



Trademarks

What, Why and How to Stop a Pirate

NOCALL 2010 Spring Institute

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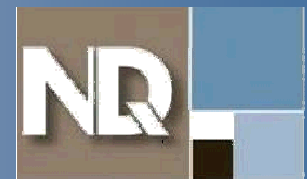
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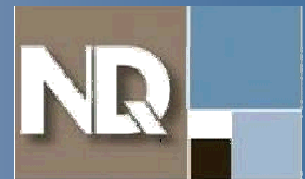
What Is A Trademark?

- Trademarks are the tools used to communicate a brand -- they are the elements that a company can own.



Why All The Fuss?

- A trademark is valuable because it is exclusionary; it allows the owner to exclude other companies.
- You own the trademark; it is an asset.
- Trademarks can be licensed for revenue.



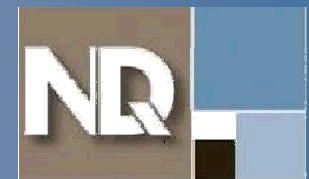
Acquiring Rights To A Trademark

- Trademark rights are acquired through use in the United States.
 - One acquires rights to a trademark in a geographic area when they use the mark within that area.
- U.S. Federal registration gives the trademark owner significant advantages to stop others.
- In many countries around the world, trademark rights are granted through registration
 - First to File



The Billion Dollar Brands In 2008 (Top 10)

Rank	Brand	Country	Value (\$billion)
1	Coca-Cola	US	66.7
2	IBM	US	59.1
3	Microsoft	US	59.0
4	General Electric	US	53.1
5	Nokia	Finland	35.9
6	Toyota	Japan	34.1
7	Intel	US	31.3
8	McDonald's	US	31.0
9	Disney	US	29.3
10	Google	US	25.6



What Can Be A Trademark?

- Any word, name, symbol, slogan, design, color, sound or other designation that meets two criteria:
 1. It functions as an indicator of source or sponsorship;
 2. for the goods or services to which it is applied.

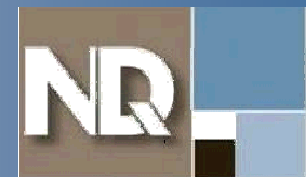


Word Marks

- PENTIUM
- APPLE
- COCA-COLA
- LEVI'S
- NIKE
- BLACKBERRY

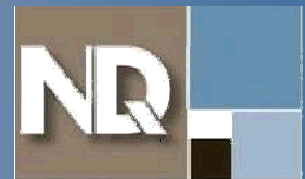


Logos / Design Marks



Slogans

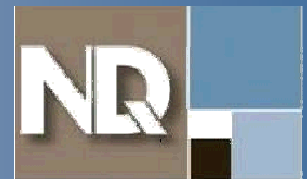
- “Tastes Great, Less Filling”
- “Just Do It”
- “Got Milk?”
- “Must-see TV”



Sound Marks

Intel Sound Mark

NBC Chimes



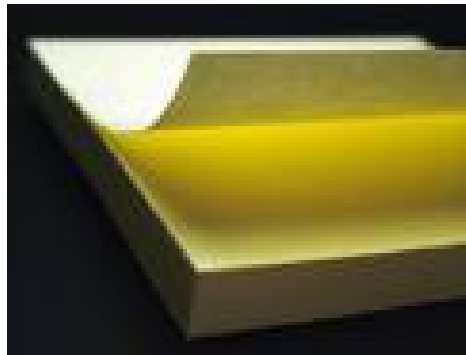
Color Marks



Reg. No. 2,359,351



Reg. No. 2,131,693



Reg. No. 2,390,667



Reg. No. 3,165,001



Trade Dress, Product Configuration, And Other Unusual Forms Of Trademarks



Reg. No. 1,075,633



Reg. No. 2,794,649



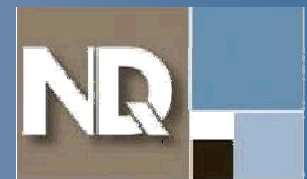
Reg. No. 1,057,884



Reg. No. 3,290,648



Reg. No. 1,383,086

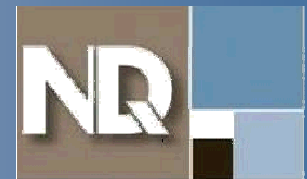
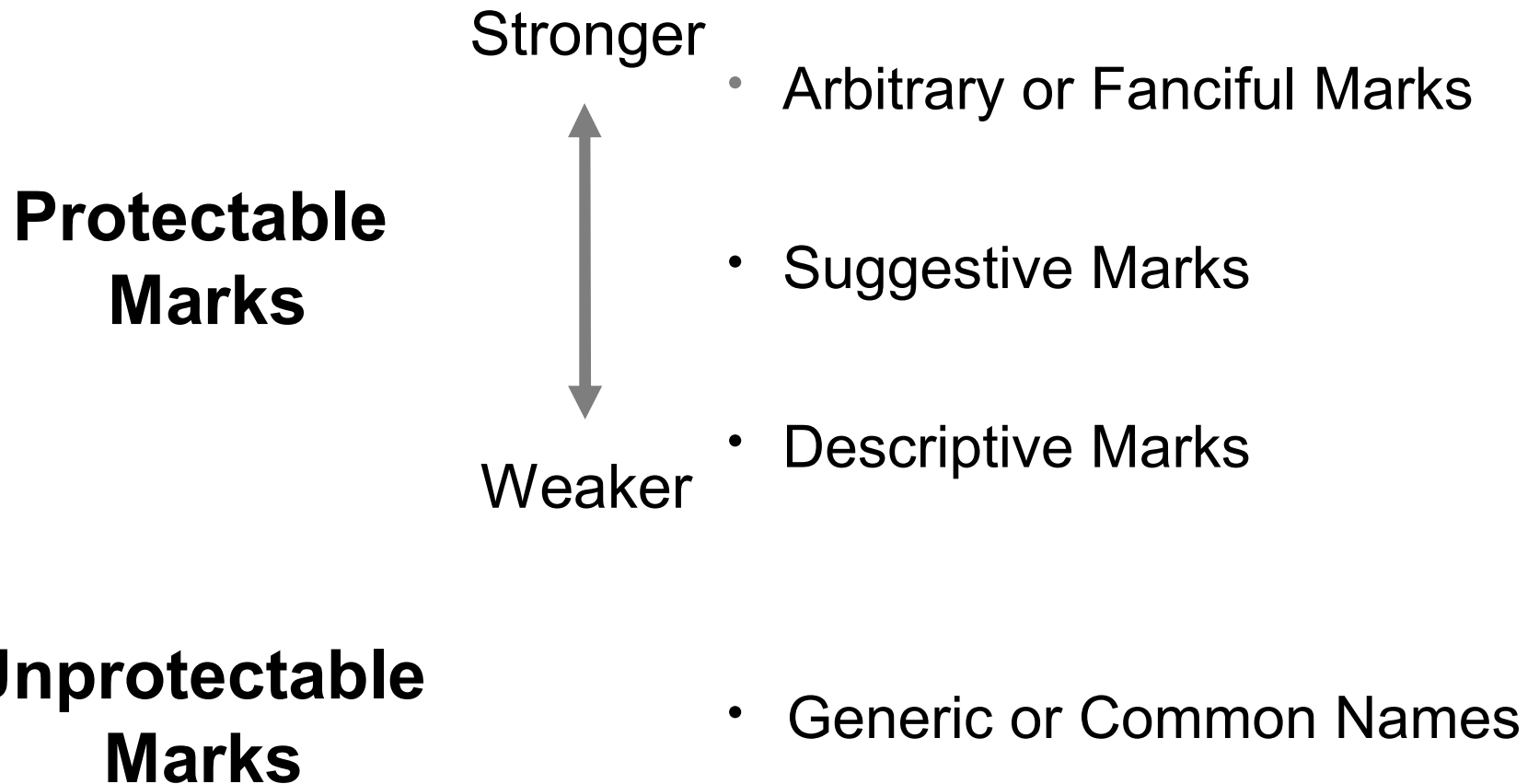


From Outside the U.S.

- Not all countries are as inclusive in what they consider to be a trademarks
 - For example, Color, Sound and Trade Dress may not be recognized or may be more difficult to establish
 - What seems like a very similar mark to you may be considered different enough in another country



Building Strong Trademarks



Coined Or Fanciful Trademarks

- Coined or fanciful trademarks are terms that are made up and have no dictionary meaning. This is the strongest type of mark.

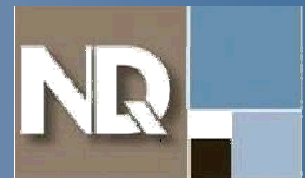


EXXON



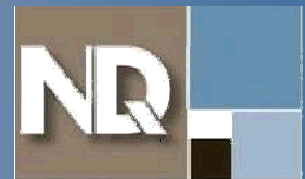
Arbitrary Trademarks

- Arbitrary trademarks have no meaning in relation to the products with which they are used.

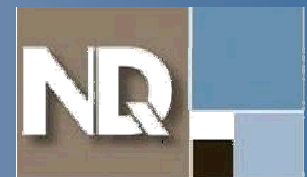


Suggestive Trademarks

- Suggestive trademarks suggest a characteristic or quality of the goods for which they are used.
- Suggestive trademarks are easier to market than arbitrary or coined marks, but have a narrower scope of protection.
- The USPTO can be inconsistent in determining which trademarks are suggestive and which are descriptive.

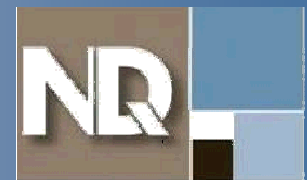


Suggestive Marks

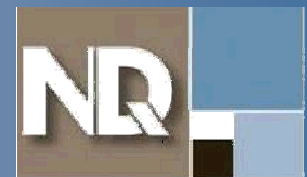
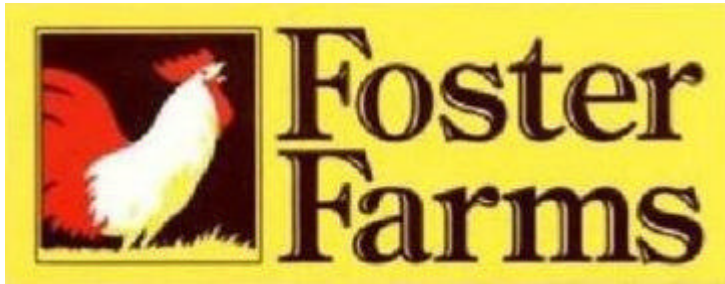


Descriptive Trademarks

- Descriptive trademarks identify a characteristic or quality of the goods for which they are used. Descriptive trademarks are easier to market, but more difficult to protect.
- To obtain registration for a descriptive trademark, the owner must prove “*acquired distinctiveness*” by demonstrating substantial use, sales and advertising, usually for at least five years.
- The USPTO can be inconsistent in determining which trademarks are descriptive and which are generic.
- Surnames are considered descriptive marks.



Descriptive Marks



Generic Terms

- Generic terms are descriptive words that cannot be used as a trademark because they describe the particular goods or services.
 - For example, the word CHICKEN cannot be used as a trademark for chicken products.
 - Trademarks for chicken products can still include the word CHICKEN, but expect to have CHICKEN “*disclaimed*” on the trademark registration.
 - CHICKEN would not be enforceable as trademark separate and apart from the trademark as a whole. For example, CHICKEN SHAKE-UPS by Kraft.



Advantages Of Federal Registration

- Presumption that registration is valid.
- Presumption that the registrant has the exclusive right to use the mark.
- Registration covers the entire United States, even though the owner might only use the mark in a limited geographic region.
- People know it's your trademark by doing an online search.
- Can be recorded with U.S. Customs to prevent the import of counterfeits.

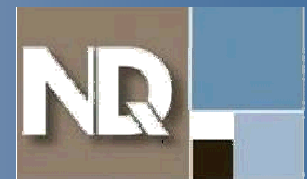


Trademark Infringement, Passing Off and Counterfeiting



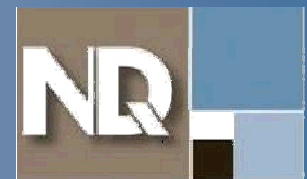
Trademark Infringement

- The basic test for trademark infringement is “*likelihood of confusion*.”
- Likelihood of confusion means that a defendant’s mark is “likely to cause confusion, or to cause mistake, or to deceive”. *Lanham Act* § 32.
- Likelihood means a “probability”. The possibility of confusion is *not* enough, but certainty of confusion is *not* required.
- Counterfeiting is the most egregious form of trademark infringement!



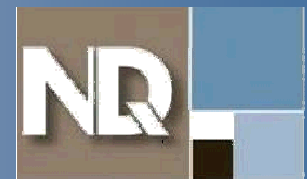
Trademark Infringement

- Factors considered in demonstrating likelihood of confusion (Restatement Third, Unfair Competition § 21):
 1. Similarity of marks (visual, phonetic and meaning);
 2. Similarity of marketing methods and channels of distribution;
 3. Characteristics of perspective consumers and degree of care exercised;
 4. Degree of distinctiveness of senior user's mark;
 5. Where goods/services do not compete, likelihood prospective consumers would expect senior user to expand into field of junior user;
 6. Where goods/services sold in different territories, the extent to which the senior user's mark is known in the junior user's territory;
 7. Intent of junior user; and
 8. Evidence of actual confusion.



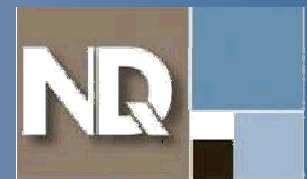
Passing Off

- Passing off is a type of unfair competition
- The boundary between passing off and creating confusion about the source of goods is ambiguous
 - Passing off is a more direct and flagrant way to mislead consumers about the source of goods
- “Passing off” is also known as “palming off”



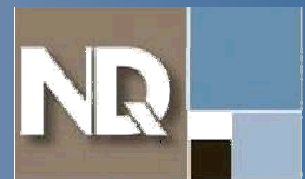
Passing Off

- U.S. courts have found passing off in three distinct types of situations:
 1. Substitution – substituting one brand of goods when a different brand is ordered;
 2. Willful trademark infringement – the infringer intentionally means to defraud and confuse buyers; or
 3. Unintentional trademark infringement – there is no proof of fraudulent intent, but there is a likelihood of confusion for buyers



Passing Off – Substitution

- *Coca-Cola Co. v. Dorris* – The court found that substitution of another cola product when a consumer orders COCA-COLA is passing off. 311 F. Supp. 287 (E.D. Ark. 1970),
- *United States v. Petrosian* – The court found that re-filling genuine COCA-COLA bottle with a non-genuine cola-like beverage is passing off. 126 F.3d 1232 (9th Cir. 1997).



Passing Off – Willful Trademark Infringement

- Some U.S. courts use the term “passing off” as a synonym for willful trademark infringement.
- Some forms of passing off may also qualify as counterfeits.



Counterfeiting is big business

- \$600 Billion A Year Problem in the U.S. (source: IACC, www.iacc.org).
- Fiscal 2009, 14,841 IPR Seizures with a Domestic Value of \$260.7 Million (Seizure Statistics, FY 2009, U.S. Customs and Border Protection – U.S. Immigration and Customs Enforcement).
- Footwear was the top commodity seized by Customs in 2009.



Counterfeiting

- Defined by the Lanham Act at 15 U.S.C. sec. 1116(d)(1)(B) and 18 U.S.C. sec. 2310 as:
- “A spurious mark which is identical with, or substantially indistinguishable from, a registered mark”
- But it does not include “gray market” goods and production overruns



Outside the U.S.

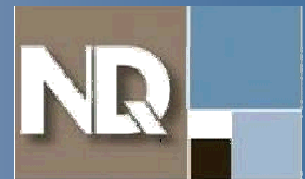
- Counterfeiting generally is defined in a similar fashion
- But what constitutes a mark may be more narrow
 - LEWIS v. LEVI'S for example





Some Statutes to Start With

- Lanham Act
 - 15 U.S.C. Sec. 1116(d), et.al.
- 1984 Trademark Counterfeiting Act, The Anticounterfeiting Consumer Protection Act and others
 - 18 U.S.C. Sec. 2320
- 1978 Customs Act
 - 19 U.S.C. Section 1426
 - 19 C.F.R. Sec. 133.52(c)



Other Resources

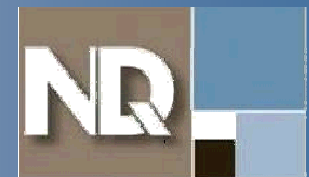
- McCarthy on Trademarks
- IACC
- INTA



Labels and Sundries

- The manufacture for sale or the offer for sale of counterfeit labels and sundries may be actionable
- Investigations are often necessary
- Be aware of what investigators are doing
- Counterfeiting is a criminal activity

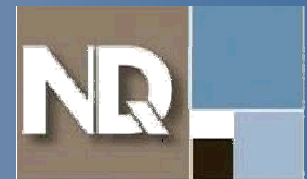






Approaches to Stop the Pirates

- Consider use of authorities: is goal to get it off the street, keep it off the street or stop the manufacturer?
- Always consider customs wherever you are
- Don't hesitate to use the administrative and civil courts as well





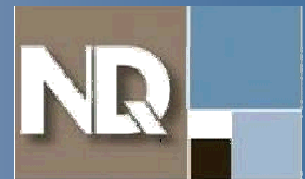
Actions & Remedies

- Customs
 - A great resource in the U.S. and in many other countries
 - Record Registrations
 - Education and training
 - They will stop counterfeits!



Actions & Remedies

- Civil
 - Injunctive Relief, including ex parte civil seizure, court ordered destruction
 - Asset Freeze
 - Monetary Damages
- Criminal
 - A civil litigant may not threaten criminal sanctions to gain an advantage
 - Trademark Owners may work with enforcement authorities and often do



The Internet....

- The use of the internet to manufacture and sell counterfeits is extensive
- Major websites have take down provisions
- Major registrars create contractual obligations and have take down provisions
- And I leave it to our next speaker to lead us through piracy and the internet...



Thank You!

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