



**TRADEMARKS IN PRACTICE:  
SEARCHING, CLEARANCE AND THE APPLICATION  
PROCESS IN THE UNITED STATES**  
Practicing Law Institute  
July 20, 2010

*Amanda Samuel 7/20/2010*

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This document is only to be distributed and shared in  
connection with Practicing Law Institute  
Trademark Basics Program

July 20, 2010

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**Trademarks As Valuable Assets**

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**Trademarks as Valuable Assets**



Trademarks are some of the most valuable assets of a company because they:

- (1) identify our products and distinguish them from competitors' products; and
- (2) serve as an assurance of consistency of quality.

The value of a trademark lies in the goodwill which is generated as the trademark is used and becomes associated with a particular manufacturer and its standards of quality.

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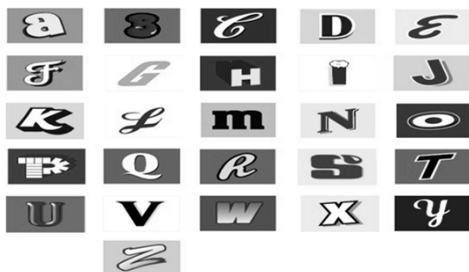
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**Trademarks as Valuable Assets (Cont.)**



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**Why Clear Trademarks for use?**



Because mistakes can be costly

“GATORADE IS THIRST AID”

- \$42 Million Judgment against Quaker Oats Company

Payless Shoesource Inc.: Jury found willful infringement of Adidas' three-stripe trademark

- \$305 Million Award (including \$137 Million in punitive damages)



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**What should be cleared?**



**EVERYTHING:**

- All new brand names
- Sub-brands
- Flavor/Fragrance designators
- Tag lines/slogans
- Logos
- Graphic designs and other distinctive elements of labels, packaging, advertising and promotional materials.
- New product designs (e.g., bottle configuration, colors)
- Line extensions and new products for existing brand name
- New markets for existing products
- Advertising or promotional materials

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**When should trademark clearance begin?**



As early as possible:

**Prior to quantitative concept testing** – Conduct preliminary searches

**After validation** – Conduct full clearance for winning name

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**When should trademark clearance begin? Cont.)**



Counsel should be looking at:

- Image(s) of proposed placement of name or mark on product
- Whether a **translation** (literal translation or thematic translation) be used?
- Whether a **transliteration** (phonetic equivalent using a local language alphabet) be used?
- Attach foreign language wording, if the name will be used in local languages/alphabets

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*When should trademark clearance begin? (Cont.)*



**Early issue spotting:**

Understand if client uses U.S. clearance as a starting point for global clearance.

- If yes, conduct scans in additional key countries may countries (e.g. Word marks might not work in each country or are preempted in a key country).
- Global branding important, but avoid launch disruptions  
**Solution:** coordinate and, if there is a problem, have recommendations for possible local variations and REPORT PROBLEMS IMMEDIATELY

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*When should trademark clearance begin? (Cont.)*



- **Remember** that clearance in one country is not clearance in other countries
- Clear in every country of manufacture and of interest for launch
- Ask if the mark is in use in other territories, client may have existing consents or co-existence agreements that can help your risk assessment.

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*Trademark Clearance*



**Factors in Clearance, same as in infringement**

- Similarity - sound, meaning, appearance
- Overall impression
- Presence of dominant common element
- Similarity in respective goods - logical area of expansion
- Fame of prior mark
- Who owns prior mark
- How many similar marks coexist
- Channels of trade
- Past dealings
- Price positioning

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**Trademark Clearance (Cont.)**



**Preliminary Searches**

\*U.S. Federal Register and/or certain individual country registers

- inexpensive
- provides “knock out” references at federal level
- Third party vendor databases includes states. Number of countries continually expanding

\*Comprehensive Searches

- U.S. Federal Register, individual state registers, business directories and listings, internet references and domain names
- more thorough than preliminary searches and reveals conflicts at the federal, state and common law level

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**Trademark Clearance (Cont.)**



**WISS Searches (Worldwide exact matches only)**

Relatively inexpensive for worldwide search

- (\$1000) provides “knock out” references
- incomplete ownership and status information
- focus on publication

Google searches or marketing databases

- can be useful to see actual use
- on the other hand, can murky the waters with respect to territorial concerns

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**Trademark Clearance (Cont.)**



Review by an experienced Trademark Professional

- Conduct further investigation may be required
- Seek co-existence agreements or consent requests.
- Help carefully craft the trademark description of goods/services to avoid potential conflicts

What is a Search Opinion?

A Search Opinion provides:

- a summary of the search results
- analysis of the risks associated with adopting a particular mark

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**Trademark Clearance (Cont.)**



**Obtaining a Written Search Opinion**

**Pro:** A written opinion clearing a mark can be used as a defense to a charge of willful infringement

**Con:** A negative legal written opinion may be the subject of discovery in litigation in the US.

1. outside the US many countries have limited discovery, if at all
2. European Directive for Intellectual Property permits discovery, impact remains unclear

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**Acquiring Trademark Rights**



**Trademark Rights in the United States**

- Rights in the U.S. are based on **USE**
- Use without Registration (i.e., common law rights)
- Use with State Registration
- Use with Federal Registration

**Trademark Rights Worldwide**

- Rights in most countries are based on registration
- Race to the Trademark Office
- Special Provisions

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**Acquiring Trademark Rights in the US**



In the "Trademark Cases" of 1879 (100 U.S. 82 (1879)), the U.S. Supreme Court found federal trademark law to be unconstitutional because Article 1, Section 8 did not apply to trademarks

In 1881 Congress enacted legislation to apply to registration of trademarks used in international commerce

In 1905, law extends to cover interstate commerce

Current Lanham Act enacted in 1946

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**Acquiring Trademark Rights:  
U.S. Principle Register**



1. Eligibility for Registration on the Principal Register
2. Inherently Distinctive Mark or Descriptive Mark that has acquired secondary meaning
3. Proper use in Commerce as a trademark

**Advantages of a Principal Registration**

- Notice- ® and citable by USPTO
- Provides access to federal courts
- Greater damage recovery (e.g., statutory damages)
- *prima facie* evidence of ownership and validity of the mark as well as the exclusive right to use it

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**Acquiring Trademark Rights:  
U.S. Principle Register**



- Ability to stop the importation of infringing goods at U.S. Customs (Lever filings)
- Incontestable after 5 years upon filing of Sections 8 and 15 Affidavits

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**Acquiring Trademark Rights:  
U.S. Supplemental Register**



**Descriptive Marks**

- Advantages of a Principal Registration
  - Notice- ® and citable by USPTO
  - Provides access to federal courts

**Disadvantages of a Supplemental Registration**

- Admission of descriptiveness
- No evidentiary presumption of validity, ownership and exclusive right to use mark
- Registration does not become incontestable after five years but can be moved to Principal Register
- Registration cannot be used to stop the importation of infringing goods

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**Acquiring Trademark Rights: U.S.**



**U.S. - Electronic Filings**

The USPTO is essentially paperless

- immediate Serial Number
- provides samples of language
- provides assistant for proper wording of goods and services

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**Acquiring Trademark Rights: U.S.**



**U.S.**

**1401.02(a) Headings of International Trademark Classes**

International trademark classification, and the headings of the international trademark classes, are established by the Committee of Experts of the Nice Union and are promulgated in the volume entitled *International Classification of Goods and Services for the Purposes of the Registration of Marks* (8th ed. 2002), published by the World Intellectual Property Organization ("WIPO"). For additional information relating to this publication, see TMEP §1401.02(c).

The general remarks, class numbers, class headings, and explanatory notes for each international trademark class are as follows. (The word or words in parentheses following the class numbers are short titles for the classes that are used exclusively in the United States Patent and Trademark Office ("USPTO") and are not part of the official text of the Nice Union classes. See TMEP 1401.02(b).)

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**Acquiring Trademark Rights: U.S.**



**U.S. Types of Applications**

1. Use-based Application
2. Intent-to-use Application
3. Priority filing date based on a foreign application - Sections 44 (d)
  - country of origin must have treaty with U.S.
  - 6 months from foreign filing date
  - Applicant verifies intent to use
  - goods cannot be broader than foreign filing
4. Applications based on a foreign registration – Section 44 (e)

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**Acquiring Trademark Rights: U.S.  
Filing Requirements**



- Filing Requirements
  - Name, address and status of Applicant
  - Mark (word mark, design mark, combination)
  - Description of goods and/or services
  - Official filing fee
  - Attorney contact information and/or Designation of Domestic Representative
  - Dates of first use (for Use-based appln.)
  - Specimens of use (for Use-based appln.)
  - Claim of Priority
  - Based on foreign registration
- Foreign Applications
  - Use based or Intent to Use

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**Acquiring Trademark Rights: U.S.**



Length of Examination Process - assuming no objections, approximately 1 year

No Objections -- Application Proceeds to Publication

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**Acquiring Trademark Rights: U.S.  
Office Actions**



If there is an objection, the Examining Attorney will issue an OFFICE ACTION and the Applicant has 6 months to respond to the objections or the application will go abandoned

- OFFICE ACTIONS may be issued on grounds that the mark:
- includes immoral, deceptive or scandalous matter
  - includes the name, portrait or signature of living individual without that individual's consent
  - is confusingly similar to another registered or pending mark
  - is descriptive or misdescriptive
  - technical grounds (e.g., association with owners marks)

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*Acquiring Trademark Rights: ex-U.S.*



International Examination

- many countries conduct searches and examine on substantive grounds
- others examine on absolute grounds only, such as European Union

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*Acquiring Trademark Rights: U.S. Publication*



A mark is published in the Official Gazette to advertise and give notice to the public that the owner is seeking registration of a particular mark

Interested parties can lodge an opposition against the published mark within 30 days from the date of publication

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*Acquiring Trademark Rights: U.S. Oppositions*



Bases for Opposition:

- Published mark infringes the interested party's prior rights
- Published mark is not registrable because it is merely descriptive, misdescriptive, deceptively misdescriptive, geographically descriptive, primarily a surname, deceptive, or generic
- Published mark is scandalous
- Dilution: the published mark lessens the distinctiveness of a famous mark (no niche fame)
- Extension of Period to File Opposition without Applicant's Consent: up to **120 days** from the date of publication

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**Acquiring Trademark Rights: U.S.  
Post Publication**



Use-based Application will be registered

- Intent-to-Use Application: a Notice of Allowance will issue and within 6 months from the Notice of Allowance date the applicant must either (1) file a Statement of Use; or (2) a Request for an extension of time to file a Statement of Use
- Statement of Use: must be filed within **3 years** of the Notice of Allowance (up to six 6 month extension requests are permitted)

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**Acquiring Trademark Rights: U.S.  
Post Publication**



Statement of Use Filings

- Specimen showing use must be submitted.
- PTO does not require a different specimen for each good listed.
- Statute of Frauds: *Medinol Ltd. V. Neuro Vasx, Inc.* (2003) found that a registration is subject to cancellation for fraud if goods in identification of goods and services were not used, even if included inadvertently
- *Zanella Ltd. v. Nordstorm, Inc.* (May 2009). If applicant cures inaccurate statement of use, a rebuttable presumption that no fraud was intended is created.

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**Acquiring Trademark Rights: U.S.  
Post Publication**



Initial Term: 10 years and a Section 8 Affidavit of Use must be filed between the 5th and 6th year of registration - See U.S.C. §1058 (2001).

Renewal (Section 9): A trademark registration can be continually renewed for 10 year terms (20 year term for first renewal of pre-1989 registrations) provided that as the registrant files the appropriate forms and pays the fee – 6-month grace period with payment of fee - 15 U.S.C. §1059 (2001).

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**Acquiring Trademark Rights: U.S.  
Post Publication**



Incontestible Registrations: forecloses certain avenues of attack (e.g., the mark is confusingly similar or descriptive) - 15 U.S.C. §1065 (2001).

Combined Sections 8 and 15 Affidavits

Combined Sections 8 and 9 Affidavits

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**Acquiring Trademark Rights: ex-U.S.**



**Outside U.S.** (generally):

No protection from use, only from registration

No protection until the registration issues (but it is retroactive to filing date)

There is no protection while application is pending, but applications puts others on notice of our claim to TM rights

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**Acquiring Trademark Rights: ex-U.S.**



- Marks are usually published in a Gazette but periods for publication vary
- Some are published before substantive examination and others after registration
- Purpose is to give notice for opposition or cancellation
- Period in which to oppose varies but usually 30 to 90 days from date of publication
- Procedures vary (formal, informal, petition, court action)
- CTM procedures (cooling-off period)

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**Acquiring Trademark Rights: ex-U.S.**



- Initial Term: vary but recent harmonization in terms (7 years to 20)
- Renewal: varies based on initial term
- Proof of Use Requirements:
  - Vulnerable to cancellation for non-use (generally 3-5 years)
  - Affirmative actions (very few countries require this, e.g., tax requirements)

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**Acquiring Trademark Rights: U.S. and ex-US**



**Special Considerations**

**Priority Filings:**

“Priority filing date” available if applications are filed in additional countries within six months of the filing date of the first application.

**International Registration:**

U.S. applicants can use U.S. applications as basis for obtaining International Registrations:  
Pros – cheaper and efficient (U.S. appl. date)  
Cons – conversions may be required

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**Acquiring Trademark Rights: U.S. and ex-US**



**Community Trademark** – covers 27 EU countries

- Allows for seniority claims of prior national registrations provided that “rule of 3 is met”

Time is of the essence with International Filings

Application filing should precede use

Exceptions:

- Balance between preserving rights to a mark and disclosing marketing plans
- Need to maintain defense of fair use
- Proposed use of new mark is limited

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**Acquiring Trademark Rights: U.S.  
State Law**



Procedures to obtain State Registrations vary greatly

**Advantages of State Registrations**

- Inexpensive
- Notice

**Disadvantages of State Registrations**

- No Presumption of Validity
- No Cancellation of Marks Available
- Does not safeguard opportunities for expansion into neighboring states
- Does not provide access to federal courts

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**Acquiring Trademark Rights: U.S.  
Common Law**



Common Law Rights in the US

**Advantages**

- No costs associated with registration
- Some ability to prevent others from using the mark in connection with the same type of goods/services

**Disadvantages**

- Varied Level of Protection
- Limited to a Geographic Area
- Limited remedies
- Does not provide access to federal courts
- Coexisting Use of Trademarks
- Concurrent Use

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**THANK YOU!**

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