

NOLO

Nolo's Guide to
**Trademark
Applications**



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Trademark 101

Do customers remark on the clever slogan you use for your tax preparation service? Did you recently devise a great name for your new hair product? Did you just order the signs and stationery for your new shoe store? No matter what your business or product, you may be wondering how to best protect that special name, logo or slogan that distinguishes your business. After all, success breeds imitation and others may soon try to copy your name and divert your customers.

One way to protect your rights is to federally register your name with the U.S. Patent and Trademark Office (USPTO). Your registration places the rest of the country on notice that you are the owner and it provides you with special rights to go after those who copy your mark.

Nolo's Online Trademark Application can help you prepare and file your application. But there's more to registration than filing an application. Unfortunately, only about half the applications received at the USPTO are registered. The remainder of the applicants receive objections from USPTO trademark examiners or are abandoned. Some of the examiner objections can be resolved, and some cannot. If the USPTO refuses to register your trademark, you will not get a refund. For that reason, we recommend that you review the material in this brochure before filing.

What Are Trademarks?

Trademarks are names, designs or devices that distinguish your business's goods and services. Trademarks help consumers because they provide reassurance that the products or services are associated with a specific business.

Without distinctive monikers—for example, Google, Virgin, and Urban Outfitters—or without clever slogans—for example, Just Do It, or You're in Good Hands—or without clever design logos—for example, Mr. Clean, or the jumping deer associated with John Deere—consumers might be uncertain as to which products they intend to purchase. We expect that the goods associated with the trademark are of a certain consistent quality and become suspicious when they don't meet that criteria. (Hey, buddy, wanna buy a Rolex for \$50?)

Although most trademarks are words, phrases or designs, a trademark can actually be any device that distinguishes your business. In some cases, business owners have claimed colors, combinations of colors, sounds, and even odors as a trademark.

When we refer to trademarks (which we call "marks" for short), we are also referring to service marks. Technically, a trademark identifies goods or products, while a service mark distinguishes and identifies services. Examples of trademarks include Newman's Own (salad dressing), Wii (video games), and Specialized (bicycles); examples of service marks include Fedex (for delivery services), Jet Blue (for airline services), and Jiffy Lube (for automotive services). Sometimes the same mark is used for goods and services—for example, the band Coldplay may associate its name with concert services and with t-shirt merchandise.

In general though, trademarks and service marks are interchangeable, and we refer to them either as marks or trademarks unless we need to distinguish them for some reason in this brochure.

There are two other types of marks—certification marks and collective marks. Certification marks certify that products and services have certain qualities—for example, Good Housekeeping Seal of Approval (a product approved by a homemaking magazine) or Roquefort (a cheese from a specific region in France). A collective mark signifies membership in an organization or identifies goods or services that originate from the member organization. Nolo's Online Trademark Application does not assist in the registration of either of these types of marks.

Why Bother Registering a Trademark?

If you've been using a trademark for years without a problem, why do you now need to go through the expense and paperwork of filing a federal application?

The fact is that you may not need to bother. The owners of unregistered trademarks acquire certain legal rights known as “common law” rights. These rights are often powerful enough to stop others from using a similar name. That's because (with the exception of intent-to-use applications discussed below) trademark rights are held by the party who first uses the mark in commerce, not by who first files an application for registration with the USPTO. So, if you've been using a name for your business for years and it's never been an issue, then you may not need to bother with registration.

You should think about federal registration if your business crosses state lines, if you plan on expanding nationally, if you're selling a retail product or if you're worried somebody will imitate your name. Registration increases a trademark owner's ability to win a lawsuit based on infringement of the registered mark and provides additional benefits.

What Does Federal Registration Provide?

Federal registration refers to the process of placing your trademark on a national list of trademarks known as the Principal Register. The USPTO keeps two lists of trademarks—the Principal Register and the Supplemental Register.

Of the two lists, the Principal Register is by far the more important. (The Supplemental Register is a secondary register with limited rights and we'll talk about it later when we discuss distinctive marks.)

Registration on the Principal Register provides:

- exclusive nationwide ownership of the mark (except where the mark is already being used by prior users who may not have registered the mark)
- official notice to all would-be later users that the mark is unavailable
- the right to put an ® after the mark, which also puts users on notice that the mark has been registered
- the right to immunize the mark from certain challenges if the mark is kept in continuous use for five years after the registration date, and

- a legal presumption that the registrant is the owner of the mark (which means the registrant won't have to prove ownership if a dispute over the mark ends up in court, although, as noted, the registrant may have to show prior use to rebut a contender's claim of ownership based on first use).

Taken together, these benefits make it easier to win an infringement lawsuit and make it more likely that large damages can be collected for the infringement (which means there will be money to pay the attorneys and make it worthwhile to bring the lawsuit in the first place).

How Do You Register?

Trademarks are registered with the USPTO using one of two methods:

- the trademark owner files an application based on the fact that mark is already in use in commerce, or
- the trademark owner files an application based on an intent to use the mark in commerce (known as an “intent-to-use” or ITU application).

Why Do Some Trademark Applications Get Rejected?

There are three major reasons why your trademark application may be rejected for the Principal Register:

- you are applying for a nondistinctive trademark (in which case it may be registered on the Supplemental Register),
- you are attempting to register a generic term, or
- your trademark is confusingly similar to an existing trademark.

By the way, although it is less common, a mark may be rejected if it is considered scandalous, immoral, or deceptive. Below, we explain the main reasons for rejection.

The Trademark Is Not Distinctive

Trademark protection is based on a “strength” classification system. Distinctive trademarks are strong and protectable. Trademarks that are not distinctive are considered weak and cannot be registered on the Principal Register unless the trademark owner can show consumer awareness.

Strong marks include coined words such as Polaroid, arbitrary terms, such as Apple for computer products, or terms that have a suggestive quality without describing the goods or services, for example Roach Motel. These marks are all born strong and are so memorable or clever that they are classified as “inherently distinctive.”

Weak marks such as Healthy Favorites, Beef & Brew, or Chap Stick describe some quality, ingredient, or characteristic of the goods and services. Many businesses prefer to use weak trademarks because a descriptive mark provides information about the product to the consumer. For example, consumers know immediately that Food Fair is the name for a supermarket and Windows is the name for an operating system

that uses separate frames (or windows) for each program. A weak mark can acquire distinctiveness if, through extensive sales and advertising, the public becomes aware of the mark and associates it with a particular source (also known as secondary meaning).

The question of what makes one mark strong and another mark weak often is difficult to predict and often becomes the key to resolving trademark disputes with a trademark examiner. Sometimes the examiner will recommend that the applicant move the descriptive trademark application to the Supplemental Register.

The Supplemental Register is an option for marks that aren't distinctive enough to qualify for placement on the Principal Register. Placement on the Supplemental Register entitles the mark's owner to use the ® symbol (that, to the public, signifies a registered trademark). If the mark continues in use and remains on the Supplemental Register for five years, it is easier to apply to have the mark placed on the Principal Register (because it has acquired distinctiveness through continued use over time). Also, anyone doing a standard trademark search to find out whether the same or a similar mark is available for their use will discover the registration and most likely will decide to choose another mark, just to be safe.

So, even though it proves limited rights, the bottom line is that the Supplemental Register provides some practical benefits and therefore offers a sensible alternative if placement on the Principal Register is denied because of the mark's lack of distinctiveness.

You Are Attempting to Register a Generic Term

A trademark application will be rejected if the applicant attempts to register a generic term. A generic term describes an entire group or class of goods or services. For example, the terms “computer,” “eyeglasses,” and “eBook” are all generic terms. The public associates these terms with a type of goods, not a specific brand. For example, there are many brands of computers—Gateway, Dell, and Sony—but there is no brand of computer known simply as Computer. If protection were granted to generics, one company would have a monopoly and could stop all others from using the name of the goods. (From a grammatical point of view, generics are generally nouns, trademarks are generally adjectives). You may register a trademark that includes a generic term—for example Dell Computers, or Ford Trucks—but the trademark owner generally must give up (disclaim) any claim of exclusive rights to the generic term.

The Trademark Is Confusingly Similar To an Existing Trademark

A mark will not be registered or otherwise protected under trademark law if it so resembles another mark currently registered or in use in the United States so as to cause confusion among consumers of the goods or services. In general, this means that if you're attempting to register a trademark for women's clothing and the same trademark is being used for spark plugs, you're unlikely to run into a problem. That's because consumers of spark plugs are not likely to be confused when seeing the same name on women's clothing. Hence, Arrow can be a trademark for shirts for one company, and for staplers for another.

The standard, known as “likelihood of confusion,” is a foundation of trademark law. Many factors are weighed when considering likelihood of confusion. These factors are derived from the case of *In re: E.I. DuPont DeNemours & Co*, 476 F.2d 1357 (CCPA 1973). However, the most important “confusion factors” are generally the similarity of the marks, similarity of the goods, degree of care exercised by the consumer when purchasing, intent of the person using the similar mark, and any actual confusion that has occurred. Keep in mind that similarities are judged based on appearance, sound and meaning.

Because likelihood of confusion is such an important factor in trademark law, it’s a good idea to perform a basic trademark search before paying for a trademark application (see below).

What is the Basis for Your Trademark Application?

If you proceed with a federal application, you must declare the “basis” for your application. There are four bases for a federal application, the first two of which are the most common.

- You are currently using the trademark in commerce (Section 1a).
- You are not currently using the mark but you have a good faith intent to use it soon (Section 1b).
- You filed a foreign application for the same goods/services within the past six (6) months (Section 44d).
- You have a foreign registration for the trademark for the same goods/services (Section 44e).

If you are already actually using the mark in connection with a product that is distributed in the marketplace, or associated with a service that is available to the public, then you can file based on this actual use. You must use the mark in commerce that Congress can regulate (that is, it moves across state, territorial, or international borders, or affects commerce across these borders), and you will need to provide a specimen (see below) showing the way that trademark is used in commerce.

If you are filing based on your intent to use you will not receive a registration until you actually begin using the mark in commerce and then by filing an additional form and paying an additional fee.

Submitting a Specimen

When applying for federal registration on an actual-use basis, you must submit an example of how your mark is being used in commerce, known as a specimen. When you file your application using Nolo’s Online Trademark Application, you will need to submit the specimen as a JPEG file that you will upload from your computer. You should prepare this photographic or graphic file before beginning the application process. It must be under two megabytes file size and should be scanned at 300 DPI or higher.

If You Haven't Started Using Your Mark, Should You File an Intent-to-Use Application?

If you are not yet using your mark, you can wait until you put it into use before filing a trademark application, or you can file an application on the grounds that you intend to use it within six months of the date the mark is approved for registration by the USPTO. If you are unable to put the mark into use within that period, you can purchase additional six-month extensions, one at a time until three years have passed, if you are able to convince the USPTO that the reasons for the delays are legitimate.

The advantage of filing an intent-to-use application is that your filing date will serve as the date of your first use of the mark—assuming you go on to put the mark in actual use and take the other steps necessary to get the mark placed on the federal trademark register. This first-use date can be very important in the event a conflict develops with another mark—in the USPTO or in the marketplace. Once you decide to file on this basis, you should do so as quickly as possible, to obtain the earliest possible date of first use.

The intent-to-use approach is more expensive than filing an actual use application—at least \$100 more expensive, plus \$150 for each additional six-month extension that is needed. Therefore, it is most appropriate to use the intent-to-use application when you have come up with a truly distinctive mark or you plan to spend big bucks “tooling up” to use the mark and you don't want to lay out the cash until you know that the mark will be yours.

If your mark is legally weak—for instance, it uses common words in a common way or is descriptive of the products or services—you will have little choice but to wait until you have put the mark into use and can demonstrate that the public associates the mark with your product or service. Keep in mind that the USPTO will only issue a Notice of Allowance for marks that are distinctive, either inherently or under the secondary meaning rule.

Specimens for Marks on Goods (Trademarks)

Specimens of how the mark is used with goods must show a very close association between the mark and the goods. Acceptable specimens usually include labels, tags or containers showing the mark.

Specimens for Marks on Services (Service Marks)

When you are offering a service, you have no physical product to which you can affix a label. Acceptable specimens for services include a variety of materials that can't be used for product marks. This includes scanned copies of advertising and marketing materials such as newspaper and magazine ads, brochures, billboards, direct mail pieces and menus (for restaurants).

Letterhead stationery and business cards showing the mark may be used if the services are plainly reflected on them, because the name or symbol being claimed as a mark would, in that context, be used to identify the services provided—that is, as a mark rather than as a trade name.

A letter on stationery will even be accepted as a specimen for a service mark if the mark appears and the services are described in the letter.

Also, a screen shot of a full Web page should be fine. This can be done using the screen capture feature in Windows or by using a software program such as Snag-It. If the mark is prominently displayed on the home page, so much the better.

Who Protects Your Trademark?

The trademark system is self-policing. If you don't do anything about your mark getting ripped off by a competitor, no one else will. And so, even though the law provides “protections,” you will have to step forward and use what tools the law provides.

As a general rule, these tools are very limited. In some situations it is possible to resolve a dispute by filing an administrative petition or complaint with the USPTO, but the vast majority of trademark disputes that can't be settled by negotiations are resolved by filing a federal court lawsuit claiming trademark infringement, or, in the case of a dispute about a mark and a domain name, by a federal lawsuit or an administrative arbitration.

Typically, an infringement lawsuit asks the court to immediately order a suspected infringer to stop using the mark in question, and to award the business bringing the suit monetary damages for harm caused by the infringer. Once the judge rules on the request for immediate relief, the case is then typically settled. Few trademark cases make it all the way to trial and, consequently, few cases result in damage awards, although large amounts of money may change hands as part of the settlement.

Trademark Searches

A trademark search is a systematic hunt for the existence of any registered or unregistered trademark mark that is the same or similar to the mark you want to register and that would likely result in customer confusion. If you are planning to apply for federal registration of the mark, you will save time and money by discovering whether your proposed mark is already registered or in use for similar goods and services. Because the trademark examiner will also perform a similar search, your search is an attempt to predict what, if any, objections the examiner will make.

What Resources Are Used in a Trademark Search?

A trademark search may involve some or all of these resources, depending on the scope of the search:

- **the Principal and Supplemental Registers:** a list of all trademarks and service marks that have been authorized for federal trademark registration
- **pending trademark applications:** a list of all trademarks and service marks for which a federal registration application has been filed
- **state trademark registrations:** a list of all trademarks and service marks that have been registered at the state level (usually with a state's secretary of state)
- **publications containing relevant product and service names:** trade magazines, print directories of commercial names, yellow pages, and electronic databases containing product and service names that are in use in the United States generally, or in respect to specific fields, for example, computers, biotechnology, or bicycles
- **the Internet:** domain names, Internet sites, and goods and services being offered on the Internet

Doing Your Own Trademark Search

Under good guidance, you can do your own search of trademarks registered with the U.S. Patent and Trademark Office (USPTO) at the USPTO website (www.uspto.gov). (Click "Trademarks," then click "Search TM Database.") Or you can visit one of the Patent and Trademark Depository Libraries (PTDLs), available in every state. These libraries offer a combination of hardcover directories of federally registered marks and an online database of both registered marks and marks for which a registration application is pending.

Keep in mind that even if a mark is unregistered, its existence could preclude you from registering the same or confusingly similar mark in your own name or using the mark in any part of the country or commercial transaction where customers might be confused.

In addition, you may want to review merchandise at an online store. For example, if you are selecting a trademark for a new toy, you can visit "ToysRUs" at www.toysrus.com. Once there, you can browse hundreds of toys and do a keyword search for any toy trademark that is similar to yours. This same approach can be used for any type of product by clicking the shopping category link on one of the popular search engines, such as Google.

While you'll no doubt find similar trademarks being used across the country, you'll need to know how to sort through your search results and determine which trademarks create a conflict. Keep in mind you're looking for a company that uses the same mark on similar goods or services.

For example, you should not file an application for Misty for umbrellas if someone is already using that term for umbrellas. You may also want to reconsider filing your application for umbrellas if someone is using Misty for rain hats or rain coats as the trademark examiner may believe that entity is likely to expand into umbrellas. One rule that you can also apply is that the more famous or distinctive a mark is, the more likely it is that customer confusion will result. For help interpreting search results, see *Trademark: Legal Care for Your Business & Product Name*, by Attorneys Richard Stim and Stephen Elias (Nolo).

Hiring a Professional Firm to Conduct a Trademark Search

Many people prefer to pay a professional search firm to handle a trademark search rather than do it themselves. This can make sense if your financial plans justify an initial outlay of several hundred dollars, the minimum cost for a thorough professional search for both registered and unregistered marks. Various companies offer professional searches, the most well-known of which is Thomson & Thomson (www.thomson-thomson.com).

The trademark search report you will receive will consist of a list of similar federally registered marks, pending marks, and marks that have been canceled or abandoned, a survey of similar state registrations, and an examination of numerous sources of unregistered users of similar marks, brand names, and trade names.

If you work with an attorney when acquiring the trademark search, you will also get a legal opinion as to whether your proposed mark is legally safe to register and use in light of existing registered and unregistered marks. Obtaining a legal opinion may provide important protection down the road if someone later sues you for using the mark.



TIP

Let Nolo take the guesswork out of finding a lawyer. Nolo's Lawyer Directory provides detailed profiles of attorney advertisers, including information about the lawyer's education, experience, practice areas and fee schedule. Go to www.lawyers.nolo.com or Nolo's main website at www.nolo.com.

Applying for a Trademark With Nolo

Nolo's Online Trademark Application offers a fast, easy, and helpful way to apply for a trademark. Our clear and straightforward program guides you through a series of questions about you and your mark and it also allows you to upload supporting images. After you've entered all of your information and reviewed it for accuracy, we'll file your application with the USPTO and send you important documents and guides that will help you make the most of your mark.

What You Get

When you apply for your trademark with Nolo's Online Trademark Application, you get more than just a trademark application. You also receive:

- practical help on every screen. Throughout the interview, we guide you through the process, explain the law, and answer common questions.
- hassle-free upload of your images
- a summary of your "Trademark/Service Mark Application, Principal Register" filing with the USPTO
- a guide to acquiring and maintaining trademark rights, and
- three useful agreements with instructions.

If you order the Deluxe package or the Suite package, you will also receive some of Nolo's best small business books and software.

How Much Does It Cost?

The cost of Nolo's Online Trademark Application depends on which package you buy. The larger packages include useful Nolo books and software. The price of the package does not include the USPTO's filing fee. That amount, \$325, will be added to your total at checkout.

For details about prices and packages go to www.nolo.com/online-legal-forms.

What Happens After You File Your Application?

You will likely receive some communication from the USPTO within three to six months. If there is a problem with your application, you will receive what's called an "action letter." This is a letter from your examiner explaining any issues regarding your application. We discuss how to respond to these letters in the confirmation email that is sent to you after your application has been filed. ●