

# Trademarks and trade dress \*

We will not be spending much time on trademarks and trade dress. Trademarks have only a limited role in the protection of digital information. Instead, trademarks are a protectable way of indicating the source of a particular item or service so that consumers are won't mistake it for some similar item or service. For example, Paul Revere put a special mark on all his works, so that people would be able to determine that the work came from him, rather than some other source. (Many people were illiterate at the time, so a distinctive mark would be better than just putting his name on the work.)

## What is a trademark?

Today, a trademark can be a distinctive mark, a word or phrase (many advertising slogans are trademarks), or even a color (the pink color of fiberglass insulation has been held to be a valid trademark) or a sound (Harley Davidson has tried to get a trademark on the rumble from its motorcycles' exhaust). When the mark is used to distinguish the provider of a service from other service providers, it is called a "service mark." The name or particular logo for a restaurant would be a service mark. In many cases, the name of a company is also a trademark or service mark when used with a product or service the company provides.

Sometimes the particular overall appearance of a product or service, such as a distinctive packaging or a particular design for a restaurant, distinguishes it from its competitors. This is referred to as its "trade dress," and is protectable as a trademark. The distinctive screen appearance of a running computer program could be protectable as trade dress. This could be one way of protecting the "look and feel" of a computer program, something that was tried with little success using copyright. However, because most programs now follow user interface conventions dictated by Apple or Microsoft for their respective operating systems, it may be difficult to have a user interface so distinctive that it is strongly associated with a particular computer program.

Another type of trademark is a "certification mark," which doesn't indicate the supplier of the product, but instead indicates that the product meets a standard set by the owner of the certification mark. An example of a certification mark can be found on sheets of plywood, indicating that they meet a particular grade determined by an industry association. Sun treats the mark "Java" as a certification mark, allowing people to use it only if their implementation meets certain requirements.

While a trademark can be just about anything, including a color, the more distinctive a mark is, the more protectable it is as a trademark. Marks can be described as:

- Fanciful marks are terms created especially to be a trademark, having no other meaning at the time they are created. An example would be Exxon gasoline. Fanciful marks are inherently distinctive and are the strongest of all trademarks.

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- Arbitrary marks are terms in use at the time of the trademark's initial use, but which have no particular association with the trademarked product or any of its attributes. An example would be Shell gasoline, where a common word (and, for another of that company's trademarks, a symbol) is used but there is no particular link between a shell and gasoline. Arbitrary marks also have strong protection.
- Suggestive marks are terms that suggest an attribute of a product, but don't really describe that attribute. For example, Dove soap suggests a purity for the soap. Like fanciful and arbitrary marks, a suggestive mark is inherently distinctive and has strong protection.
- Descriptive marks are terms that describe some attribute of a product. An example might be Best Buy for a discount appliance store. To be considered a trademark, it must have established a secondary meaning in the minds of the public – they must associate the mark with the particular product or service and not consider it just an attribute. A descriptive mark may not be used deceptively, implying an attribute that the product or service does not have.
- Generic marks are simply what the public considers the name for a product, and are not protectable as a trademark. For example, "personal computer" can't be used as a trademark because it is not associated with any particular personal computer.

In general, the capitalization of a mark makes no difference. In fact, unless the mark is always to be shown in a particular style, the Patent and Trademark Office wants the words typed in all capital letters in the application. So there is no difference between "Unix," "UNIX," and "unix" for trademark purposes.

## **How trademark protection comes about**

Trademark protection comes into being by using the mark in commerce and having it associated with the particular product or service. No other formalities, such as registration, are required. Trademark protection lasts as long as the mark is being used.

But your trademark only protects you against others using the same, or a similar, mark in a way that would confuse consumers. The same mark could be used by different people for different types of products or services without infringement, as long as there is little confusion. For example, Ford is both the name of a car company and a modeling agency, but one doesn't infringe the other because there is little chance that somebody looking for a fashion model would mistakenly go to a car dealership.

There is also little chance for confusion if products with similar trademarks are never sold in the same geographical area. But with the Internet, and a more mobile society, it may be difficult to maintain such a geographic isolation for many types of businesses.

There are some marks that are so famous that use with a different product could lead people to believe that the product is endorsed by the owner of the famous mark. (This is sometimes called the "dilution of a famous mark.") For example, if you passed a shoe store and saw shoes with the McDonalds' arched M trademark, you most likely

would feel that those shoes are being produced with McDonalds' authority, even though there is considerable differences between shoes and hamburgers.

In 1996, Congress codified the law on dilution of famous marks<sup>1</sup> by stating:

The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this subsection.

Rather than give a definition for a "famous mark," Congress provided a number of factors that the court may consider:

- (A) the degree of inherent or acquired distinctiveness of the mark;
- (B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;
- (C) the duration and extent of advertising and publicity of the mark;
- (D) the geographical extent of the trading area in which the mark is used;
- (E) the channels of trade for the goods or services with which the mark is used;
- (F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks' owner and the person against whom the injunction is sought;
- (G) the nature and extent of use of the same or similar marks by third parties; and
- (H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

These factors are not the only ones that a court may consider. In addition, Congress provided three exceptions that will not be considered dilution of the famous mark:

- (A) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark.
- (B) Noncommercial use of a mark.
- (C) All forms of news reporting and news commentary.

Most states have laws that permit the registration of a trademark or service mark with some authority in the state. If the trademark is being used in interstate or foreign commerce, it can be registered with the Patent and Trademark Office. Federal registration not only allows you to use the R-in-a-circle mark, but constitutes constructive use of the trademark as of the time of applying for registration in every state in the country. (Constructive use means that the law treats it as being used, whether it actually has been or not.) The procedures for registering a trademark are quite simple, and most states and the Patent and Trademark Office offer standard forms and information about trademark registration.

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<sup>1</sup> Pub. L. 104-98, 15 U.S.C. 1125(c).

It used to be that you could only register a trademark with the Patent and Trademark Office after you had used it in interstate or foreign commerce. That is because the authority for Federal trademark registration comes not from the patent and copyright clause of the Constitution, but the commerce clause. That was a problem if one wanted to lock up a trademark before the actual introduction of a product. What was often done was to arrange a sham sale of the product to a friend in another state, therefore using the trademark in interstate commerce. That has now been replaced with an “intent to use procedure” that reserves the trademark for six months (which can be extended in certain circumstances).

Constructive use through registration can be very important, since a trademark belongs to the person who first uses it in a geographical area. Federal registration is the same as using the mark at the time of the registration application in every area of the United States. But just because a mark has Federal registration does not mean that it has priority over a mark that has not been registered. If, for example, there was a pizza restaurant in Salt Lake City named Godfather’s before the time that the national chain registered their trademark, if the chain started a restaurant in Salt Lake City it would infringe the trademark of the local Godfather’s restaurant. But the local Godfather’s restaurant could not use that name in any expansion out of its geographical area, because the chain’s registration has the same effect as if it started restaurants in every city at the time it applied for its registration.

## **Loss of a trademark**

Trademark protection continues as long as the mark is used in commerce and has not become a generic term. Federal registration must be renewed every ten years, but there is no limit to the number of renewals allowed as long as the mark is still used in commerce.

A trademark can also become a generic term, so that the public associates the term with the product in general and not with the particular product or supplier. There are a number of terms that started out as trademarks (some even as fanciful terms) that have become generic: escalator, aspirin, cellophane, and thermos. Owners of trademarks have to be concerned that their mark is not being misused as a generic term, and have to take action when they see it being misused. A trademark should always be used as an adjective describing some product, so that there is not “Kleenex” but instead “Kleenex tissues.” The fact that something is a trademark can also be emphasized by displaying the mark in a distinctive font or style, and by adding the symbol <sup>™</sup> to indicate a trademark or ® to indicate a registered trademark.

## **Trademark infringement**

A trademark is infringed when it is used by somebody other than its owner in a way that misleads people about the source of a product or service. Infringement is often shown by conducting a survey of people, seeing if they identify the alleged infringing product or service with the owner of the trademark or service mark. Infringement can also be proved by showing that people have actually been confused about the source of a product or service, or having the court take notice of the similarity of the marks and their use in the marketplace.

It is not an infringement of a trademark to use it to properly identify a product when discussing that product or comparing it to another product. For example, it does not infringe Microsoft's trademark to say that "Microsoft Windows 98 still crashes" or "Linux is better than Microsoft Windows NT." There is also no requirement to indicate in a writing who owns what trademarks, although many people do acknowledge those trademarks and indicate that they are not somehow claiming them.

If the mark has become "famous," it is also possible to infringe it by dilution – doing things that tarnishes the image projected by the mark or blurring its distinctiveness.

## Cybersquatting

A recent development in trademark law concerns the interaction between trademarks and the domain names used with the Internet. Because domain names are used worldwide, the normal geographic considerations that allow many people to use the same mark don't apply. Because all domain names look alike (most businesses end in .com, there is no possibility of distinctive fonts, and they are not attached to particular products), there can now be confusion between Ford the car company and Ford the modeling agency.<sup>2</sup> Clearly the people who dreamed up the domain name system weren't thinking about how to interact with trademarks.

But other people saw how to benefit from domain names and trademarks – they found trademarks whose owners hadn't gotten a domain name and got that domain name for themselves. When the trademark owner tried to get the domain name, it was not available, but the "cybersquatter" offered to sell it for several thousand dollars. Some cybersquatters registered thousands of trademarks that weren't theirs.

Congress reacted in 1999 with the Anticybersquatting Consumer Protection Act, whose major provision stated that:

A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person—

(i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section; and

(ii) registers, traffics in, or uses a domain name that—

(I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark;

(II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark; or

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<sup>2</sup> Sometimes even the mark applied to the same product can be the trademark of two different companies. The "Scrabble" trademark is a trademark of Hasbro in the United States, Canada, and their territories, and of J.W. Spear & Sons, a subsidiary of Mattel, in the rest of the world. There was a long-running dispute over which should have the domain name "scrabble.com" which was resolved by having it be a common web page indicating the dual ownership of the mark.

(III) is a trademark, word, or name protected by reason of section 706 of title 18, United States Code, or section 220506 of title 36, United States Code.

Rather than define what “bad faith” is, the statute instead gives a number of factors that a court can consider in determining bad faith, much like the factors that are considered in determining whether something is a fair use in copyright law. But unlike the copyright fair use factors, the court does not have to consider all the factors. The statute lists nine factors, although the court can also consider factors not in the statute:

- (I) the trademark or other intellectual property rights of the person, if any, in the domain name;
- (II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;
- (III) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;
- (IV) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;
- (V) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;
- (VI) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;
- (VII) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct;
- (VIII) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and
- (IX) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c)(1) of section 43.

The statute goes on to state that—

Bad faith intent described under subparagraph (A) shall not be found in any case in which the court determines that the person believed and

had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.

The statute also provides a special rule for people who use another person's name as a domain name—

Any person who registers a domain name that consists of the name of another living person, or a name substantially and confusingly similar thereto, without that person's consent, with the specific intent to profit from such name by selling the domain name for financial gain to that person or any third party, shall be liable in a civil action by such person.

But, of course, there is an exception to that rule—

A person who in good faith registers a domain name consisting of the name of another living person, or a name substantially and confusingly similar thereto, shall not be liable under this paragraph if such name is used in, affiliated with, or related to a work of authorship protected under title 17, United States Code, including a work made for hire as defined in section 101 of title 17, United States Code, and if the person registering the domain name is the copyright owner or licensee of the work, the person intends to sell the domain name in conjunction with the lawful exploitation of the work, and such registration is not prohibited by a contract between the registrant and the named person. The exception under this subparagraph shall apply only to a civil action brought under paragraph (1) and shall in no manner limit the protections afforded under the Trademark Act of 1946 (15 U.S.C. 1051 et seq.) or other provision of Federal or State law.