



Ten Trademark Myths and How They Can Hurt Your Business

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U.S. trademark law is a nuanced subject governed by both federal and state laws, and determining the scope of a party's trademark rights can be complex and highly fact specific. Nearly every company has at least one trademark; some of which are their most valuable assets. Thus, having a correct understanding of what rights you have, or what rights are available to a trademark, not only can help you to avoid potential trademark disputes, but also can increase the value of your brand and company. Below is a list of ten "trademark myths" that may prove costly to your company, as well as recommendations to help you evaluate potential trademark issues.

1. We cannot get sued for trademark infringement because we have a federal registration.

While a U.S. federal trademark registration affords a mark owner with many benefits, owning a federal registration for a mark does not necessarily insulate the owner from a trademark infringement action against the owner's use of the registered mark. During the federal application process, the United States Patent and Trademark Office (USPTO) does a thorough review of the application, including a search for any pending applications or active registrations in the USPTO's own database for the same or "confusingly similar" marks used for overlapping or related goods or services. If the USPTO does not find any conflicting third-party marks in its database, and if no other substantive or administrative issues need to be resolved, then the USPTO will approve the mark for federal registration.

However, even if the USPTO approves a mark for registration, there may be one or more third parties that have "common law" trademark rights to the same or a similar mark, and the USPTO will not search for or cite these references during its review of an application. Unlike many foreign countries, the U.S. recognizes "common law" trademark rights. This essentially means that, even without a trademark registration, a mark owner is entitled to trademark rights so long as it uses the mark in connection with providing goods and services in commerce. Thus, the owner of an unregistered mark may enforce its trademark and sue for trademark infringement.

This can become problematic in instances where the owner of an unregistered mark (here, the "Senior

User?) began using a mark before the owner of a similar federally registered mark began using the mark or filed its federal trademark application (here, the "Junior User?"). For example, if the Senior User has been using the mark "ABC" for restaurant services since 2000 without a registration, and the Junior User successfully registers the mark "ABC" for restaurant services in 2020, the Senior User may have grounds to seek to cancel the Junior User's registration and/or sue the Junior User for trademark infringement based on the Senior User's prior common law trademark rights.

Accordingly, even if you successfully obtain a federal trademark registration, the registration may not eliminate your risk for a trademark infringement lawsuit. In any event, performing a trademark clearance search before using or seeking registration of a trademark does help to identify and address these types of potential issues early in the process before they become problematic, ultimately saving the owner time and money.

2. We can stop anyone from using our trademark because we have a federal registration.

As mentioned above, the U.S. recognizes common law trademark rights. If the Senior User begins using an unregistered mark before the Junior User begins using or files a federal application for that mark, then the Senior User has priority rights to the mark over the Junior User in the geographic areas in which the Senior User actually provides goods or services under the mark.

Thus, before you send a cease and desist letter or assert trademark infringement against a third party using a mark that is the same or similar to your federally registered mark, it is important to investigate whether the third party has priority over your rights. A Junior User's assertion of trademark infringement against a Senior User's use of a mark can result in the Senior User challenging the Junior User's federal registration and/or continued use of the mark.

3. Our name is a common or generic term, so we cannot get sued for trademark infringement.

It is true that generic marks are not entitled to trademark protection. It is also true that descriptive marks may only be entitled to limited protection, if any. But, whether a term is "generic" or "descriptive" in the trademark sense depends on what goods and/or services are promoted and sold under the mark.

For example, the mark FLOWERPOT may seem generic or descriptive such that no one should have the exclusive right to use it. This may be true when the term is used in connection with pots for plants or other gardening items. But, if FLOWERPOT is used in connection with something completely unrelated to plants or gardening, such as purses or automobiles, for example, then the mark is not generic or descriptive from a trademark law standpoint and might be entitled to very strong protection.

As such, it is important to seek legal guidance on whether a mark is generic or descriptive and therefore "safe" to use before assuming that it is available for your use without risk of trademark infringement.

4. We do not need to do anything else with our trademark once we register it.

In many ways, obtaining a trademark registration is only the beginning. In order to accrue and maintain strong rights to your trademark, it is important to implement trademark use guidelines and enforce your trademark.

Trademark use guidelines are a useful internal tool that helps to ensure that those within your company, your affiliates or licensees, or any others that may be using your mark with permission, are using it in a consistent manner and as a trademark. Trademark use guidelines can include specifications such as font, style, and coloring of a mark, instructions on the placement of a mark when used on digital or print materials, and requirements for appropriate use of the ® symbol. In addition, trademark use guidelines help to ensure that your mark is used as a source identifier for your goods or services and does not lose its distinctiveness by becoming a generic or descriptive term through improper use.

Ensuring that you enforce your trademark is equally, if not more, important in ensuring that your trademark is used properly. It is the trademark owner's responsibility to prevent unauthorized third parties from using the same or a similar mark for the same or related goods and services. Good enforcement practices protect (i) your customers from becoming confused as to the origin of the other party's goods or services (which may be of lesser quality than yours) and (ii) your rights to your mark by ensuring that you remain the exclusive user.

Further, a trademark registration owner is required to submit timely maintenance filings and fees between the 5th and 6th year of registration and again between the 9th and 10th year of registration (and again every ten years thereafter). You must be able to show continued commercial use of your mark for the goods and/or services identified in your registration in order to submit these maintenance filings. If you have discontinued use of the mark for some, but not all, of the goods or services listed in a registration, then you should delete those items from the registration. The USPTO will cancel a registration if a required maintenance filing is not submitted by the applicable deadline.

5. The USPTO enforces my trademark for me.

As discussed above, the USPTO will refuse registration of an applied-for mark if there is an earlier-filed application or active registration for the same or a confusingly similar mark in the USPTO's database. In this scenario, the USPTO will issue an "Office Action" with a citation to the conflicting third-party mark(s) to support its refusal to register the applied-for mark. The USPTO does not notify the owner(s) of cited mark(s), nor does the USPTO take any action to prevent the owners of applied-for marks from using their marks unregistered, even if the USPTO issues a refusal based on a similar third-party mark. Thus, it is a trademark owner's responsibility to monitor third-party use and applications for registration of marks that are confusingly similar to its mark and to take action to prevent such use and registration.

Many trademark owners use trademark watch services to make the monitoring process easier. Trademark watch services can alert a trademark owner if a third party has a pending application for a similar mark or uses a similar mark online or in a domain name. From there, it is the trademark owner's responsibility to determine whether taking action to prevent or stop the third-party from using the mark at issue is warranted and/or necessary.

6. Trademark applications are easy to file and registrations are easy to get.

Trademark applications typically are filed online. Once filed, they are "examined" by Examining Attorneys at the USPTO, who review the application to insure the application has been completed properly, and that the applied-for mark is inherently protectable and does not pose a conflict with a prior mark. Applicants should expect, at a minimum, that they will be waiting for at least a year between the time an application is filed and when registration is granted. For Intent-To-Use applications, this timeline may stretch longer.

The road leading from the filing of a trademark application to receiving a grant of registration is different for every application. A party may have filed a trademark application for a particular mark and received registration relatively quickly, without any objections from the USPTO. If the party subsequently files an application for the same mark claiming different goods or services, or perhaps an amended version of the prior-filed application, the later-filed application may receive one or more objections. One important thing to remember is that the USPTO does not consider prior applications and registrations to be precedential. That is, you cannot assert that you are entitled to registration because previously you were granted registration for the same or similar mark. Only the "four corners" of each application are viewed without reference to prior filings.

7. Someone owns a trademark registration for the name I want to use, so I cannot use or register it.

Violating another party's trademark rights or trademark infringement involves an analysis of whether the respective parties' marks are confusingly similar in sight, sound, meaning, and products and/or services promoted. If a party has registered a particular mark but the registered mark promotes goods or services different from your mark, then proceeding to use and to attempt to register your mark may pose a manageable level of risk. However, the closer your mark is aurally, visually, in commercial connotation, and with regard to the goods or services promoted when compared to a registered mark, the greater the risk associated with the use of, and attempts to register, your mark. Likewise, the further from a registered mark your mark is in sight, sound, meaning and goods or services, the less risk there is likely to be in using or registering your mark.

8. I need a registration in order to "trademark" a mark (or acquire rights in it).

In the United States, trademark rights arise with use of the mark in the marketplace. Hence, once you start using your trademark to promote your goods and services, this is when you acquire trademark rights. A trademark registration while granting useful benefits is not the mechanism through which you acquire trademark rights. This is not necessarily the case in other countries, where trademark rights do not exist if a party has not registered its mark. The benefits of trademark ownership include: a) the ability to use the ® registration symbol; b) the legal presumption that you own your mark; c) the ability to preclude others from registering a similar mark as Examining Attorneys at the USPTO will check the USPTO Register for confusingly similar marks; and d) you may rely upon your registration in the United States as the basis for trademark filings in other jurisdictions internationally.

9. My mark is not identical to another's mark, so I am safe from a claim of infringement.

As noted above, the analysis in a trademark infringement scenario is: are the involved marks similar in sight, sound, meaning, and goods/services such that confusion is likely. This analysis presumes that, despite the lack of identity between two marks, confusion may still arise. Consequently, simply changing your mark to a plural version when compared to another mark, or including basic (and non-differentiating) differences such as "the" or "corporation," likely are not sufficient to avoid a claim of confusing similarity.

10. I filed for the domain name or the business name incorporating my mark, so I am all set as far as trademark rights.

Domain names are not the same as trademarks. Trademarks are used as identifiers of source so that when consumers see your mark, they immediately discern the origin of the involved goods or services. Domain names are merely location references for a particular website. Business names are the formal designations used to register a business with a government agency and to maintain other regulatory formalities. It is possible that a party's domain name, business name, and trademark are the same. However, simply registering a domain name or a business name without more does not generate trademark rights. A party must use its chosen designation as a trademark in order to acquire trademark rights in it.

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