

Do not be afraid to search

There is more to registering a trade mark than simply filling out a form. A trade mark search can be an invaluable aide in assessing whether your mark has validity, says **Tamar Niv Bessinger**

Your marketing department has come up with an exciting new product or service with a great new name, and they want to know in 24 hours whether the trade mark is available, for a scheduled launch next week. No problem, right? Well, actually, it depends. Yes, that is a very lawyerly answer, but running a trade mark search and obtaining an opinion from outside counsel is often necessary, and usually takes more than one day.

Managing expectations

It is best to explain the trade mark search process to your client – in this case the marketing or sales department – in laymen's terms. You should also provide a realistic timetable for a risk-assessment that takes into account the urgency of the project, as well as the risk of litigation that could threaten to interrupt or end sales of the new product or service.

In deciding how much time, effort and money to invest in clearing the mark, it is important to understand the goals, benefits and shortcomings of a legal opinion based on a trade mark search.

Goals: you want to know whether the mark is available for use and registration, in the US, and perhaps internationally as well.

Benefits: you will receive a realistic assessment of possible obstacles to adoption of the mark, based on a comprehensive search of most available resources, including the internet and extensions of international registrations seeking trade mark protection in the US.

Shortcomings: The best answer you will likely receive from outside counsel is a qualified, "the mark looks available" or "it appears that the risk of adoption of this mark is low". Unfortunately, no one can guarantee that you will not be sued, or that you will be successful in obtaining a trade mark registration.

Choosing the right search

Whether a full search will be conducted depends on numerous factors and circumstances, of which the top two are time and money. Are you in a hurry to get the mark on file? If so, you can consider filing an application for the mark and only later conducting a search, but be aware of the risks. If a major obstacle is uncovered, you can withdraw the application or abandon it, but consider how much time and money will have already been invested in establishing and promoting the brand. Moreover, you may feel confident enough to forego a search if your company has already been

using the mark for some time without encountering obstacles, though of course this does not mean that a search might not uncover risks.

Even if you have not yet used a mark, there is no legal requirement to conduct a full search before adopting a mark. However, in many cases, some kind of search is worth the trouble and expense. In certain industries, such as pharmaceuticals, few would proceed without a full search.

At the outset, your outside counsel will likely suggest a preliminary knock-out search – a search of the USPTO's database, which includes pending trade mark applications and existing registrations. Often, the main goal of such a search is to locate a direct hit – a similar mark for identical or related goods – which is so likely to present an obstacle

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to your use or registration of the mark that it knocks out your candidate mark from consideration. The good news is that such preliminary searches can be done very quickly and can sometimes provide clear-cut results. The bad news is that the clear-cut answer may be that the mark is not available.

Take the hypothetical example of a proposed mark, Fit and Slim, for a new nutritional snack bar. Outside counsel runs a preliminary knock-out search for the exact mark, as well as a few variations on the mark, for the goods of interest. Your lawyer finds a red-flag: the results include a recent use-based registration for a diet shake called Fit & Slimmer, owned by a medium-sized health food company. You confirm use of the mark on the registrant's website. If desired, outside counsel can engage an investigation firm, which can expedite the investigation and generally give results the same or next day if necessary, to determine the exact nature and extent of use of the mark. In this case, the investigator reports that the mark is in fact in use for the shake sold through health food stores and supermarkets, which are the same channels of trade your company plans for its new snack bar. The bottom line is that such a similar mark in use for such a closely related product means the mark is not available, and it is time to look into an alternative trade mark.

For better or worse, such a clear-cut scenario is rare:

more often a preliminary search raises a few possible marks to look into and simply cannot cover the range of possibly conflicting marks, so your lawyer may also suggest conducting a full search. For example, in our hypothetical case a preliminary knock-out search could uncover a recent trade mark application, based on intent to use, for Slim Crunch for cereal. The preliminary search will not tell you if this mark is in use, or if it will ever be in use. You may find no references to the mark on the internet, but this is not determinative of the issue of use, and further investigation is

of consumer confusion. In that case, perhaps a full search, followed by a handful of use investigations to gauge how diluted the mark is in the marketplace, will give you the knowledge and facts needed to make an informed decision.

Outside counsel will usually engage a search firm to conduct the full search for a flat fee. Full searches generally arrive four or five days after they are ordered, but can usually be expedited for an additional fee. A full search covers not only the USPTO database, but also reviews many common law sources, such as company names, publications, the internet, and any specialized sources of particular interest to your industry. Full searches cast a wider net than preliminary searches, not only in the source material search, but in the variations on your mark, and in some cases, the breadth of the related goods on which the marks are used. These parameters are particularly important, because the more closely related the goods are, the more dissimilar the marks can be, and yet still be considered likely to create confusion. Similarly, identical marks for even distantly related goods could be problematic, especially if your goods are within the senior user's natural zone of expansion for its mark.

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needed to conclude whether the mark is in use, and to understand the nature of the use. There are also several Slim-formative marks coexisting in the market place, so perhaps your product could squeeze in without significant risk

US trade mark law: an overview

US trade mark law is based in statute as well as case law. Under the law, the first, or senior, user of a trade mark is typically considered to have rights over the second, or junior, user. However, certain provisions of the trade mark statute, known as the Lanham Act, can sometimes provide for the second user to be granted an earlier constructive date of first use and thus to become the senior user.

The strength of a party's rights in its mark depends on many factors, including the mark's inherent distinctiveness, as measured on a spectrum from strong to weak. Coined terms and marks that are arbitrary for the goods are considered the strongest, while suggestive and descriptive marks are considered progressively weaker, and generic terms cannot function as trade marks at all. Strength is also measured by acquired distinctiveness of the mark, meaning, how well-known the mark is, often gauged by the extent of sales and advertising, the length of time the mark has been used, or by surveys measuring the recognition of the mark among consumers.

In addition to the strength of a senior user's mark, a likelihood of confusion analysis takes into account several other factors, including the similarity of the marks, the relatedness of the goods and services, whether there are overlapping channels of trade,

whether the goods are marketed to the same types of consumers, and the junior user's intent in adopting the mark. US trade mark law also seeks to prevent dilution of the strength of famous marks by prohibiting use of a mark that calls to mind the famous mark, even when used on unrelated goods, without any likelihood of confusion.

Rights in a trade mark accrue through use of the mark in connection with goods or services. Use "in commerce" is required for federal rights, but common law rights and state rights can be created through use that does not otherwise meet the "in commerce" requirements, such as intrastate use. It is not necessary to register a trade mark to obtain rights in a mark. However, a federal trade mark registration does provide certain legal presumptions, including presumptions as to the validity of the mark and nationwide rights in the mark.

Because trade mark rights accrue through use, and not merely through registration, full trade mark searches look not only at the universe of trade mark registrations and applications, but also at other uses of unregistered marks. Just because a mark is not registered does not mean it is available for adoption by your company.

In the event of coming across an obstacle, you may decide to seek a

consent to registration of your mark from the owner of the blocking mark. If you and the owner believe that there is no likelihood of confusion, the USPTO will often accept a written agreement between the parties, and will allow your application to proceed.

A potential obstacle could also take the form of a challenge by another trade mark owner, such as an opposition to your trade mark application, a petition to cancel your trade mark registration, or an objection to your use of the mark, any of which could escalate to a lawsuit seeking a preliminary and/or permanent injunction, as well as damages and attorneys' fees.

A registration may be vulnerable to cancellation if the owner has never actually commenced use of the mark, or used the mark but later abandoned it. Such marks may be available for use by others, so cancellation could clear the way for your adoption of your mark. However, a cancellation proceeding is a litigation before the Trade mark Trial and Appeal Board, entailing discovery (which can be drawn-out and expensive) and submission of written testimony and trial briefs, as well as the possibility of oral argument and appeal. A zealously defended cancellation can easily cost tens of thousands of dollars or more in legal fees and take several years to conclude.

How far to go in gathering more information with which to analyze potential obstacles is a case-by-case question. Some questions to consider in deciding how much time and money to invest can include: how central a product is this for your company? Are you clearing a house mark for a wide range of goods and services, or is the mark a sub-brand to be used for a short time? Is your mark a brand new mark, or a variation on an existing mark in which you have already established goodwill? Is your mark an existing mark that will now be used with new goods in your natural zone of expansion? As for the potential obstacle, how big and important is its owner in its industry? A larger company may have the resources to sue, but a small company could also view your adoption of the mark as a financial opportunity, and be just as litigious as a large one. Has the owner opposed or sought to cancel any other marks, or sued others for infringement? Is its mark vulnerable to attack based on abandonment? Has the USPTO allowed similar marks to go through, or has it blocked them?

International searching

If your company intends to market its goods or services internationally, then a global trade mark searching strategy may be necessary. Unfortunately, there is no single database to search to clear a mark internationally, rather, searching must often proceed country by country, with some centralized searching available based on international treaties and agreements. The process can be very expensive and time-consuming, and thus, it makes good sense to begin by searching the jurisdictions in the most important markets for your company, and once the mark is cleared there, proceeding to the smaller markets.

Countries have widely different requirements for registrability, including the minimum level of inherent distinctiveness, and whether the mark must be in use before it can be registered. Thus, foreign trade mark agents or attorneys will first address the threshold question of whether the proposed mark is registrable in the foreign jurisdiction, and confirm that the local language equivalent of your mark does not present a problem.

Assuming the mark is registrable, the next question is whether the country is a member of a treaty, pact, or agreement on trade marks. These include the CTM, the Paris Convention, the Madrid Agreement, the Madrid Protocol and the Andean Pact. Use of a CTM in any EU member state is sufficient to maintain a CTM registration. Under the Madrid Protocol and the Madrid Agreement, which have 77 member countries throughout the world, an owner of a national registration or application in a member country can seek extension of protection to one or more of the other common member states.

A country's participation in an agreement or treaty could be very significant to your search. For example, suppose that your primary intended foreign market is the UK. Because the UK is a member of the EU and the Madrid Protocol, your US counsel would engage UK counsel to search the national UK register, the CTM Register, and the Madrid International Register. Any of these registers could show prior trade mark registrations that are valid in the UK. You could also learn additional useful information: for example, an international registration would reference a party's national registration, and reveal whether it has

sought protection in any other member states, which could indicate that it would have priority in other jurisdictions of interest.

It is often possible to obtain consents from trade mark owners in foreign jurisdictions to avoid the possibility of costly oppositions. In addition, while many European countries' trade mark offices do not examine applications for confusion with existing registrations, the UK, like the US, does, and a consent could also be helpful in overcoming a blocking citation there.

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Trade mark searches and opinions can be indispensable in assessing the risk of adopting a new trade mark. An understanding of basic trade mark principles used in analyzing search results can equip you to set priorities, and to decide on the appropriate level of analysis, investigation, and other follow-up for your circumstances.



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