

TRADEMARKS: MORE THAN MEETS THE EYE

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You have thought long and hard about what you want to name the product you have developed or the service you are providing. You have already started advertising, you have had someone design a dynamite letterhead, and your customer base has begun to grow, thanks to your brilliant business acumen. Then one day you receive a letter informing you that the business name you have chosen is already being used. They also inform you that they consider your use of the name to be an infringement of their trademark. Cease and desist, they request, or big trouble will be sent your way. Yikes! You never thought to conduct a search for conflicting marks! Your choice of name, which you thought was unique in the annals of global business, has unfortunately trodden smack dab on another company's name. In short, they beat you to it. After all of your work, you will have to step backwards and come up with a new name.

If you want to prevent this sad scenario by protecting a distinctive name, design, logo, slogan or even the color of the packaging or container, distinguishing it from others' products or services, you had better apply for a trademark or service mark. A trademark is used to distinguish one company's products from others in the marketplace and a service mark does the same for a company's services. If you plan to market across state borders and wish to be protected in all fifty states, you should apply for a federal trademark with the U.S. Patent and Trademark Office. If, however, you are only interested in doing business in Indiana, you may apply for a state trademark. To apply for the federal mark, you are permitted to be intending but not yet using the mark in commerce. However, for the state trademark, you must already be using the mark and provide proof that you are. The federal marks cost \$245 to register in one class of goods or services, while the state marks cost \$10. Both have terms of 10 years, renewable indefinitely. During the sixth year of a federal trademark, the registrant must file a statement of use in order that the mark does not lapse. For the state, you would call the Secretary of State's Office, Trademark Division, where they will do a preliminary search for you. There are plans to allow individuals to do their own searching in the future. Contact them for more

information at (317) 232-6540 or visit them on the web at www.state.in.us/sos/bus_service/corps/tmgreet.html.

We can construct a scenario where the proper steps are taken. Suppose that you operate a building demolition service that is going great guns, so much so that you have decided to buy some wrecking businesses in adjacent states, operating them as a chain. Suddenly, in the middle of the night, you "dream up" the world's finest service mark for your business—"Edifice Wrecks." Nobody could be as creative as you are to think up such a clever name! You have read a little about trademarks. You know that McDonald's golden arches are protected by a trademark, as is the Olympic symbol of connected rings. You have also read that Kodak's film package, its "trade dress," is trademarked and, naturally, nobody in their right mind would name their mechanic's rags "Kleenex" or their cloning services "Xerox." So you decide that you should protect your great name from trademark infringement by getting a mark for your company like the big boys.

Your plan, then, is to check to see if there is either a state or a federal trademark that you would be infringing if you named your business "Edifice Wrecks." You must call the state trademark office and confirm that the name is clear. Then you can either go to a library which has the CASSIS trademark searching disks provided by the U.S. Patent and Trademark Office or you can access the PTO's web site at www.uspto.gov and do what is called a "Combined Marks Search." The safest way to search is to do some serious playing around with the keywords of the aspiring mark. First, put in the mark as you want it to be. If that comes up with no hits and if your proposed name has more than one keyword, then type in one word at a time. Look at any marks which use the individual words, truncating with the asterisk if it makes sense to do so. Check both registered and pending marks with the "Combined Marks Search", which will pick up translations of foreign marks and "pseudo-marks," which are those cute, alternate spellings for the same sound, such as Easy, EZ, Eze, EeeZee, and Easi. The problem is that the search will not necessarily pick up *all* of the variations, so the searcher needs to enter any alternate

spellings he or she can think of. Our mark, for instance, could be Wrex rather than Wrecks. Maybe a "Combined Mark Search" would pick up Wrex and "normalize" it to Wrecks, maybe not. Perhaps we decide Wrecktec is another possible choice. We need to try it as both one word and as two. Also, we would need to spell -tec as -tek, as -tech, and maybe even as -tex, since the Trademark Office considers that a mark that sounds similar to an existing mark is not necessarily registrable. Just misspelling a word does not cut the mustard with the Trademark Office, so beware of sound-alikes.

Here is an example of a sound-alike, a "too close for comfort." In August 1999, the *Indianapolis Star* reported that Eli Lilly filed a lawsuit against two companies using brand names that are not Prozac, but which sounded too much like the drug name to be acceptable to Lilly. One is NuZAC and the other is ProTrac. They infringe, the lawsuit claims, not only because they sound like Prozac, but because they are purporting to be remedies for depression and anxiety. These brand names could lead a consumer to think that these are "natural" versions of Prozac. The Trademark Office terms this conflict between marks "confusingly similar." A consumer would be confused because they would associate the goods or services of one company (the one that produces NuZAC and ProTrac) with the goods or services of another company (Eli Lilly). The marks need not be identical, nor do the goods and services need to be the same. However, if ProTrac had been a mark identifying a rubber conveyor belt, Eli Lilly would probably not be filing a lawsuit, because the company would not be concerned about the likelihood of confusion and that people would think that Lilly produced the conveyor belt. It is more likely that confusion would ensue if the two marks had the same potential purchaser or if the products or services were in the same market. Maidenform makes underwear, and it is doubtful they would tolerate another company, Manlyform, that made men's shorts or a company called Maidenform that made sweaters. However, if a company called Maidenform made store mannequins, they might ignore it, but maybe not. It depends how touchy a company is about the strength of its mark. In fact, there are statutes in the majority of states applying only to well-known marks that prohibit little guys from using marks that would make it more difficult for the consumer to distinguish the famous companies' marks from our more recent innovations. Nor may we undermine or tarnish the big companies' images by naming our new condom, for example, "Microsoft."

Before you commit yourself to spending money for a federal trademark, perhaps you should consider what benefits you gain for your money. Eli Lilly's lawsuit is demanding that the infringing company not only stop using the two product names, but also that the com-

pany turn over to Lilly any profits that they have made on their products. On the other hand, when the company Streamline, which produces the hair restorative, Rogaine, sued a company for calling their product "Regaine", the infringing company simply entered into an agreement to stop using their product name commercially. What these two companies are doing are examples of the 1946 Lanham Act in action. The statute provides the opportunity to register a trademark and also provides court remedies for infringement of distinctive marks. One can ask for treble damages or be awarded the defendant's profits plus attorney fees. Wow, you say, I hope someone infringes my trademark, and I will rake in all their profits plus mine, too! Well, surely it is not as easy as that, but at any rate, if you have not registered your mark, such generous remedies are not available to you. Even if you do not register, you can request that another company not use your trademark or a mark confusingly similar to yours by claiming that you have common law rights to the mark, having used it before they did. In the U.S., we recognize "first to use." You may have to go to court to enforce the ban, but indeed, just using the mark itself is the act that confers ownership. It is relatively easy for the infringing party to have checked the federal and state trademark registers, but if you are claiming common law rights, it is harder for others to know that the name is "taken" and that they should not use it in commerce. Therefore, if you want to make as public as possible that you want nothing to do with that most improbable of improbable situations, namely, that someone was as clever as you and thought of that mind-bogglingly distinctive name for a demolition business, then you had better apply for a trademark. Besides, just putting a TM or a SM after your mark, because you are saying that you are using the name in the context of a trademark, does not get you in the Trademark Register. If you want that R with the circle around it, you are going to have to go through the necessary registration procedures.

This all makes clear that you also need to look at sources other than the trademark databases when you name your service or product. Look on the web for your mark, and also go to the library to look in company databases such as *American Business Disc* or *D&B Business Locator* to see if your company name is listed. If it is not, then you have a pretty good chance that the service mark is clear for use. If it is not clear, you must decide whether a similar mark owner in California, for example, would pursue litigation against you or not and whether you want to take a chance. If there is no geographical conflict, your activities using the name might be ignored. For product names, besides the web, check your library for lists of brand names, which may or may not be registered, in Gale's *Brands and Their Companies* or in the *Thomas Register of American Manufacturers* or *MacRae's Blue Book*.

The Trademark Office does not look upon all marks as equal. They emphasize that a strong trademark that can be defended is one that is distinctive. We do not have much trouble in the line of distinctiveness for our mark, "Edifice Wrecks." A product or service name should be unusual or sort of strange for the context, coined or fanciful. Such distinct marks are legally more secure and easier to defend, so that coined words like Kodak or Prozac or fanciful names, such as Hard Rock Café, are considered strong marks. Weak marks would include surnames, geographical names or marks simply describing the product or service, such as Smith's Auto Body, Indiana Finance or Cellular Phone Sales. Of course, once one of these "weak" marks becomes well known over time, even surnames, such as McDonald's, Campbell's or Disney, or geographical names, such as American Airlines, are recognized as very strong marks. The Trademark Office prohibits marks that disparage people, living or dead, which we are not guilty of with the mark that we have chosen. Nor are we using a famous person's name without his or her permission. You must have the consent of a living person to use his or her name, so we would not name our printer cover "The Bill Gates Cover-up." We are not allowed to be immoral, deceptive or scandalous, nor may we use national symbols or insignias. Good, honest folks that we are, we simply want to name our services cleverly, not maliciously.

When you get ready to file for the federal trademark, you can get the relevant form from the PTO web site and fill it out or you may fill the form out online

and submit it electronically to their site. You can get a hard copy of the form and the *Basic Facts about Trademarks* brochure by calling the Patent and Trademark Office at (800) 786-9199. The mark will be published for opposition in the *Official Gazette* where anybody, even if their mark is not federally registered, may oppose the mark being placed on the register on the grounds that it would be confusingly similar to their own. If approved for registration, the mark is eligible for becoming incontestable after being continually used for five years after registration. It becomes "abandoned" if not in use for three or more years. However, the owner could bring it to life again and begin using it as before.

You now know how you are supposed to do a search for a conflicting mark and that time is of the essence. You use the company databases already mentioned that list millions of businesses and unfortunately there is already a company out there using your name! Reeling from the shock, you manage to note that the company is in Massachusetts. Since that state is far from Indiana and may have a much different business clientele, you decide to assume that the company will not notice. However, since you know that a registered trademark gives this business the right to use the name nationwide, you brace yourself and check the federal trademarks. Yes, indeed, the business registered in 1998 and has been using the mark in commerce since the end of 1991. Crestfallen, but informed, you begin searching your next best choice, "Tyrannosaurus Wrecks."