Trademarks and Branding
Presented By:
Susan Goldsmith
Emerging Enterprises Committee
LES US/Canada
November 2016
Because I’m a Lawyer

- Tell me you did not see this coming …
- Disclaimer
  - This presentation and these materials are for informational purposes only and not for the purpose of providing legal advice. You should contact your attorney to obtain advice with respect to any particular issue or problem. The opinions expressed in this presentation are those of the author alone and may not reflect the opinions of the firm or any other attorney.
What is a Trademark?

- A trademark is a sign capable of distinguishing the goods or services of one enterprise from those of other enterprises. Trademarks are protected by intellectual property rights.
- Distinguished from Patents, Copyrights and Trade Secrets
- Covers names of companies and names of products
- Pick well!
Trademark and Branding Issues for Emerging Entities

- Must find a good name / brand that is free of rights of others
- Trademark rights persist so long as the mark is in use
- Can’t license what you don’t own or if you don’t have exclusive rights to control product quality
- Both Federal and State/Provincial law applies
- International issues
- Registration process
- Enforcement process
Examples

AMAZON.COM

IBM

1-800-FLOWERS
Slogans

- *JUST DO IT* (Registered to Nike)
- *DON'T LEAVE HOME WITHOUT IT* (Registered to American Express)
Strength of the Mark

- Fanciful
- Arbitrary
- Suggestive
- Descriptive
- Generic terms
Strength of the Mark

- XEROX
- APPLE, AMAZON
- AUDIBLE, MICROSOFT
- WINDOWS
- WWW, AGILE
Source of Law

- Trademark Act, a/k/a Lanham Act
- State/Provincial law
- Common law - rights accrue on USE and exist within area of market penetration
Searching Trademarks

- Search – looking for:
  - Similar, potentially blocking marks
  - Third parties with credible claims of prior use
  - Litigious third parties with similar marks
  - “Commercial space” around a mark
  - Third party common law rights
  - Common use of the proposed mark in the industry
  - Did you check app stores? YouTube? Twitter?
US Registration Process – US Applicant

1. Identify mark and owner
2. Identify the goods / services – all of them
3. Is it in use on every item? Do we have a sample of use?
   - No, intend to use
     - Examination, publication
   - Yes, have date of first use and sample
     - Examination, publication

Allowance. File statement of use with date of first use and sample of use within 36 months

Registration
Ownership

- Who is the owner of the mark?
- Who is actually using the mark in U.S. commerce?
- Who controls the use of the mark in U.S. commerce?
Trademark Application Bases

- Based on use in U.S. commerce
  - Requires date of first use and proof of use
- Based on intent-to-use in U.S. commerce
  - Requires that intent be bona fide – Statement of use and proof of use will be required before registration can be granted
- Based on foreign application (with ITU) or registration
- Madrid Protocol
Goods and Services Claimed (General)

All clothing in Class 25

- gloves
- sweatshirts
- Pullovers
- t-shirts
- overalls
- jackets
- blouses
- jeans
- pants
- vests
- anoraks
- skirts
- dresses
- shoes
- socks
- boots
- parkas
- Only used in the U.S. for:
  - hats
  - caps
Goods and Services Claimed (Software)

All software

Big Data Analytics

Telecomm

Legal search

CRM

Debugging

Pen testing

Photo processing

On-line banking

Amortization

Logistics

Inventory control

Games

Word processing

Only used in the U.S. for:

Accounting

Delivered SaaS and downloaded

Copyright © 2016 McCarter & English, LLP
Classification

- **For goods**: Class 9 software is delivered to the customer by download or on media.
- **For services**: Class 42 Software as a Service, also most software development services for others.
- There is overlap and some services may bar registration for goods.
- Classification does not restrict review of similar marks in other classes or infringement actions.
“Use in Commerce”

- **For goods**: the mark must appear on the goods, the container for the goods, or displays associated with the goods, and the goods must be sold or transported in commerce.

- **For services**: the mark must be used or displayed in the sale or advertising of the services, and the services must be rendered in commerce.
Samples ("Specimens") of Use on Goods

Office 365 Home Premium

Get Office plus cloud services in a convenient 1 year prepaid subscription for 5 PCs or Macs plus select mobile devices.

**Limited time offer:** Free 12-month Xbox LIVE Gold subscription with purchase.

$99.99

[Buy and download now]

Compatible only with Windows 8 and Windows 7*
Also available in Spanish
Sample of Use on Services
Is it in Use? . . . U.S. Issues

- Sale or transport in commerce is accepted as use
- An item has to be in existence, not just on the drawing board, and actually sold or given to a stranger
- Sale or transport must be made in the course of ordinary trade (no token use!)
- Presentations and other preparations to sell don’t count as use, nor does fund-raising or press release usage
- Beta testing **might** count as use
Potential Issues with Applications

- Examining Attorneys issue objections to registration in 70 - 80% of cases
  - Descriptiveness (surname, geographic significance, industry term)
  - Likelihood of Confusion
  - Issues with descriptions of G&S
  - Six months to respond to initial refusals
  - Final refusals may be reconsidered and/or appealed
Specific Goods versus General Services

- SAGE for software specific to law enforcement
- Confusingly similar to SAGE for undifferentiated software development services?
- Examiner felt constrained by prior decisions even though one case said otherwise
- TTAB Proceeding No. 85593717: Examiner reversed, Board says registrant’s services are not related to Applicant’s software and there is no presumption about the channels of trade or the purchasers.
Registration Maintenance

- Declaration of continued use and proof of use (specimens) required between 5th and 6th anniversary of registration
- Proof of use required again at each 10-year renewal point
- After 5 years of continuous use, Declaration of Incontestability limits grounds upon which registration can be cancelled (fraud is still available as grounds)
Appropriate use of Trademarks

- Don’t risk “genericide”
- Xerox still trying to get people to “Stop ‘xeroxing’ and start photocopying”
- “Aspirin” is a generic term in the U.S.
- What about PhotoShop?
- Imperative to control licensee usage
- The brand is not the technology
Appropriate Use of Trademarks

- Trademarks are adjectives
- Never use trademarks as nouns
- Never use trademarks as verbs
- Display mark in stylized font or bold, with appropriate trademark notice
- Style and TM Usage Guides
Referential Use

- Statements about compatibility generally OK
- Use of logos generally forbidden for “non-partners”
- Don’t use our name within yours
- Don’t even think about registering our name in your domain name (etc.):
Foreign Registration

- Many jurisdictions require registration as prerequisite to protection
- Many require registration of license agreements
- There is no truly “international” registration but there is the Madrid Union
Trademark Enforcement

- Administrative Actions
- Court Actions
- Internet and Domain Names
- Customs Enforcement
- Licensing
- NOTE: Canadian law differs!
Trademark Enforcement

- Unregistered marks protected by the Lanham Act and by State law [only Provincial law in Canada]
- Scope of protection under Lanham Act may exceed registration

Confusingly similar
Goods claimed in Reg.
Proofs to be Offered

- Information about use of the mark
  - on what is it used?
  - where is it used?
  - how long has it been in use?
- Sales data – require reports from licensees
  - volume
  - revenue
  - geography
- Extent of advertising and/or media references
- Customer perception (declarations or survey)
Licensing – Typical Terms

- Licensed Products defined, grant limited, use limited
- Royalties, reports and audit rights
- Term and termination (sell-off period)
- Quality Control – required!
- Other IP rights (e.g. packaging)
- Manufacturing and sample approval
- Advertising and marketing approval
- Insurance and indemnity
- Sometimes minimum sales and minimum marketing commitment
Licensing – Specific Issues

- May license code without licensing the trademark (“white label”)
- May license the trademark without licensing the code (so long as there is quality control)
- May look to third party standard for QC
- QC should include compliance with approved privacy policies and other FTC-type concerns
- Make sure there is info in reports or otherwise required about location and types of sales (for use in enforcement actions)
Trademarks and Open Source Software

- Use of code is not synonymous with use of trademark
- May need permission to use logos?
- If permission is not required, is the term/image generic as it does not indicate a specific source?
- GPLv3 allows TM owner to decline to grant rights in trade names, trademarks and service marks, but most of the OSS licenses do not address trademarks at all
- Without control over code modifications is there merely “naked license” and loss of TM rights?
QUESTIONS?

Susan O. Goldsmith | Partner
McCARTER & ENGLISH, LLP

Two Tower Center Boulevard, 24th Floor
East Brunswick, New Jersey 08816
T: 732-867-9670
C: 908-803-2575
sgoldsmith@mccarter.com