appears to be entitled to registration, the US Patent and Trademark Office will issue a Notice of Publication and the mark will be published in the Official Gazette. The publication of this mark begins the period for opposition by third parties. (See below)

#### **\*241 C. SUPPLEMENTAL REGISTRATION FOR DESCRIPTIVE MARKS**

1. If at the time of application, a mark is descriptive, but has not yet acquired sufficient distinctiveness to be registered on the Principle Register, it may be registered on the Supplemental Register so long as it is "capable of becoming distinctive."
2. Marks registered on the Supplemental Register do not obtain the benefits granted marks on the Principle Register, such as constructive notice and prima facie evidentiary value of a trademark registration regarding the owner's rights to the mark.. Registration, however, permits use of the ® symbol and also assures that the mark will be examined by the Patent and Trademark Office in its registrability determinations. Moreover, it allows company to obtain foreign registrations under international treaty obligations for having a federally registered mark.
3. Five years after registration, a mark on the Supplemental Register may be elevated to the Principle Register if it has obtained the requisite degree of acquired distinctiveness to register a mark on the Principle Register.

#### **\*242 D. INTENT TO USE APPLICATIONS**

1. Intent-to-Use (ITU) applications require an affidavit attesting to the trademark owner's bona fide intention to use the mark on specified goods or services in interstate commerce. Before the registration issues, the mark must be used on the goods or services in interstate commerce and proof of such use must be submitted to the PTO.
2. An application to register a mark that is not yet being used in commerce, can be filed with the US Patent and Trademark Office based upon the applicant's "bona fide intention to use" the mark in interstate commerce. Such application may be filed by mail or electronically.

3. Electronic applications are filed with the US Patent and Trademark Office using TEAS (Trademark Electronic Application System). The forms and instructions for filing with TEAS are available at [www.uspto.gov/teas/index.html](http://www.uspto.gov/teas/index.html).

4. Applications based on intention to use the mark must contain the following:

**\*243** 5. A verified statement of the applicant's bona fide intention to use the mark in interstate commerce in connection with the applied goods and/or services and a declaration of a good faith belief that applicant has the right to use the applied-for mark. (15 USC § 1051 (b))

6. Identification of the applicant, including the name and address of the correspondent with the US Patent and Trademark Office.

7. A description of the goods and services for which the mark is being used.

8. A drawing of the mark.

9. Payment of the applicable filing fees.

10. Upon use of the mark in commerce, the applicant must submit a specimen of the mark, along with the verified Statement of Use.

11. No registration is granted unless and until the mark is used in commerce in connection with the applied for goods and services.

**\*244** 12. ITU applications are examined to determine if there are statutory bars to registration of the applied-for mark. (See below). If the application appears to be entitled to registration, the US Patent and Trademark Office will issue a Notice of Allowance and the mark will be published in the Official Gazette. The publication of this mark begins the period for opposition by third parties. (See below)

13. Upon the issuance of the Notice of Allowance, the applicant has a total of three years in which to use the mark in commerce and submit evidence of such use to the US Patent and Trademark Office. (15 USC § 1051(d)(2))

14. Upon filing of the Statement of Use, the US Patent and Trademark Office will examine the sufficiency of the Statement, and its specimen and will also re-examine the mark for any "clear errors" that may have been made in the initial review. (*Eastman Kodak Co. v. Bell & Howell Document Management Products Co.*, 994 F.2d 1569 (Fed. Cir. 1993))

#### E. CONCURRENT USE APPLICATIONS

**\*245** 1. A concurrent use mark is a mark which is used by two unrelated parties. In certain limited circumstances, concurrent use is allowed, and concurrent use registration may be granted, so long as public confusion is not likely.

2. Where a senior user has not registered its mark, and a junior user adopts a similar mark in good faith, each may have rights to the mark within separate geographic markets.

3. Where the good faith junior user has filed for federal trademark registration rights, the senior user's rights to the mark will be limited to those geographic markets where the senior user used the mark prior to the date of the junior user's application and has continued to use such mark. (15 U.S.C. § 1057(c))

## F. STATUTORY BASES FOR DENYING REGISTRATION

1. Section 1052(a) sets forth \_\_\_\_\_ absolute statutory bars to registration. They are:

2. Immoral and Scandalous marks:

**\*246** (a) A mark which consists of or comprises "immoral, ... or scandalous matter" or which may "disparage ... persons, institutions, beliefs or national symbols, or bring them into contempt or disrepute" may not be registered. (15 U.S.C. § 1052 (a))

(b) A mark is considered scandalous if it "gives offense to the conscious or moral feelings" or is "shocking to the sense of decency or propriety." (In re Old Glory Condom Corp., 26 U.S.P.Q. 2d 1216 (T.T.A.B. 1993))

3. Disparaging Marks

(a) Marks which "disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs or national symbols or bring them into contempt or disrepute" are also disqualified from registration.

**\*247** (b) To disparage a person or institution the public must readily perceive the mark as referring to the person or institution at issue and a person of ordinary sensibilities must find the mark offensive or objectionable. (Greyhound Corp. v. Both Worlds, Inc., 6 U.S.P.Q. 2d 1635 (T.T.A.B. 1988))

(c) "Disparagement" is generally a use that "would be considered offensive or objectionable by a reasonable person of ordinary sensibilities" (In Greyhound Corp., v. Both Worlds, Inc., 6 U.S.P.Q. 2d 1635 (T.T.A.B. 1988)).

4. Deceptive marks

(a) A mark which is deceptive cannot be registered. (15 U.S.C. § 1052(a))

**\*248** (b) A mark is deceptive if it is misdescriptive of the character, quality, function, composition or use of the goods and prospective purchasers are likely to believe that the misdescription actually describes the goods and such misdescription is likely to affect the decision to purchase. (In re Budge Mfg. Co., 857 F.2d 773 (CAFC 1988))

5. State and Governmental Insignias

(a) Marks which consist or comprise a coat of arms, flag or other insignia cannot be registered. (15 U.S.C. § 1052 (b))

6. Portraits, Names and Signatures of Living Individuals

(a) Marks which consist of a name, portrait or signature of a living individual cannot be registered unless the person's written consent is filed with the PTO. (15 U.S.C. § 1052(c))

7. Deceptively Misdescriptive Marks

**\*249** (a) A mark which is deceptively misdescriptive can be protected so long as it has obtained secondary meaning. A mark is deceptively misdescriptive if the description is such that

a consumer is likely to believe the misdescription but such description is not material to the consumer's purchase choice. (15 U.S.C. §1052(e))

(b) If the description is material, the mark is deceptive and cannot be registered. (15 U.S.C. §1052(a)) (See above)

#### 8. Primarily Geographically Descriptive or Deceptively Misdescriptive

(a) A mark is primarily geographically descriptive if the term has as its primary significance to prospective purchasers its geographical significance.

(b) If there is a goods/place association between the term and the goods at issue, the mark will be considered primarily geographically descriptive. (In re Nantucket, 677 F.2d 95 (CCPA 1982))

**\*250** (c) Marks which are primarily geographically descriptive may be registered on proof of secondary meaning unless they are used on wines and spirits. (15 U.S.C. § 1052(e))

(d) A "geographical indication" used on wines or spirits cannot be registered if it identifies a place other than the origin of the goods and is first used on or after January 1, 1996.

#### 9. Primarily merely a Surname

(a) A mark is primarily merely a surname if its primary significance to the purchasing public is as a surname. Among the evidence considered is the frequency of the listings in a telephone directories (although there is no precise number required).

10. Marks which cause a likelihood of confusion with previously registered or previously applied-for marks.

(a) The PTO will refuse to register marks which have been previously registered by an unaffiliated party on the Principle Register if such marks are considered confusingly similar.

**\*251** (b) The PTO will also refuse to register marks that are confusingly similar to currently pending but previously applied for marks.

(c) The PTO applies generally the same factors in deciding likely confusion as the courts. (In re N.A.D., Inc., 221 USPQ 1115 (TTAB 1984)) Disclaimer Practice

#### 11. Functional Marks

(a) A functional mark is defined as one which "comprises any matter that, as a whole, is functional, and, therefore, cannot be registered.(15 USC § 1052(c))

### G. DISCLAIMER PRACTICE

1. Marks containing some generic terms may be registered so long the mark as a whole is distinctive. However, the applicant will be required to disclaim exclusive rights to any such generic terms

### H. OPPOSITION PROCEEDINGS

1. A notice of opposition may be filed by "any person who believes that he would be damaged by the registration of a mark." (15 U.S.C. § 1063)

**\*252** 2. Such opposition must be filed within 30 days of publication in the Official Gazette of US Patent and Trademark Office, although extensions are available.

3. Grounds for opposition include the bases for refusal of registration set forth in Section 2 of the Lanham Act. (See above) (15 U.S.C. § 1052).

4. Opposition may also be based on the grounds that the registered mark dilutes the distinctive quality of another mark. (15 USC § 1063(a))

5. The proceedings are governed by the Federal Rules of Civil Procedure and the Trademark Rules of Practice. Discovery is allowed, including interrogatories, document productions, and depositions.

6. Trials on the merits are conducted on a documentary record. Decisions are rendered by the Trademark Trial and Appeal Board. Its decision may be appealed either to the Federal Circuit Court of Appeals or to the US District Court. If the appeal is taken to the US District Court the decision is made de novo, and new evidence may be introduced.

### **\*253 I. CANCELLATION PROCEDURES**

1. A petition of cancellation may be filed by "any person who believes that he is or will be damaged by the registration of the mark." (15 U.S.C. § 1064)

2. Such petition must usually be filed within 5 years of registration.

3. Cancellation may be sought on the grounds that the mark dilutes the distinctive quality of the mark. (15 USC §1064)

4. If the petition is filed more than five years after the date of registration, cancellation may only be based on the following grounds:

(a) the mark has become generic or is functional;

(b) the mark has been abandoned;

(c) the registration was fraudulently obtained;

(d) the mark is being used to misrepresent the source of the goods;

**\*254** (e) the mark comprises scandalous, immoral or deceptive matter or comprises a coat of arms or flag or consists of a name, portrait or signature of a living individual without his consent or is otherwise unregistrable under Section 1052. (See below for more detail on grounds for refusal) (15 U.S.C. § 1052 (a)(b)(c)) (15 U.S.C. § 1064 (3))

(d) Cancellation proceedings utilize essentially the same procedures as those for oppositions. (See above)

## **III. TERM OF PROTECTION AND RENEWAL REQUIREMENTS**

### **A. TERM OF PROTECTION**

1. A registration is valid for 10 years, and must be renewed every ten years, with proof of continued use of the mark.

2. Although a trademark registration lasts only ten years, marks are protected under common law so long as they continue to be used as a source designator. Failure to renew a registration does not mean that the mark is free for use by any third party.



**\*255 B. RENEWAL PROCEDURES**

1. Between the fifth and sixth year of registration, an affidavit of continued use of the mark and proof of such use must be filed with the PTO. Failure to file such affidavit results in automatic cancellation of the registration.
2. All applications are reviewed by the PTO for registrability. If a mark is considered registrable, a public notice of the PTO's intent to grant the applicant a certificate of registration is published in the Official Gazette of the U.S. PTO. If no successful opposition is filed, the mark is granted registration.

**C. INCONTESTABLE MARKS**

1. Upon continuous use of a registered mark for five years after registration, such registration may become "incontestable" and constitutes conclusive evidence of the registrant's exclusive right to use the mark subject to specified defenses. (15 U.S.C. §1065)
2. The registrant must file an affidavit of incontestability between the fifth and sixth year of registration for the registration to become incontestable.

**\*256** 3. Once a mark is incontestable, only the following defenses can be raised to challenge the registrant's ownership of a valid trademark:

- (a) That the registration or incontestability was obtained fraudulently.
- (b) That the mark has been abandoned.
- (c) That the mark is being used by the registrant (or with his permission) to misrepresent the source of the goods or services in question.
- (d) That the purportedly infringing mark is not being used as a trademark ("fair use").
- (e) That the purported infringer is a prior user whose mark was adopted without knowledge of the registrant's mark and prior to the registration of such mark.
- (f) That the mark has been used to violate the antitrust laws of the U.S.
- (g) That the mark is functional.

**\*257** (h) That enforcement of the mark is bared by equitable defenses, including laches, estoppel and acquiescence. See generally 15 USC § 1115(b)

**B. FOREIGN APPLICANTS**

1. If a mark is owned by a foreign company, whose domestic situs is a country which is a signatory to a trademark treaty with the US and application for registration in the U.S. is based on a previously filed foreign application which later matures into a registration, use in the U.S. is not required prior to registration. (15 U.S.C. § 1126)
2. Such mark, however, should be used in the U.S. within 3 years of registration or it may be subject to cancellation. (Imperial Tobacco v. Philip Morris, Inc., 899 F.2d 1575 (Fed. Cir. 1990))

**IV. TERM OF PROTECTION AND RENEWAL REQUIREMENTS****A. THE ABILITY TO ASSIGN OR TRANSFER OWNERSHIP**

### 1. Formal requirements for assignment of trademark

**\*258** (a) Assignments of trademark rights must be in writing. Unwritten assignments will be treated as a non-exclusive license of rights to the grantee.

(b) To be valid a mark must be assigned "with the goodwill of the business in which the mark is used" or "with that part of the goodwill of the business connected with the use of and symbolized by the mark." (15 U.S.C. § 1060)

(c) Failure to assign goodwill with the mark results in its abandonment of the mark.

2. Similarly, failure to police the unauthorized uses of the mark by third parties may also result in an abandonment of exclusive rights in the mark. Such failure may be treated as weakening the distinctive quality of the mark.

3. Similarly, licenses of trademarks must contain quality control provisions to avoid the "naked licensing" of such marks, with the result that the mark will be deemed abandoned. (*Dawn Donut Co. v. Hart's Food Stores, Inc.*, 267 F.2d 358 (2d Cir. 1959))

## VII. RIGHTS GRANTED TO TRADEMARK OWNERS

### **\*259** A. THE RIGHT TO USE THE TRADEMARK

1. A trademark owner has the exclusive right to use any mark of which he is the prior user and to prohibit the use of any confusingly similar mark, on similar goods or services or any competing or related goods or services.

2. A trademark owner's rights are not limited to those goods or services listed in the registration certificate. He can prohibit use of the mark, or a confusingly similar mark, on related or similar goods or services.

3. In deciding whether goods are sufficiently related, courts consider the likelihood that consumers might consider the goods as emanating from the same source. Courts consider the owner's intent to market such goods, the practices of other competitors in marketing such goods, the relationship between the goods themselves and whether it is likely that the owner might "bridge the gap" between the goods, or if they represent "a natural area of expansion."

### B. GEOGRAPHIC RIGHTS IN A MARK

#### 1. Rights under the Common Law

**\*260** (a) Under common law, a trademark owner was given exclusive rights to a mark in the geographic markets for which he was the prior user and into which the mark's reputation had extended.

(b) It is possible for two different owners to have rights to similar marks for similar goods, where they have been adopted in good faith and are marketed in separate geographic markets.

## VIII. LIMITATIONS ON A TRADEMARK OWNER'S RIGHTS

### A. THE FAIR USE DOCTRINE

1. Trademark owners cannot prohibit the unauthorized "fair use" of their marks by others.

2. To qualify as a fair use the mark must be a descriptive term and must be used "in good faith only to describe the goods or services or their geographic origin." (15 U.S.C. § 115(b)(4)). It cannot be used as a trademark or source designator.

#### **B. THE RIGHT OF CONCURRENT USE**

**\*261** 1. In certain limited circumstances, two unrelated owners may have rights to use the same or similar marks and even to obtain concurrent registrations for their rights. (See above)

#### **C. THE RIGHT OF A COMMON LAW PRIOR USER**

1. Prior users have rights to use the mark in those geographic markets where they are the good faith prior user and where such use pre-dates the application date of a subsequently granted federal registration.

#### **D. COLLATERAL USES AND GRAY MARKET GOODS**

1. Third parties may use another's trademark to truthfully disclose that the original product has been repaired, reconditioned or altered. (Champion Spark Plug Co., v. Sanders, 331 U.S. 125 (1947))

2. Such use, however, cannot confuse the public regarding the original trademark owner's sponsorship or authorization of the altered product.

**\*262** 3. Thus, in Adolph Coors Co. v. A. Genderson & Sons, Inc. 486 F. Supp. 131 (D. Colo. 1980), the defendant was prohibited from distributing the plaintiff's unpasteurized beer under the plaintiff's mark since the goods had been manufactured without following plaintiff's quality control standards.

4. Third parties may also use another's trademark in truthful comparative advertisings.

5. In Smith v. Chanel, Inc., 402 F.2d 562 (9th Cir. 1968), the unauthorized use of the plaintiff's Chanel #5 mark was allowed in an advertisement that declared: "We dare you to try to detect any difference between Chanel #5 (\$25.00) and Ta' Ron's 2nd Chance. \$7.00."

6. Products which are lawfully manufactured abroad may be imported and distributed without the permission of the U.S. trademark owner provided the foreign trademark owner is identical to the U.S. owner or subject to common ownership and control with the U.S. owner (K Mart Corp., v. Cartier, Inc., 486 U.S. 281 (1988)). Such goods cannot be seized by U.S. Customs unless the foreign goods are materially different from the U.S. goods. (Lever Brothers Co., v. United States, 981 F.2d 1330 (D.C. Cir. 1993))

**\*263** 7. Where the gray market good was manufactured in violation of the license such goods will not be considered "genuine goods." Their importation and distribution will be considered infringing. (El Greco Leather Products Co., v. Shoe World, 806 F.2d Cir. 1986))

### **IX. THE DEFINITION OF TRADEMARK INFRINGEMENT**

## A. THE NEED TO PROVE UNAUTHORIZED USE OF THE MARK

1. The owner must prove that he is the owner of a valid trademark, that the infringing mark was used without authorization and that its use is likely to cause mistake or confusion or to deceive.

## B. PROVING LIKELIHOOD OF CONFUSION

1. In order to recover, an owner must prove that the unauthorized use of the mark is "likely to cause confusion or mistake or to deceive as to the source of origin of such goods or services."

2. In order to determine likelihood of confusion, courts consider a variety of features, including:

(a) The similarity of sound, appearance and meanings between the marks.

**\*264** (b) The similarity of the channels of trade and distribution between the marks.

(c) The similarity of the goods and services

(d) The strength of the marks, including the prevalence of use of similar marks by other third parties.

(e) The quality of the goods or services

(f) The good faith adoption of the second comer

(g) The sophistication of the customers.

(h) The existence of actual confusion arising from the unauthorized use of the mark.

3. No one factor is dispositive.

4. In establishing likely confusion, owners often rely heavily on consumer surveys. They may also rely upon expert and consumer testimony to establish such confusion.

5. Surveys are also used to establish the generic (or non-generic) nature of the mark, or that a descriptive mark has achieved secondary meaning.

**\*265** 6. Surveys may also be used to establish the presence or absence of likely confusion.

7. Not all consumers must be likely to be confused for relief to lie. Instead it is enough if a significant or appreciable number of prospective purchasers would be confused. Such purchasers must be the typical buyer exercising ordinary caution. (*AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979))

8. Reverse confusion is also actionable. Such confusion occurs when the junior user is larger or more famous so that purchasers might believe the senior user's goods emanated from or are associated with the junior user. (*Big O Tire Dealers, Inc., v. Goodyear Tire & Rubber Co.*, 561 F.2d 1365 (10th Cir. 1977), cert. dismissed, 434 U.S. 1052 (1978))

## C. DISCLAIMER PRACTICE

1. The use of disclaimers does not usually resolve the problem of likelihood of confusion.

2. Infringing users must demonstrate the effectiveness of their proposed disclaimers (*Home*

Box Office v. Showtime, 832 F.2d 1311 (2d Cir. 1987)

#### **\*266 D. WILLFULNESS AND THE NEED FOR A TRADEMARK SEARCH**

1. Before selecting a new mark, most companies conduct a trademark search. Such a search is not required under U.S. Patent and Trademark Office Rules.

#### **E. THE SPECIAL CASE OF TRADEMARK COUNTERFEITING**

1. A counterfeit mark is a "spurious mark ... that is identical with or substantially indistinguishable from" another. (15 U.S.C. § 1116)

2. Under U.S. law, only federally registered marks receive enhanced protection against trademark counterfeiting and only against use on the goods specified in the registration certificate. Unauthorized use of "spurious marks" on goods not specified in the registration certificate is challengeable as trademark infringement.

3. Grey market goods are not considered counterfeit products, neither are "overruns" produced by authorized licensees.

### **X. SPECIAL ISSUES**

#### **A. DILUTION**

**\*267** 1. Under the Federal Trademark Dilution Act, "famous" marks are protected against uses in commerce of a mark or trade name which "causes dilution of the distinctive quality of the mark." (15 U.S.C. § 1125(c))

2. The marks do not have to be identical for dilution to occur. Consequently, the mark HAHA was found to dilute the mark WAWA for convenience store services. (Wawa Inc. v. Haaf, 40 USPQ2d 1629 (E.D. Pa. 1996))

3. Dilution is defined as "the lessening of the capacity of a famous mark to identify and distinguish goods or services" regardless of competition or likelihood of confusion. (15 U.S.C. § 1127). It protects against both blurring uses and tarnishment.

4. Blurring has been defined as when "the defendant uses the plaintiff's trademark to identify the defendant's goods and services, raising the possibility that the mark will lose its ability to serve as a unique identifier of the plaintiff's [goods and services]." (Deere & Co. v. MTD Products, 41 F.3d 39, 43 (2d Cir. 1994))

**\*268** 5. Tarnishment occurs when a distinctive trademark is "linked to products of shoddy quality, or is portrayed in an unwholesome or unsavory context, with the result that the public will associate that lack of quality or lack of prestige in the defendant's goods with the plaintiff's unrelated goods." (Hormel Foods Corp. v. Jim Henson Products, Inc., 73 F.3d 497, 507 (2d Cir. 1996))

6. As the court in Hormel recognized: "The sine qua non of tarnishment is a finding that

plaintiff's mark will suffer negative associations through defendant's use." At 507.

7. Only those diluting use which begin after the mark has become famous may be prohibited.

8. In determining whether a mark is "famous and distinctive," the Lanham Act suggests eight non-exclusive factors to be considered. They are:

(a) the degree of inherent or acquired distinctiveness;

(b) the duration and extent of use of the mark;

(c) the duration and extent of advertising and publicity of the mark;

**\*269** (d) the geographical extent of the trading area in which the mark is used;

(e) the channels of trade for the mark;

(f) the degree of recognition of both marks in their respective trading areas and channels of trade; and

(g) the nature and extent of use of the same or similar marks by third parties. (15 USC § 1125(c))

9. Courts have increasingly required that a mark have greater "fame" than simply being a distinctive mark. (Avery Dennison Corp. v. Sumpton, 52 USPQ2d 1920 (9th Cir. 1999))

10. "Weak, quality-claiming or prominence claiming" marks" such as Acme, Merit and United, pose less likelihood of dilution by the junior user's mark. (Nabisco Inc. v. PF Brands, Inc., 191 F.3d 208 (2d Cir. 1999))

**\*270** 11. "Fame" may arise where a mark is well-known in a particular industry or a particular geographic area. (Star Markets Ltd. v. Texaco, 950 F. Supp. 1030 (D. Hawaii 1996))

12. Some courts, however, have indicated that in order for a niche mark to qualify for dilution relief under the FTDA, the two parties must use the marks at issue in the same or related markets. (Las Vegas Sports News LLC v. Times Mirror Magazines, Inc., 212 F.3d 157 (3d Cir. 2000))

13. Courts are currently split over the test to be applied to determine dilution under the FTDA.

14. In Nabisco Inc. v. PF Brands, Inc., 191 F.3d 208 (2d Cir. 1999), the court applied a test of "likelihood of dilution" and examined ten factors to determine whether such likely dilution existed. These ten factors were:

(a) The distinctiveness of the marks

(b) The similarity of the marks

**\*271** (c) The proximity of the products and the likelihood of bridging the gap;

(d) The interrelationship among the distinctiveness of the senior mark, the similarity of the junior mark and the proximity of the products;

(e) Shared consumers and geographic limitations of use

(f) Sophistication of the consumers

(g) Actual confusion

(h) Adjectival or referential quality fo the junior mark;

(i) Harm to the junior user and delay by the senior user

(j) Effect of the senior user's prior laxity in protecting the mark.

**\*272** 15. In *Ringling Brothers-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development*, 170 F.3d 449 (4th Cir. 1999), the court requires proof of "actual dilution." To establish such actual dilution, the plaintiff must establish (1) sufficient similarity of marks to evoke in consumers an "instinctive mental association" of the two marks that (2) is the "effective cause" of (3) an actual lessening of the senior mark's selling power, expressed as "its capacity to identify and distinguish goods or services."

16. The owner of a famous mark is entitled to injunctive relief against a diluting mark. No money damages are available unless the defendant "willfully intended to trade on the owner's reputation or to cause dilution of the famous mark." (15 U.S.C. § 1125(c)(2))

17. Dilution does not serve as a basis for a refusal by the PTO to register a mark. (*Babson Bros. Co. v. Surge Power Corp.*, 39 USPQ2d (TTAB 1996))

18. Because of the potentially broad grant of protection afforded trademarks under the Federal Trademark Dilution Act, the statute excludes three uses from the scope of the statute.

**\*273** (a) Fair use in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark.

(b) Non commercial use of the mark (most frequently in noncommercial parodies).

(c) All forms of news reporting and commentary. (15 U.S.C. § 1125(c)(4))

19. Courts have limited the Federal Dilution Act by refusing to apply it retroactively to bar uses of marks adopted and first used before the Act's effective date (January 15, 1996) (*Circuit City Stores, Inc. v. Office Max*, 949 F. Supp. 409 (E.D. Va. 1996); *Resorts of Pinehurst Inc. v. Pinehurst National Development Corp.*, 43 USPQ2d 1246 (N.D.N.C. 1997))

#### **\*274 B. TRADEMARK CLEARANCE ISSUES**

1. Although trademark searches are not required by law, the failure to conduct an adequate trademark search may raise concerns about the bad faith of the junior user in adopting a conflicting mark.

2. In clearing a mark for use, parties should consider potential conflicts with federal, state and common law marks and names. Such conflicts should include an analysis of likelihood of confusion between the marks at issue, as well as the more problematic question of whether use of the mark may lead to dilution with another's mark.

3. Numerous sources for obtaining information about federally and state registered marks, and common law marks exist. In addition to using professional trade mark search firms to clear marks, potential applicants can also conduct searches on the Internet.

**\*275** 4. In addition, the US Patent and Trademark Office has two Internet based search engines. One - TESS (Trademark Electronic Search System) is available at [www.tess.uspto.gov](http://www.tess.uspto.gov) and allows searches of the US Patent and Trademark Office's digital records. Another database - TARR (Trademark Applications and Registrations Retrieval) is available at [www.uspto.gov](http://www.uspto.gov) and allows the public to check the status of pending federal applications and federally registered marks.

**XI. FALSE ADVERTISING UNDER SECTION 43(a)**

**\*276** A. Section 43(a) of the Lanham Act has been used successfully to challenge false or misleading advertisements which are transmitted in interstate commerce. (15 U.S.C. § 1125(a))

B. To succeed on a false advertising claim the plaintiff must demonstrate that the advertisement contains a "false designation of origin or a false or misleading description of fact, or a false or misleading representation of fact ... which is likely to cause confusion, or to cause mistake, or to deceive." This falsehood must be material, and must be one of fact, not mere puffery.

C. False claims can derive from written or spoken statements and from actions or photographs. (Coca-Cola Co. v. Tropicana Products, Inc., 690 F.2d 312 (2d Cir. 1982))

D. False claims can also arise from reliance or surveys which lack an adequate basis or from inaccurate reporting of survey results. (Vidal Sassoon, Inc. v. Bristol-Myers Co., 661 F.2d 272 (2d Cir. 1981))

E. Relief is available both for statements (including actions depicted in the advertisement) that are literally false, and for those which imply a false factual representation, about the plaintiff's or defendant's goods or services.

**\*277** 1. To establish an implied falsehood, the plaintiff must prove that the ad conveys the implied message. (Castrol Inc. v. Pennzoil Co., 987 F.2d 939 (3d Cir. 1993))

2. In order to establish an implied falsehood, plaintiffs usually rely on consumer survey evidence or consumers testimony to demonstrate that the advertisement conveys the contended false message.

F. False statements of fact about a company's commercial activities are also actionable under Section 43(a) of the Lanham Act. (The Proctor & Gamble Co. v. Haugen, 222 F.3d 1262 (10th Cir. 2000))

G. Consumers have no standing to seek relief under Section 43(a). (Colligan v. Activities Club of New York, Ltd., 442 F.2d 686 (2d Cir. 1971), cert. denied, 404 U.S. 1004 (1971))

H. In order to qualify as a material misrepresentation, the misrepresentation must have been likely to influence the purchasing decision.

I. Parties do not have to be competitors in order to challenge a false advertisement. The goods and services, however, must have a competitive nexus. (Johnson & Johnson v. Carter-Wallace, Inc., 631 F. 2d 186 (2d 1980))

**\*278** J. Successful plaintiffs are entitled to the same types of relief as for other claims under Section 43(a) (15 U.S.C. § 1117)

K. Successful plaintiffs may also obtain corrective advertising in certain circumstances. (Alpo Pet Foods).



#### **XIV. OTHER UNFAIR COMPETITION CLAIMS**

A. Section 43(a) of the Lanham Act has also been used successfully for relief on a variety of unfair competition-type claims.

B. An unauthorized use of a celebrity look-alike or sound-alike can be prohibited as a false representation under Section 43(a)(Allen v. National Video, Inc. 610 F. Supp. 612 (SDNY 1985)).

C. A false attribution of authorship, including a failure to properly attribute a particular work, can also be prohibited as a false representation under Section 43(a)(Smith v. Montoro, 648 F.2d 602 (9th Cir. 1981); King v. Innovation Books, 976 F.2d 824 (2d Cir. 1992)).

D. An artist's "moral rights" and in particular the right of integrity can be protected under Section 43(a) particularly where the alteration is unauthorized, and material. (Gilliam v. American Broadcasting Companies, 538 F.2d 14 (2d Cir. 1976))

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