



Five Common Misconceptions Regarding Trademark Protection: A U.S. Perspective

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In my dozen years of explaining U.S. trademark law to clients, non-IP attorneys and friends, I have noticed five commonly held misconceptions. These five misconceptions, why they exist and suggestions as to how to resolve them are the focus of this article.

There does not seem to be a strong correlation between these misconceptions and a lack of sophistication in other aspects of the advisee's business. In fact, because the source of some of the misconceptions is business-based, the opposite is often true. The challenge for the attorney is to recognize whether a misconception is at issue; if so, to identify which one; and then, to resolve it.

The first misconception is that trademark rights in the United States are acquired by registration, not use. The primary source of this misconception seems to be confusion with other types of intellectual property rights, specifically patent rights, which must be analyzed and issued by the Patent Office to come into existence. In my experience, there is a similar misconception with respect to copyrights. Also, obtaining rights from use seems a bit suspect—how does one know when the rights have been acquired, how do others know, when does one have enough rights, is it okay to use a mark that's not registered or to use a mark more broadly than a registration, what is a mark's scope, and how does one enforce it? These are, admittedly, all good questions and factors one must consider when dealing with common law rights. Registration appears more concrete.

One way of understanding the rights-acquired-by-use-not-registration doctrine is that the purpose behind trademark rights is not to create a property right (although trademarks are property rights) or to grant a monopoly. Rather, the purpose is to protect consumers by preventing them from becoming confused when one mark is confused with that of another. For the most part, consumers do not know whether a mark is registered; consumers only know that they have seen a mark in use and have come to recognize it. It might have a TM or ® symbol and might not. If confusion has little to do with registration status, then protection of rights should have little to do with registration status.

The second misconception is that in order to infringe, two trademarks at issue need to be identical. The likelihood of confusion standard—with its intense fact-based analysis, where pretty much everything that is relevant to confusion is legally relevant—is not intuitive.

We often hear "But our mark is spelled differently" or "We've changed a letter" as arguments that two marks should not create confusion. The source of this misconception is not clear to me. Perhaps passing off and counterfeiting are what one thinks of most when considering trademark infringement, or one is

familiar with the different standard (often identity) applied by secretaries of state to corporate name availability or in domain name registrations.

Another contributing factor could be that many well-publicized trademark disputes involve identical marks, perhaps because such battles are less likely to result in easy, private settlement. One in the news recently is the dispute, now resolved, involving Apple Inc. and Cisco Systems over the iPHONE mark.

Sometimes the issue is simply that the person asking did not know that the legal standard was likelihood of confusion, but otherwise the applicability of the standard itself is the issue. In that case, once the various likelihood of confusion factors are explained, each of which makes sense in practice, the logic behind the standard becomes more understandable.

The third misconception is that “a mark” refers only to a logo. In referring to other types of trademarks—word marks, sounds, shapes, colors or smells—as “marks,” clients are often confused and surprised that anything other than a logo can be protected. Again, I find that explaining the purpose behind trademark law in preventing consumer confusion helps resolve this issue.

The fourth misconception is twofold: that English words can be marks, in situations where they cannot, and that English words cannot be marks, in situations where they can. The fact that English words, when applied suggestively or arbitrarily, can function as strong trademarks (APPLE for computers and music-related devices or PICKLE for online photo and video sharing services) sometimes comes as a surprise. “How can one obtain exclusive rights to use an English word?” one hears. “What happened to free speech?” Of course once the limitations of this “exclusivity” are understood, the situation begins to make sense, but the first blush reaction remains unchanged.

By contrast, it is sometimes difficult to convince clients that English words that have a meaning relative to a product or service will have difficulty becoming a strong trademark or being protectable at all. This issue arises most often when a client is the first to coin a term that is not descriptive as such but is likely to become so. I often try to convey that they will not be able to stop others’ use of the same (in some extreme cases) or similar marks—hard to swallow if their adoption of the mark is indeed first and their product or service, at present, unique. A corollary to this idea is that strength in a mark can depend on how it is used (whether used descriptively, for instance). The idea that rights depend on so many factors is hard to grasp, but is of course what makes trademark law so fascinating for its practitioners.

Lastly, we come to the fifth misconception, which is that a mark here is, or can be, a mark everywhere—the territorial scope of rights. How often are we told that a client wants to “protect a mark worldwide”? With the United States’ accession to the Madrid Protocol, this desire is closer to being reality, but the international trademark system remains very much a jurisdiction-based system. Sometimes it does not seem possible to those not familiar with the system that one obtains rights, for the most part, on a jurisdiction-by-jurisdiction basis, that availability must be addressed separately in each jurisdiction of interest, that the laws relating to trademark scope, protection, registration and enforcement vary widely by jurisdiction and that rights or registration of a mark in one jurisdiction grants rights only in that jurisdiction. Now that there is a global marketplace, this jurisdictional system seems out of date and, thus, surprising to those unaccustomed to dealing with its nuances daily.