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## Title: Nuts & Bolts of Trademark Registration

*by*

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# NUTS AND BOLTS OF TRADEMARK REGISTRATION

by

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## I. Introduction

With two narrow exceptions, municipalities have rights equal to for-profit entities in protecting trademark interests. Federal law prohibits registering a trademark if it consists of a city seal or flag. However, cities frequently spend significant resources to develop material otherwise susceptible to federal trademark protection. Many cities develop logos or slogans to promote a city's unique identity.

This article serves as a step-by-step guide on how to register a municipality's trademark with the United States Patent Office.

## II. Governing Laws

Three general categories of law govern trademarks: Federal statutes, state statutes, and common law.

### A. Federal statues

The governing federal law of trademarks is the Trademark Act of 1946, commonly known as the Lanham Act. 15 U.S.C. §§ 1051 *et seq.* The Lanham Act defines "trademark" as follows:

> The term "trademark" includes any word, name, symbol, or device, or any combination thereof—
>
> (1) used by a person, or
>
> (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,
>
> to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

15 U.S.C. § 1127.

The Lanham Act defines "service mark" as follows:

> The term "service mark" means any word, name, symbol, or device, or any combination thereof--
>
> (1) used by a person, or
>
> (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,
>
> to identify and distinguish the services of one person, including a unique service, from the services of others and to indicate the source of the services, even if that source is unknown. . . ..

*Id.*

To be eligible for protection under the Lanham Act, there must be actual use of the mark in the ordinary course of trade in interstate commerce. See 15 U.S.C. § 1127 (defining "commerce" to include all commerce which Congress may lawfully regulate). This use cannot be merely a token use designed solely reserve a claim to the mark.

Trademarks are "used in commerce" when placed on goods or the goods' packaging and sold or transported for sale. 15 U.S.C. § 1127. Service marks are "used in commerce" when displayed on promotional materials or advertising for the services and the services are actually rendered in commerce. *Id.*

### B. State law

Most states have trademark statutes that permit state registration of marks. See, e.g. N.Y. Gen. Bus. Law §§ 360 *et. seq.*; Cal. Bus. & Prof. Code §§ 14320 *et. seq.* Such laws are useful, particularly when a mark has not been used in interstate commerce and therefore, not eligible for federal registration, but the owner still seeks the benefits of statutory protection.

### C. Common law

Before federal and state trademark statutes were adopted, common law recognized trademark rights as property rights worthy of protection. This common law protection remains, and though formal statutory registration constitutes presumptive evidence of trademark ownership, such ownership and use may nevertheless be established under state and/or federal common law. Common law varies among jurisdictions, but typically requires the individual alleging ownership to prove he or she was the first to actually use the mark in commerce. See *Kellogg Co. v. Nat'l Biscuit Co.*, 305 U.S. 111, 117 n. 3, 59 S.Ct. 109, 83 L.Ed. 73 (1938); *Cal. Cooler v. Loretto Winery, Ltd.*, 774 F.2d 1451, 1454 (9th Cir.1985); *Sengoku Works Ltd. v. RMC Int'l, Ltd*., 96 F.3d 1217, 1219, as modified, 97 F.3d 1460 (9th Cir.1996).

## III. What Qualifies for Protection Under Federal Trademark Law

### A. Marks Used in Interstate Commerce

As noted above, to obtain federal trademark protection, a mark must be used in interstate commerce, which may be accomplished in a variety of ways. Most obvious is the actual shipment of goods bearing the mark for sale outside the owner's home state. In today's Internet age, it has become increasingly easy to offer for sale and ship goods bearing the mark to buyers located out-of-state. Similarly, for service marks, mailing material that bears the mark and offering the services to the out-of-state addressee is often sufficient.

A common municipal example of such interstate use is a city's use of marks and materials designed to enhance tourism to the area or to attract visitors to particular cultural festivals or sporting events. Use of those marks through the mail and on the Internet to increase participation in such events or increase travel to the area will inevitably attract out-of-state attendees, which will evidence its interstate use.

### B. Marks That Do Not Otherwise Violate the Lanham Act

The law regarding which marks may, or may not, be registered, is wide-ranging and not susceptible to a short summary. However, in general often what qualifies a particular mark for federal trademark protection is based on what the mark is not, rather than what it is. For example, to register a mark under federal law the mark cannot be confusingly similar to a previously registered mark. 15 U.S.C. § 1052(d). It may not contain immoral, deceptive or scandalous matter. 15 U.S.C. § 1052(a). Nor can it be merely descriptive of the goods or services. 15 U.S.C. § 1052(e).

Certain types of marks, by contrast, obtain approval with relative ease. For example, arbitrary and fanciful marks of a highly distinctive nature receive broader protections than marks that have a relatively low degree of distinctiveness. A classic example of an arbitrary mark is "Kodak". The mark is not descriptive and, indeed, is not even a word in the dictionary.

The more arbitrary or fanciful a mark, the more likely the PTO will grant the application. By contrast, the more descriptive or generic a mark is, the less likely is will survive the PTO's scrutiny and make it to the Principal Register.

## IV. The Federal Trademark Application Process

The federal trademark application process typically involves up to six steps. From start to finish, the process may take from eight months up to two years (or sometimes longer) to complete.

### A. Pre-filing research

Though not required, a trademark applicant is advised to conduct a preliminary search of existing trademarks to determine whether similar trademarks exist to the mark the applicant seeks to register. This step helps the applicant to evaluate the relative strength and/or weakness of the mark and to assess generally the likelihood of obtaining registration.

If the search returns results of registered marks that may be similar to the potential mark, the entity may want to consider altering the mark to ensure it is easily distinguished from other, potentially similar marks.

**Resources for searches**

- The United States Patent Office Trademark Electronic Search System (TESS)
    - Found at: www.uspto.gov

- Free
- Refer to Design Search Code Manual for codes to include graphic design elements in the search

- Several companies specialize in conducting such searches, the cost of which typically runs $300-$1,000 depending on the number of markets searched. E.g. Thomson & Thomson.
  - Private company searches typically include searches of sources beyond the USPTO, such as state registries.

**B. File trademark application**

The USPTO strongly prefers applications be submitted electronically via the Trademark Electronic Application System (TEAS). Paper forms may be obtained by calling 1-800-786-9199. However, paper applications are processed more slowly than electronic ones.

The USPTO offers two application options-- an "actual use" application and an "intent to use" application.

**1. <u>Actual use application</u>**

A city that *already* owns a mark used in interstate commerce may apply to register by filing an actual use application with the PTO.

**2. <u>Intent to use application</u>**

A city that has not yet used a mark in commerce, whether interstate or otherwise, may nevertheless file an application to register a mark so long as the application sets forth a *bona fide* intention to use the mark in interstate commerce. ("Intent to Use" application) 15 U.S.C. § 1051(b).

There are several reasons why an applicant may choose to file Intent to Use application rather than a standard application. The applicant may file one soon after designing a trademark, but before its actual use in commerce, in order to start the lengthy registration process as soon as practicable. Sometimes an applicant is not certain whether the PTO will approve the application and register the mark. In those cases, an applicant may want to obtain a decision from the PTO before spending significant resources to produce and market the trademarked goods or services.

**3. Contents of application**

- Name of applicant
- Name/address for correspondence
- Depiction of the mark
- Define the class of goods/service for which registration is sought
- Filing Fee: There is a per-class filing fee of $325 for electronic filings (via TEAS) or $375 for paper applications.
- For actual use applications: A sworn statement of the date the mark was first used anywhere and the date it was first used in commerce. The application should include photographs of specimens of the mark. This is simply a photograph of an object that displays the mark. (E.g., T-shirts, pencils, tourism brochures, etc.)
- For "Intent to Use" applications: A sworn statement that the applicant has a bona fide intent to use the mark in commerce.

**4. Issues for Depiction of Mark**

- On the TEAS system, the depiction must be no larger than 3.5 inches by 3.5 inches.
- Can use "standard characters" to depict mark. In other words, if the font style, size and color are unimportant to the mark, then the depiction of the mark filed with the PTO should be in "standard characters." This is done with the following disclaimer: "The mark is presented in standard character format without claim to any particular font style, size or color." If the PTO approves the mark, then trademark protection will attach to the mark regardless of what font style and/or color are used.
- Can use "stylized or special forms" to depict the mark. In this case, the depiction will include any graphics that are critical to the design, including any special font style.

- Color: An applicant may register a mark with particular colors and the depiction of the mark must include those colors. However, most applicants seek registration in black and white, thus permitting them to change the color of the mark over time without losing any trademark protection.

**5. <u>Issues for Classes of Goods/Services</u>**

- The first reference should be to the USPTO's *Acceptable Identification of Goods and Services Manual*, available at www.uspto.gov.

- The international classifications are quite broad. For this reason, the USPTO requires both an international class number, plus a written description. E.g., For a coffee mug, the applicant would register as follows: International Class No. 021 (which includes all housewares), coffee mugs, tea cups and mugs.

- Examples of classes of goods and services a municipality may seek registration for include:

    - IC 016 Paper Goods: For use of mark on pads, pencils, post-its, etc.

    - IC 035 Advertising and Business: For use of mark in promotion of tourism, city services, concerts, cultural events, etc.

**C. Respond to "office actions"**

Once the PTO receives an application, it assigns a trademark examiner to evaluate it. The examiner reviews the application to ensure its compliance with statutory requirements. Frequently, the examiner finds a number of issues that could prevent registration from issuing. The examiner will send the applicant a letter specifying each of the issues he or she finds. This letter is called an "office action."

The applicant must respond to all issues raised in the office action, typically within six months of its mailing, or the application will be deemed abandoned. The response can range from agreeing to alter the mark to making a legal argument why the examiner's conclusions are wrong and should, therefore, be withdrawn. It is not uncommon for there to be several rounds of office actions and responses before the PTO makes a final decision on the application.

For a guide to what the examiner looks to when evaluating the application, refer to the *Trademark Manual of Examining Procedures*, which is available at the USPTO web site.

**D. Publication/Respond to oppositions**

Assuming all issues in any office actions are resolved, the PTO will notify the applicant that the mark is approved and will be published in the PTO Official Gazette. Any person who believes they will be harmed by the registration may file an opposition within thirty days of the mark's publication. 15 U.S.C. §1063.

If an opposition is filed, the Opposer can seek to establish reasons why the applicant's mark should not be registered. Grounds to prevent registration include, among others, likelihood of confusion, priority of use or ownership of a prior registration.

It is advisable for owners of registered marks to subscribe to "watch" services that will notify them of publication of marks in the Official Gazette that are similar to the owner's mark. This enables the owner to timely oppose any marks the owner believes will harm the registered mark.

**E. Registration/Notice of Allowance**

If a mark has not been successfully opposed following publication, and if the application was based on actual use, the PTO will issue the Certificate of Registration.

If the application was based on a *bona fide* intent to use, then the PTO will issue a Notice of Allowance. If the applicant files a Statement of Use and provides specimens of such use within six months of issuance of the Notice of Allowance, then the PTO will issue the Certificate of Registration. 15 U.S.C. § 1501(d)(1)

**F. Renewal**

To prevent unused or abandoned, registered marks from remaining on the federal register, the PTO requires all registered mark owners file periodic affidavits of use. 15 U.S.C. §1058. Such affidavits must be filed at the end of the 6th year after the date of registration, and at the end of each successive 10-year period after the date of registration. If the owner fails to do so, the PTO will cancel the registration.

**G. Monitoring Application**

You may monitor an application's process via the Trademark Applications and Registration Retrieval (TARR) system at the USPTO web site. (http://tarr.uspto.gov)

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Holly Whatley is Senior Counsel at Colantuono & Levin, PC focusing on public law disputes, including elections, intellectual property, land use, public works and municipal finance issues. Holly is a seasoned litigator with experience in complex litigation in a broad range of areas.

On intellectual property issues, Holly's experience is diverse. She has advised cities on both trademark and copyright issues. She represented a Fortune 500 company in federal court to enforce its trademark against distributors of counterfeit goods. Additionally, she represented an international Internet content provider in a federal copyright dispute, and continues to advise Internet companies on a variety of intellectual property issues.

Holly recently helped author the update to the Municipal Law Handbook's section on Election Law.

Holly started her career in the Litigation Department of the Los Angeles office of Sheppard, Mullin, Richter & Hampton. She later worked for the Enforcement Division of the United States Securities and Exchange Commission investigating and prosecuting violations of federal securities laws.

Education: Holly graduated with a Bachelor of Arts degree *cum laude* from the University of Texas at Austin in 1988. She received her J.D from the University of Texas School of Law in 1992 and joined the California Bar that same year. While she was at law school, she taught legal research and writing to first-year students.