

3 Copyright and Trademark Law

Objectives

After completing this chapter, the student should be able to:

- Define the differences between a copyright, trademark, service mark, and trade dress.
- Describe the process for a copyright registration, and works covered by copyright;
- Explain the rights of a copyright owner;
- Describe the process for registering a trademark;
- Explain the requirements for a trademark to be inherently distinctive;
- Explain the benefits of a trademark registration; and
- Define the five categories of marks.

3.1 Introduction

Types of Property
<ul style="list-style-type: none">• Property is something you own. There are four types of property:• Real property (<i>i.e.</i>, land and any building affixed)• Easements (a right to use real property, such as a utility right of way or a shared driveway)• Personal property (<i>i.e.</i>, cars, jewelry, clothing)• Intellectual (copyrights, trademarks, patents, and trade secrets)

Figure 3-1

What is property? When most people answer this question, they think about physical possessions, such as a tablet computer, cell phone, car, clothing, *etc.* These types of possessions are referred to as **personal property**. They are movable things you might find in your home.

Property can also be land or real estate, such as a home (**real property**). However, there is a type of property not known to many called **intellectual property**. Intellectual property is a personal property right that involves originality and imagination often referred to as a “creations of the mind.” **Copyrights, trademarks, trade secrets, and patents** are classifications of intellectual property.

Chapter Three will discuss copyright and trademark law. Chapter Four will review patents and trade secrets.

3.2 What is a Copyright?

A copyright is a legal protection given to authors for “original works of authorship.”¹¹³ An original work is one that has been independently created. A copyright only protects a tangible **form of expression**, and not the subject matter of the work of authorship. For example, a book describing the process of building a home could be copyrighted. However, the copyright would only prevent others from copying parts of the book or the entire book. Copyright would not prevent someone from writing his or her own book on home building or from actually building the home described in the copyrighted book.

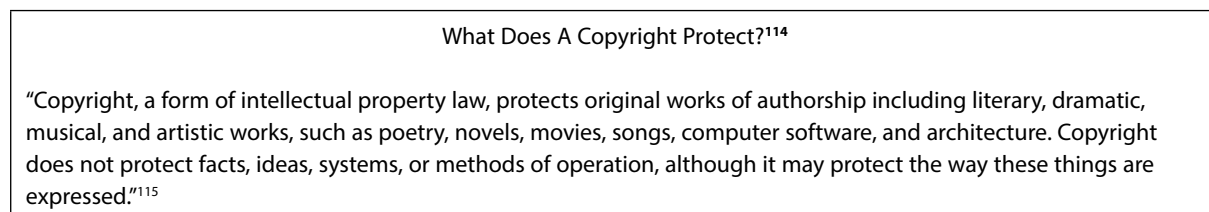


Figure 3-2

3.2.1 How is a Copyright Obtained?

The U.S. Copyright Act federally regulates copyrights.¹¹⁶ This law states that a copyright attaches to a document upon creation.¹¹⁷ It does not require registration for a copyright to be legally binding. However, registration is necessary to enforce the copyright and sue for copyright infringement,¹¹⁸ when materials are unlawfully used without the author’s permission.

An advertisement for OSRAM SYLVANIA. The background is a complex, geometric structure of red and orange beams, resembling a modern architectural design or a lighting fixture. At the top left, the URL "www.sylvania.com" is displayed in white. On the right side, there is a white rectangular box containing text. The text reads: "We do not reinvent the wheel we reinvent light." followed by a paragraph: "Fascinating lighting offers an infinite spectrum of possibilities: Innovative technologies and new markets provide both opportunities and challenges. An environment in which your expertise is in high demand. Enjoy the supportive working atmosphere within our global group and benefit from international career paths. Implement sustainable ideas in close cooperation with other specialists and contribute to influencing our future. Come and join us in reinventing light every day." At the bottom right of the white box, the OSRAM SYLVANIA logo is shown, consisting of the word "OSRAM" in orange, "SYLVANIA" in white on a red background, and a lightbulb icon with "SYLVANIA" written inside it. Below the logo, the slogan "Light is OSRAM" is written in orange.

Brief History of the Copyright Office

The Constitution gives Congress the power to enact laws establishing a system of copyright in the United States. Congress enacted the first federal copyright law in May 1790, and the first work was registered within two weeks. Originally, claims were recorded by clerks of U.S. district courts. Not until 1870 were copyright functions centralized in the Library of Congress under the direction of then Librarian of Congress Ainsworth Rand Spofford. The Copyright Office became a separate department of the Library of Congress in 1897, and Thorvald Solberg was appointed the first Register of Copyrights.

Today the Copyright Office is an important service unit of the Library of Congress. With public offices located at 101 Independence Avenue, S.E., Washington, D.C., the Office occupies portions of the James Madison Memorial Building and employs approximately 475 people. The Office yearly registers half a million claims to copyright, records more than 11,000 documents containing hundreds of thousands of titles, and collects for later distribution to copyright holders a quarter of a billion dollars in cable television, satellite carrier, and Audio Home Recording Act compulsory license funds. Since 1870, the Copyright Office has registered more than 33,654,000 claims to copyright and mask works and provided many millions of deposits (including books, serials, motion pictures, music, sound recordings, maps, prints, pictures, and computer works) to the collections of the Library of Congress. The Library has been greatly enhanced through the operations of the copyright system, and copyright deposits form the heart of the Library's Americana collections.

Figure 3-3¹¹⁹

Both published and unpublished works are eligible for copyright registration.¹²⁰ The U.S. Copyright Office located in the Library of Congress registers copyrights.¹²¹

3.2.2 Who Can Claim a Copyright?

Generally, only the author of a work can claim copyright.¹²² Once the work is completed in a fixed form (such as a writing), the copyright becomes the property of the author. Joint authors of a work are co-owners of the copyright unless the authors agree make an agreement otherwise.¹²³

If the work is created by an employee, the work is considered a “**work made for hire**,”¹²⁴ and the *employer* rather than the employee, is considered the author.

Statutory Definition of a Work Made for Hire¹²⁵

A “work made for hire” is—

- (1) a work prepared by an employee within the scope of his or her employment; or
- (2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire. For the purpose of the foregoing sentence, a “supplementary work” is a work prepared for publication as a secondary adjunct to a work by another author for the purpose of introducing, concluding, illustrating, explaining, revising, commenting upon, or assisting in the use of the other work, such as forewords, afterwords, pictorial illustrations, maps, charts, tables, editorial notes, musical arrangements, answer material for tests, bibliographies, appendixes, and indexes, and an “instructional text” is a literary, pictorial, or graphic work prepared for publication and with the purpose of use in systematic instructional activities.

Figure 3-4

3.2.3 Rights Conferred By Copyright

Copyright provides **exclusive rights**¹²⁶ to the author. These exclusive rights include the right to:

- reproduce the work;
- distribute the work;
- copy the work;
- publicly perform the work;
- publicly display the work; and to
- produce derivative works.¹²⁷

A **derivative work** is a transformation of an expression substantially the same as the first creative endeavor.¹²⁸ An example of a derivative work would be an author who writes a book and then contracts with a production company to create a movie based on the book. The original author of the book has the exclusive right to determine how the book's contents can be used.

Authors can also transfer their rights to a copyright. If a person has transferred or assigned their rights to another person or company (called an **agent**), the agent will have all the legal rights as the original author.¹²⁹

Certain information cannot be copyrighted, such as works in the **public domain**.¹³⁰ Public domain works are those for which the copyright registration has expired, or which the author intends to share with the general public.¹³¹

3.2.4 Works Covered by Copyright

Copyright protects "**original works of authorship**." The following categories are examples of copyrightable works:

1. Literary works, such as fictional and non-fictional books, short stories, or poems;
2. Musical works including sheet music, as well as lyrics and the corresponding notes;
3. Dramatic works, such as plays or other dramatic presentations;
4. Pantomimes, choreography, pictorial, sculptural, graphic works, and motion pictures;
5. Scripts for a motion picture, as well as the movie itself;
6. Sound recordings including the recorded performance of a song; and
7. Architectural works.¹³²

However, anything that is not in a fixed or tangible form of expression cannot be copyrighted.¹³³ Choreographic works that have not been recorded or noted could not be copyrightable. Titles, names, short phrases, slogans, symbols, and designs are not copyrightable.¹³⁴ But, they may be entitled to trademark protection if used to identify goods or services with a particular source.

Ideas, processes, systems, or discoveries are not entitled to copyright protection, but processes and systems can be protected by patents¹³⁵ (see Chapter Four) if they satisfy the other requirements for patentability.

Works that consist entirely of common property, such as standard calendars, rulers, height and weight charts, *etc.* are not copyrightable. However, pictures or other original works of authorship included in calendars are copyrightable.¹³⁶

3.2.5 Copyright Notice

Placing a notice of a copyright on a document is not a legal requirement under U.S. law. This was a requirement prior to copyright law changes in 1989. However, it is still customary to attach a copyright notice on materials, as it is often a deterrent to infringement.¹³⁷

<p>Examples of a Correctly Formatted Copyright Notice¹³⁸</p> <p>Copyright 2015 Konnie G. Kustron © 2015 Konnie G. Kustron Copr 2015 Konnie G. Kustron</p> <p>Examples of an Incorrectly Formatted Copyright Notice</p> <p>(C) 2015 Konnie G. Kustron All Rights Reserved</p>

Figure 3-5



There are three elements required in a copyright notice. These include the copyright symbol © (or the word copyright or Copr), the year the work was published, and the name of the copyright holder.¹³⁹ The phrase “all rights reserved,” often seen on documents, should not be placed on a notice. See Figure 3-5 for examples of a properly formatted copyright notice.

3.2.6 Duration of Copyright

U.S. Copyright law underwent substantial changes in 1998 with the passing of the **Sonny Bono Copyright Term Extension Act (CETA)**.¹⁴⁰ For copyrights created after January 1, 1978, a copyright extends 70 years past the author’s death, and for 95 years for corporate copyrights. Prior to 1978, the length of a copyright was 28 years plus renewal terms of 67 years for a total of 95 years.¹⁴¹

3.2.7 What Can An Owner Do With a Copyright?

As noted earlier, a copyright owner can transfer his or her rights. However, the transfer of any of the owner’s rights is invalid *unless* the transfer is in writing and signed by the owner whose rights are being conveyed. Transfers should be recorded in the Copyright Office. You can also bequeath copyright ownership upon death in a will.¹⁴²

3.3 Registration

Formal registration of a copyright with the United States Copyright Office in the Library of Congress is *not* a requirement or prerequisite for copyright protection. Since 1978, copyright protection is obtained automatically when the work is created, fixed in tangible medium of expression, and published (*i.e.*, distributed in the public domain).¹⁴³

However, if the author registers a copyright, there are certain benefits to registration. First, a public record is created of the copyright, which is a prerequisite to sue for infringement or unlawful use of a copyright.¹⁴⁴ Registration can be done “after the fact,”¹⁴⁵ or after the work has been published and circulated. However, early registration has a benefit. If the author registers within five years of the publication, such registration constitutes **prima facie evidence**¹⁴⁶ of the validity of the copyright. In other words, there is a legal presumption that the author has a valid copyright. If the registration is completed after the five-year period, validity is not presumed.¹⁴⁷ If no presumption exists, the author must demonstrate that he or she is the creator of the work and that the copyright ownership asserted is valid.

Prompt registration also provides for statutory damages and attorney fees in infringement actions.¹⁴⁸

3.3.1 How Does An Author Obtain Registration?

Registration is a simple process, and includes sending the required forms and fees to the U.S. Library of Congress Copyright Office. These include:


1. A completed application form;
2. The correct filing fee; and
3. A non-returnable deposit of the work being registered.¹⁴⁹

Documents can be sent electronically or via regular mail.¹⁵⁰

Registration is effective on the date the application is received in the Copyright Office. If the application for registration is approved, a registration certificate will be issued to the author. However, a copyright can be rejected; in that case, a letter explaining the rejection will instead be provided to the applicant. Reasons for rejection include a type of work that is ineligible for copyright registration, or previous registration of the work.

Searching Copyright Records¹⁵¹

The U.S. Copyright Office provides a search function that allows the public to search copyrights on file with the Library of Congress. Searches can be completed using a keyword search or with a more specific search by title or registration number.



Copyright
United States Copyright Office

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Copyright Catalog (1978 to present)

Basic Search Other Search Options

Search for:

Search by: Title (omit initial article A, An, The, El, La, Das etc.)

Scroll down for Search Hints

- Name (Crichton Michael; Walt Disney Company)
- Keyword
- Registration Number (for VAu 598-675 type vau000598675)
- Document Number (for V2606 P87 type v2606p087)
- Command Keyword

25 records per page

Figure 3-6

3.3.2 Infringement

As mentioned above, copyright **infringement** is using a person's "works protected by copyright law" without their permission. However, in copyright infringement actions, the simple use of copyrighted materials does not prove a violation of copyright law. In certain situations, the person using the copyrighted material can use the materials without the author's permission, and has several defenses to use of the work. The first is **fair use**, which is a provision under copyright law that allows the copying of copyrighted material for a limited and "**transformative**" purpose.¹⁵³ Fair use is often used to comment on, criticize, or parody a copyrighted work.

Another defense is the "**first sale**" doctrine,¹⁵⁴ which means a person who buys a legally produced copyrighted work may "sell or otherwise dispose" of the work as he or she sees fit. A third defense is that a work is in the **public domain**,¹⁵⁵ such that the copyright to a work has expired. For example, works published prior to 1923 are in the public domain, such as the Brothers Grimm Fairy Tales (i.e. *Hansel and Gretel*), and Hans Christian Andersen Fairy Tales (i.e., *The Emperor's New Clothes*.)

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3.3.3 Infringement Damages

Copyright law provides for damages in a copyright infringement case.¹⁵⁶ First, a court can order that the works illegally used can be impounded or destroyed. Second, monetary damages can be awarded. Under copyright law, the copyright owner is entitled to recover the actual damages suffered due to the infringement, as well as any of the infringer's profits that are attributable to the infringement. Alternatively, the author can accept statutory damages that range from a "sum of not less than \$750 or more than \$30,000 as the court considers just."¹⁵⁷ If the court finds **willful infringement**,¹⁵⁸ then there can be an additional award of \$150,000. Court costs and attorney fees can also be awarded, as well as injunctive relief.¹⁵⁹

There are also criminal provisions¹⁶⁰ for violation of copyright law. Penalties include monetary fines and possible imprisonment.

3.4 What Is A Trademark?¹⁶¹

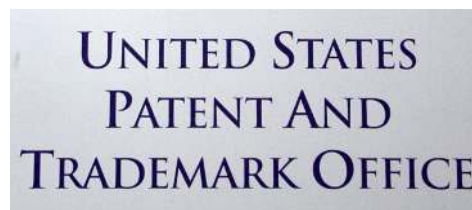


Figure 3-7 Used with permission

According to the U.S. Patent and Trademark Office (USPTO), "a **trademark** is a brand name."¹⁶² A trademark includes "any word, name, symbol, device, or any combination used or intended to be used to identify and distinguish the goods/services of one seller or provider from those of others, and to indicate the source of the goods/services."¹⁶³ A trademark is a product identifier showing the *source of goods* used to *distinguish* the marked goods from the goods of others. It is not designed to prevent others from making the same goods or from selling the same goods or services under a different mark.

Trademarks are among the most visible items of intellectual property. A trademark for goods or products generally appears on the product itself or its packaging. Apple^{®164} and Tylenol^{®165} are examples of registered trademarks. A consumer will typically find the company logo for each of these trademarks both on the product and on its packaging.

What is the Difference Between a Trademark, a Patent, and a Copyright? ¹⁵⁶
<p>A trademark is a word, phrase, symbol, and/or design that identifies and distinguishes the source of the goods of one party from those of others. A service mark is a word, phrase, symbol, and/or design that identifies and distinguishes the source of a service rather than goods. The term "trademark" is often used to refer to both trademarks and service marks.</p> <p>Must all marks be registered? No, but federal registration has several advantages, including a notice to the public of the registrant's claim of ownership of the mark, a legal presumption of ownership nationwide, and the exclusive right to use the mark on or in connection with the goods or services set forth in the registration.</p> <p>A patent is a limited duration property right relating to an invention, granted by the United States Patent and Trademark Office in exchange for public disclosure of the invention.</p> <p>A copyright protects works of authorship, such as writings, music, and works of art that have been tangibly expressed.</p>

Figure 3-8

Unlike copyrights that are filed only at the federal level, an owner can file a trademark with an individual state. However, state trademark protection is limited to the boundaries of that state. Therefore, most trademarks are registered on the federal level, providing expanded protection to the owner. The federal law, known as the **Lanham Act**,¹⁶⁷ governs the interstate use of trademarks. A complete listing of the regulations under the Lanham Act is available at the USPTO website.¹⁶⁸

3.4.1 Service Marks

Trademark law also includes legal protection for **service marks**. A service mark encompasses the same elements as a trademark, but instead identifies services, rather than a product. Restaurants may create and register a service mark for their business, as restaurants provide a service to customers by offering meals for purchase. A restaurant's service mark, often the name of the restaurant, may appear on advertising, such as billboards or on television. The service mark Wendy's® is an example of a restaurant service mark. In the computing sector, an example of a service mark would be Rackspace®, which is known for cloud hosting.


Sample Service Mark Registration ¹⁵⁹	
	
Word Mark	WENDY'S
Goods and Services	IC 043, US 100 101, G & S: Restaurant services, namely, providing of food and beverages for consumption on and off the premises. FIRST USE: 20120001. FIRST USE IN COMMERCE: 20130225
Mark Drawing Code	(3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS
Design Search Code	02 03 01 - Busts of women facing forward; Heads of women facing forward; Portraiture of women facing forward; Women - head, portraiture or busts facing forward 02 03 02 - Pigtails; Ponytails; Women with ponytails or pigtails 02 03 04 - Children, girls(s); Girls 08 01 04 - Bows, decorative; Ribbons, giftwrap (gift wrap); Ribbons, hair 26 01 01 - Circles as carriers or as single line borders
Serial Number	85780043
Filing Date	November 28, 2012
Current Basis	1A
Original Filing Basis	1B
Published for Opposition	April 2, 2013
Registration Number	4460006
Registration Date	December 31, 2013
Owner	(KELISH HAN 1) CLOEMARK LLC LIMITED LIABILITY COMPANY DELAWARE 4285 West Dublin-Granville Road Dublin OHIO 43017
Attorney of Record	Valerie A. Fabbro
Prior Registrations	0035110,0036803,12009510,AND OTHERS
Description of Mark	Color is not claimed as a feature of the mark. The mark consists of the stylized word "Wendy's" to the left of a circle containing a cartoon of a smiling girl with freckles and dark hair with two pigtails each tied with a bow wearing a striped high neck blouse with a cameo brooch.
Type of Mark	SERVICE MARK
Register	PRINCIPAL
Live/Dead Indicator	LIVE

Figure 3-9

3.4.2 Collective Mark and Certification Mark

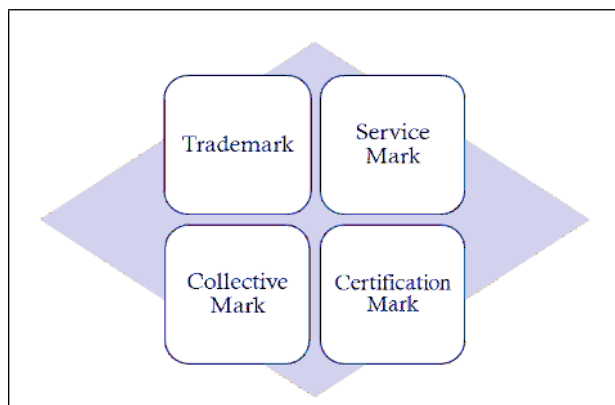


Figure 3-10


The terms “**collective mark**” and “**certification mark**” are also used in trademark law. A collective mark¹⁷⁰ is used by a membership organization, such as a labor union or fraternity. The mark signifies that a person or company is a member of the organization¹⁷¹ (*i.e.*, Union Label®).

A certification mark¹⁷² is a word, name, symbol, or device (or combination of) used to certify that the goods or services of another have certain features as to quality, material, or some other characteristic¹⁷³ (*i.e.*, Real Cheese®). Another example is the computer certification exam CISSP®.

3.4.3 Trade Dress

Trade dress¹⁷⁴ refers to the image or appearance of a non-functional, distinctive product. Trade dress can be trademarked. An example of a distinctive shape is the curved Coca Cola® bottle design.¹⁷⁵

Sample Trade Dress Registration¹⁷⁶
Coca Cola® bottle design



Goods and Services IC 032 US 045 G & S: SOFT DRINKS. FIRST USE: 19160708. FIRST USE IN COMMERCE: 19160901

Mark Drawing Code (2) DESIGN ONLY

Design Search Code 19.09.02 - Bottles, jars or flasks with bulging, protruding or rounded sides; Flasks with bulging or protruding sides; Jars with bulging or protruding sides

Serial Number 73088384

Filing Date May 25, 1976

Current Basis 1A

Original Filing Basis 1A

Registration Number 1057884

Registration Date February 1, 1977

Owner (REGISTRANT) COCA-COLA COMPANY, THE CORPORATION DELAWARE ONE COCA-COLA PLAZA ATLANTA GEORGIA 30313

Attorney of Record CAROLINE K. PEARLSTEIN

Prior Registrations 0696147

Description of Mark THE MARK CONSISTS OF THE THREE DIMENSIONAL CONFIGURATION OF THE DISTINCTIVE BOTTLE AS SHOWN.

Type of Mark TRADEMARK

Register PRINCIPAL-2(F)

Affidavit Text SECT 15. SECT 8 (6-YR). SECTION 8(10-YR) 20070314.

Renewal 1ST RENEWAL 20070314

Live/Dead Indicator LIVE

Figure 3-11

3.5 Federal Registration Benefits

In the United States, trademarks are protected from their first date of public use in commerce. Registration of a mark with the U.S. Patent and Trademark Office¹⁷⁷ (USPTO) is not required to secure protection for a mark, but there are several reasons to obtain federal registration. Federal registration provides nationwide notice of the trademark owner's claim to the mark. This may prevent a potential user of the mark from using the design to identify their own goods or services. Second, federal registration is evidence of actual use and ownership of the mark. This can be valuable in court proceedings to determine who may use the mark. Federal registration allows the owner of the trademark access to federal courts in trademark infringement of a registered trademark.¹⁷⁸ Trademark infringement takes place when someone uses in a trademark in a way that causes confusion in the marketplace. Without federal registration, a trademark owner cannot invoke federal jurisdiction and would have to seek redress in a state court.

Registration is granted for ten years and renewable for additional ten, with a potential for indefinite renewals.¹⁷⁹ In addition, a **Declaration of Use** must be filed with the USPTO during years five and six from the anniversary of the original registration date.¹⁸⁰

Federal registration can also be the basis for obtaining trademark registration in foreign countries.¹⁷¹ This may be important for entities who plan to use the mark worldwide. A federally registered trademark may also be submitted to the U.S. Customs Service to prevent the importation of infringing goods.¹⁷²

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Sample Federal Trademark Registration¹⁸³	
	
Word Mark	IPHONE
Goods and Services	IC 009; US 021 023 026 036 038; G & S: Computer gaming machines, videophones, and computer peripherals; FIRST USE: 20070629; FIRST USE IN COMMERCE: 20070629
Mark Drawing Code	(3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS
Design Search Code	05 09 05 - Apples
Serial Number	77353055
Filing Date	December 15, 2007
Current Basis	1A
Original Filing Basis	1B-44D
Published for Opposition	June 15, 2010
Registration Number	4425780
International Registration Number	0975076
Registration Date	October 29, 2013
Owner	(REGISTRANT) Apple Inc. CORPORATION CALIFORNIA MS: 36-4TM 1 Infinite Loop Cupertino CALIFORNIA 95014
Attorney of Record	Thomas R. La Perle
Priority Date	June 22, 2007
Prior Registrations	2715678;2753069;2870477;3669402;AND OTHERS
Description of Mark	Color is not claimed as a feature of the mark. The mark consists of a design of an apple with a bite removed.
Type of Mark	TRADEMARK
Register	PRINCIPAL-(2(F))-IN PART
Live/Dead Indicator	LIVE
Distinctiveness Limitation Statement	AS TO "IPHONE"

Figure 3-12

3.5.1 Initial Registration Steps

The first step in the registration process is to determine whether a potential “mark” meets the requirements of trademark protection. This begins with a trademark search. Although this is not a filing requirement, it is recommended to perform a search prior to applying for federal registration. Performing a search can save time and money if a mark is already in use and is registered by another party. Individuals can perform a search through the USPTO’s **Trademark Electronic Search System (TESS)**.¹⁸⁴ Additionally, a trademark attorney or a professional search organization can perform searches.

A search will determine whether a proposed mark conflicts with an existing mark. Even though there might be an existing or similar mark, it is possible the mark can still be registered. The key registration determination is whether there is a likelihood of confusion between the marks. In other words, would consumers be likely to confuse the goods or services of one party with those of the other party based on their marks? When searching for conflicting marks, the marks neither have to be identical, nor do they have to be on the same types of goods or services for the marks to cause a likelihood of confusion.

For example, LEXIS® is a computerized legal research service. LEXUS® is an automobile manufacturer. Their names are pronounced the same, but the words are spelled differently. More importantly, the trademarks are in two different industries, and there is very little likelihood of confusion between the two trademarks. Therefore, both names can and have been registered as trademarks.¹⁸⁵

If no conflicting marks are found, an application for federal registration can proceed.

3.5.2 Mark Format

If the trademark appears to meet the legal requirements, the owner should determine the correct format of the mark. Letters, numbers, or a combination of these can be trademarked.

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There are three types of mark format: a **standard character mark**, a **stylized/design mark**, and a **sound mark**.¹⁸⁶



Standard Character Mark	Stylized/Design Mark	Sound Mark
This format protects words, letters, numbers, or a combination of these. No particular font, size, color, or design is included in the mark.	This format protects words, letters, numbers, or a combination of these using a particular font, size, color or design is included in the mark.	Sounds or a combination of sounds comprise the mark.
<div style="text-align: right; margin-right: 10px;">¹⁸⁷</div> 	<div style="text-align: right; margin-right: 10px;">¹⁸⁸</div> 	The roar of the Metro-Goldwyn-Mayer (MGM) lion roar.

Figure 3-13

3.5.3 Categories of Marks

A trademark must be “**inherently distinctive**.”¹⁸⁹ A mark that is not distinctive cannot generally be registered. When filing a trademark, the mark cannot be descriptive of the product or service (such as a fast car or a sweet drink). Instead, the mark has to represent and identify the product or service to the public through its distinctiveness.

There are five categories of marks. They are listed in ranked order. Categories one and two are not distinctive, and marks holding these characteristics cannot be registered. Categories three through five meet the inherently distinctive threshold, and can be trademarked.

The five categories include the following:

1. A **generic term** is a common name of a product such as a car, computer, or motherboard. These are not protectable and cannot be registered.
2. A **descriptive mark** describes something about a product or service by depicting some characteristic, quality, ingredient, function, feature, purpose, or use of the product or service. Because a descriptive term describes goods or services rather than identifies the source of the product, they cannot be registered until the mark is associated with a single source. This association is called **secondary meaning of acquired distinctiveness**. This happens after five years of continuous and exclusive use of a mark. This can also be shown by advertising or customer surveys. If a secondary meaning can be shown, the mark can eventually be registered.

3. A **suggestive mark** implies something about the goods or services offered under mark, but it does not immediately describe them. For example, Greyhound Bus^{®190} has been held by the courts to be a suggestive mark as a greyhound is a dog known for speed. A suggestive mark does not need to acquire a secondary meaning to be registered. A suggestive word mark requires some mental exercise to make the connection between the mark and the good or service.
4. An **arbitrary mark** is a commonly known word that is applied to an unfamiliar product. Arbitrary marks may be registered without proof of secondary meaning. Apple[®] is an example of an arbitrary mark, as Apple[®] Computer has no relationship with the apple fruit.
5. **Fanciful or coined marks** are those that are invented and have no dictionary meaning. Honda^{®191} would be an example of a coined mark. Both automobile manufacturers and pharmaceutical companies often create fanciful marks. These are your strongest marks and they are entitled to the greatest level of legal protection.

3.6 Rights of Mark Ownership

There are two types of rights associated with trademarks: the right to use the mark and the right to register the mark. The right to use the mark is generally based on who actually used the mark first. Only a court can ultimately decide who has the right to use the mark. Proceedings to determine this right can be very complicated, especially if neither party has a federal registration. Again, federal registration can provide benefits to a trademark owner in a court proceeding of this type, such as collecting treble damages for trademark infringement.¹⁹²

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3.7 Trademark Symbols

There are three possible symbols to use with a mark. They include TM, SM and ®. Such symbols are placed to the right of the mark in a superscript position.¹⁹³

The letters “TM” stand for trademark and “SM” for service mark. They can be used by anyone who claims to have rights in the mark. These designations are useful to alert other parties of the purported rights in the mark. Federal registration is unnecessary to use these symbols with a trademark or service mark. These symbols do not establish conclusive rights to use the mark. Again, only a court can ultimately determine who may use the mark.

On the other hand, the letter R is a trademark registration symbol. It is signified by a capital letter R enclosed by a circle such as a ®. This symbol should not be used until a federal registration is obtained.

3.8 Additional Registration Steps¹⁹⁴

Once the mark is identified, the goods or services that the mark will identify are determined,¹⁹⁵ a database search is completed, and the basis for filing is determined, an application must be completed and filed with the USPTO. A clear drawing¹⁹⁶ of the mark must be included with the application. An application fee must also be enclosed.

The application can be written and filed by mail, but most are filed electronically through the USPTO Trademark Application System.

Upon receipt by the USPTO, the application is reviewed to ascertain whether the federal filing requirements are met. If the filing requirements *are not* met, then the USPTO returns the entire application including the filing fee to the applicant. If the filing requirements *are* met, the USPTO will send the applicant a receipt about two months after the application is filed. An examiner (who is an attorney), will review the application about four months after filing.

The examiner will search registered marks and pending registrations to determine if there are any conflicting marks. The examiner uses the *likelihood of confusion* standard in this evaluation. If the examiner decides that the mark cannot be registered, the examiner may issue a letter to the applicant stating any grounds for the refusal. Alternatively, the examiner may contact the applicant by telephone, especially if only minor corrections are needed.

The applicant has six months from the mailing date of the examiner’s letter for responding to any objections. If the applicant fails to respond, the application is considered abandoned. If the applicant fails to overcome the examiner’s objections, then the examiner issues a final refusal. Applicants may appeal a final refusal to the **Trademark Trial and Appeal Board**,¹⁹⁷ which is an administrative panel within the USPTO.

3.9 Reasons for Registration Refusal¹⁹⁸

There are three main reasons the U.S. Patent and Trademark Office may refuse to register a trademark:

1. Refusal because of a **confusing similarity** with a prior registered or pending registration. The proposed trademark does not have to be for the same type of goods or services for confusion to be found, as long as the marks are related in some manner.
2. Refusal based on **descriptiveness**. This is a serious refusal. In response to this decision, the applicant can argue the mark is not descriptive but suggestive, and it should be registered. The applicant could argue that the cases cited by the examiner in support of the refusal to register are inapplicable. Alternatively, if the mark has been in commerce over five years, there is a presumption of acquired distinctiveness.
3. Refusal based on geographical indication. This mark identifies “a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographic origin.”¹⁹⁹ “Under US trademark law, geographic terms or signs are not registrable as trademarks if they are geographically descriptive or geographically misdescriptive of where the goods/services originate.”²⁰⁰

3.10 Notice of Publication

If the applicant overcomes all of the objections to registration, then the USPTO will send a **Notice of Publication** to the applicant stating the date the mark will be published in the *Official Gazette*, which is a weekly publication of the USPTO. The mark will then be published.²⁰¹

Any other party, who feels they will be injured by the registration of the trademark, may file an opposition within thirty days of the publication in the *Gazette*. An opposition proceeding would then be held before the Trademark Trial and Appeal Board. An example in which a party might oppose a registration would be a party using a similar mark for similar goods or services who possessed no federal registration.²⁰²

If no opposition is filed or if the opposition fails, the USPTO will issue a registration certificate or a **Notice of Allowance** to the applicant. A registration certificate will be issued if the application was based on actual use of the mark in commerce. If the application was based on an intent to use the mark, then the USPTO will issue a Notice of Allowance. After a Notice of Allowance is issued, the applicant has six months to use the mark and file a statement of use. Once the statement of use is approved, a registration certificate will be issued. Alternatively, the applicant can file for an additional six-month extension in which to use the mark and in certain circumstances, may file for additional extensions.²⁰³

3.11 Federal Trademark Dilution Act

As mentioned previously, a trademark owner can sue for trademark infringement when someone unlawfully uses another's trademark that causes confusion in the marketplace. The Lanham Act governs infringement actions.²⁰⁴ However, the unlawful use of a trademark can also cause dilution. Dilution happens when there is a blurring or tarnishment of the mark, and the value of the mark is reduced. Until the Federal Trademark Dilution Act of 1995²⁰⁵ went into effect, there was no federal law that provided for dilution actions. In 2006, the Trademark Dilution Revision Act (TDRA)²⁰⁶ amended the Federal Trademark Dilution Act. This revision clarified certain ambiguities in the law and provides for "dilution by tarnishment" as a cause of action. The TDRA defines dilution by tarnishment as an "association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark."²⁰⁷

3.12 Anti-Cybersquatting Consumer Protection Act

Cybersquatting" is a term defined by the courts as "the bad faith, abusive registration and use of the distinctive trademarks of others as Internet domain names, with the intent to profit from the goodwill associated with those trademarks."²⁰⁸ In the early growth of the Internet, cybersquatting was a common problem, in which websites using the names of well-known companies would be registered, only to be later sold at a profit.



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The Anti-Cybersquatting Consumer Protection Act (ACPA),²⁰⁹ (15 U.S.C. § 1125(d)) was enacted in 1999 to protect trademark owners from these types of domain abuses. The purpose of the Act is to “protect consumers and American businesses...by prohibiting the bad-faith and abusive registration of distinctive marks as Internet domain names with the intent to profit from the goodwill associated with such marks – a practice commonly referred to as ‘cybersquatting.’”²¹⁰

Violators of the law can be ordered to forfeit or cancel the illegal obtained domain name or to transfer the domain to its rightful owner. In addition the mark owner can recover losses sustained by the domain registrant’s actions, and the actual damages (*i.e.*, defendant’s profits from use of the domain) the plaintiff suffered. The plaintiff can also elect to recover statutory damages instead of actual damages (\$1000 to \$100,000 per domain).²¹¹

The Court Speaks

Ford Motor Company v. 2600 Enterprises, 177 F. Supp. 2d 661 (E.D. Mich. 2001)²¹²

Facts:

“The essential facts in this case are undisputed. Defendants 2600 Enterprises and Eric Corley, a.k.a Emmanuel Goldstein, are the registrants of the domain name ‘f*t*kgeneralmotors.com.’ When an Internet user enters this domain into a web browser, he is automatically linked to the official website of Plaintiff Ford Motor Company (“Ford”), which is located at ‘ford.com.’ Defendant Corley, a self-proclaimed “artist and social critic,” apparently considers this piece of so-called cyberart one of his most humorous. Ford is not amused. Hence, the instant complaint alleging three Lanham Act violations: trademark dilution, 15 U.S.C. § 1125(c); trademark infringement, 15 U.S.C. § 1114(1); and unfair competition, 15 U.S.C. § 1125(a).” (p. 661–662)

Discussion:

A. Dilution

“In relevant part, the Federal Trademark Dilution Act (“FTDA”), codified at 15 U.S.C. § 1125(c), provides that

[t]he owner of a famous mark shall be entitled...to an injunction against another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark.

At issue in this case is whether Defendants’ use of the FORD mark is ‘commercial.’” (p. 663)

“...While arguably neither news reporting, competitive advertising, parody, nor criticism is at issue in this case, and although Defendants’ use of the term ‘art’ hardly seems apropos, the court is satisfied that Defendants’ use of the word ‘ford’ in their programming code is, at least, ‘noncommercial.’ Their use thus is not actionable under the FTDA. If the FTDA’s “commercial use” requirement is to have any meaning, it cannot be interpreted so broadly as to include any use that might disparage or otherwise commercially harm the mark owner.” (p. 665)

B. Infringement and Unfair Competition

“Plaintiff similarly has failed to allege facts sufficient to show a likelihood of succeeding on the merits of its infringement and unfair competition claims. Pursuant to 15 U.S.C. § 1114(1) (a), to succeed on an infringement claim, a plaintiff must show that the defendant has used the mark ‘in connection with the sale, offering for sale, distribution, or advertising of any goods or services.’ An essentially identical showing of use ‘in connection with any goods or services’ is required on an unfair competition claim. 15 U.S.C. § 1125(a).

Plaintiff here has made no allegation that Defendant has used the Ford mark in connection with goods and services in any literal sense.” (p. 665)

Conclusion:

For the reasons set forth above, while Plaintiff understandably may be disturbed by Defendants’ acts, the Lanham Act provides no remedy... (p. 666)

Questions:

1. What was the Court’s reasoning there was no remedy available to the Plaintiff?
2. Why did Ford sue under the Lanham Act and not under the Anti-Cybersquatting Consumer Protection Act?

3.13 Summary

Copyright is a form of legal protection provided to the authors of “original works of authorship” including *literary, dramatic, musical, artistic*, and certain other intellectual works, both published and unpublished. Copyright only protects the expression of ideas, but not the ideas themselves. A copyright gives the author and others who have been authorized the **exclusive rights** to the copyrighted work, such as assignment of the copyright and the creation of derivative works. The Copyright Office of the U.S. Library of Congress handles all registration. Copyright protection, based on Title 17 of the U.S. Code, only lasts for a limited period, and when a copyright expires, the work enters the public domain.

A trademark is a legal protection for a brand. It is a product identifier showing the *source of goods* to *distinguish* from the goods of others. It is not designed to prevent others from making the same goods or from selling the same goods or services under a different mark. A service mark protects a service in the same manner as a trademark.

Trademarks and service marks are used to prevent others from using a confusingly similar mark. Often times the trademark is registered with the U.S. Patent and Trademark Office. Benefits to federal registration include:

- constructive notice to the public of the registrant's claim of ownership of the mark;
- a legal presumption of the registrant's ownership of the mark and the registrant's exclusive right to use the mark nationwide on or in connection with the goods and/or services listed in the registration;
- the ability to bring an action concerning the mark in federal court;
- the use of the U.S. registration as a basis to obtain registration in foreign countries; and
- the ability to file the U.S. registration with the U.S. Customs Service to prevent importation of infringing foreign goods.²¹³

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Trademark categories include generic, descriptive, suggestive, arbitrary, and fanciful or coined mark. Trademarks must be inherently distinctive to be registered. Generic and descriptive trademarks do not meet this legal threshold. Registration refusal can be based on being confusing similarity, descriptiveness, or geographical indication.

The Federal Trademark Dilution Act is a legal remedy for use of another’s mark that causes confusion in the marketplace.

The Anti-Cybersquatting Consumer Protection Act is a law that provides a remedy available to those who register a domain name in bad faith with the intent to profit from its registration.

3.14 Key Terms

Agent	Exclusive rights	Sonny Bono Copyright Term Extension Act (CETA)
Anti-Cybersquatting Consumer Protection Act	Fanciful or coined mark	Sound mark
Arbitrary mark	Generic term	Standard character mark
Certification mark	Geographical indication	Stylized/design mark
Collective mark	Infringement	Suggestive mark
Confusing similarity	Inherently distinctive	Trade dress
Copyright	Intellectual property	Trade secret
Cybersquatting	Lanham Act	Trademark
Declaration of Use	Library of Congress	Trademark Electronic Search System (TESS)
Derivative work	Notice of Allowance	Trademark Trial and Appeal Board
Descriptive mark	Notice of Publication	Trademark symbols
Descriptiveness	<i>Official Gazette</i>	Transformative purpose
Easement	Original works of authorship	U.S. Copyright Act
Fair use	Patent	U.S. Copyright Office
Fanciful mark	Personal property	Willful infringement
Federal Trademark Dilution Act	Public domain	Work made for hire
First sale doctrine	Real property	
Form of expression	Secondary meaning of acquired distinctiveness	
Generic term	Service mark	

3.15 Chapter Discussion Questions

1. What type of creative property does a copyright cover?
2. Can website content be copyrighted (such as text, images, or templates)?
3. How is copyright protection obtained?
4. What is an “original work of authorship”?
5. What is the first sale doctrine?
6. What is the difference between a copyright and a trademark?
7. Provide an example of trade dress not discussed in the text.
8. Describe the proper use of a trademark symbol.
9. What is the difference between the five categories of marks?
10. What is the Anti-Cybersquatting Consumer Protection Act?

3.16 Additional Learning Opportunities

The U.S. Copyright Office has several Circulars that provide information on the basics of copyright law. These materials are available at <http://copyright.gov/circs/>.

Visit the USPTO at <http://www.uspto.gov/trademarks/basics/BasicFacts.pdf> for a circular on the basics of trademarking.

3.17 Test Your Learning

1. A copyright protects:
 - A. a form of expression
 - B. ideas
 - C. names, titles, or short phrases or expressions
 - D. the subject matter of a work
 - E. works in the public domain

2. Betty B. researches and writes a paper for her high school English class. The paper can be copyrighted by:
 - A. Betty B.
 - B. Betty B.'s school
 - C. Betty B.'s principal
 - D. the school board for Betty B.'s school district
 - E. the teacher in the English class

3. Which of the following is a correctly formatted copyright notice?
 - A. all Rights Reserved
 - B. (c) Patrick Nuckolls
 - C. (c) Patrick Nuckolls All Rights Reserved
 - D. copyright 2015 Patrick Nuckolls
 - E. Notice of Copyright 2015 Patrick Nuckolls

4. Ademar Partida was born in 1951. He copyrighted a book in 2000. Partida died in 2012. The copyright on his book is valid until what date?
 - A. 28 years past his death or until 2040.
 - B. 67 years past his death or until 2079.
 - C. 70 years past his death or until 2082.
 - D. 95 years past his death or until 2107.

5. You have developed a blog site for your employer called “Law and Knowledge Management” that focuses on legal issues in the information assurance field. You want to take an **article** from *The Daily Information Security News* and reproduce the article on the blog. Which of the following best represents your next step?
- A. Because the materials are in the public domain, you can simply copy and place them on your web page.
 - B. Because the materials are in the public domain, you can simply copy and place them on your web page as long as you acknowledge the source of article.
 - C. The materials are not in the public domain, but you can still simply copy and paste them on your web page as long as you acknowledge the source of the copyrighted materials.
 - D. You can only place a link on the blog to the *Daily News* without violating U.S. copyright law.
 - E. None of the above
6. What type of mark would the company name TranServ (a combination of the words transportation and service) be for a transportation company?
- A. generic
 - B. descriptive
 - C. suggestive
 - D. arbitrary
 - E. fanciful
7. George and Jude Jetts own a company called GeJuJet that is a reputation defender service. They want to trademark their company name. Can they trademark GeJuJet when it represents a service and not a “good”?
- A. No, trademarks are only for goods.
 - B. No, trademarks are only for services.
 - C. They cannot trademark their company name, but they can create a service mark.
 - D. This is a copyright issue and not a trademark issue.
8. Assume that the Mid Central-American Conference (MCAC), an athletic conference of Division III colleges, creates a mark that can be used by all the association schools. This mark is known as a
- A. certification mark
 - B. collective mark
 - C. service mark
 - D. trademark
 - E. song mark

9. What is the initial term of a trademark?
- A. five years
 - B. 10 years
 - C. 20 years
 - D. 50 years
 - E. 75 years
10. A colored design or shape associated with a product is best described as:
- A. collective mark
 - B. framing
 - C. service mark
 - D. trademark
 - E. trade dress

Test Your Learning answers are located in the Appendix.



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