



FREQUENTLY ASKED QUESTIONS
ABOUT TRADEMARKS AND SERVICE MARKS
FOR NONPROFIT ORGANIZATIONS

November 2009

GENERAL INFORMATION

What Is a Trademark or Service Mark?

The terms "trademark" and "service mark" refer to words, designs or logos that are used to indicate the origin or source of goods or services. There is no difference in the legal protections afforded trademarks versus service marks. The distinction is only with respect to what they identify.

When used to identify a *tangible product* (such as jewelry or glassware), the word, design or logo is considered a "trademark". When used to identify *services* (such as charitable services or educational services), the more appropriate term is "service mark".

It is common practice, and perfectly acceptable, however, to use the term "trademark" to broadly identify both types of marks. For example, we refer to "trademark rights" and the "Trademark Office".

What Is a Common Law Mark Versus a Registered Mark?

In the United States, registration is *not* a prerequisite for using a mark or protecting a mark against infringement. Trademark rights can accrue simply through actual use of the mark in commerce, although there are significant benefits to registering a mark (see below). Those marks that are not registered but nonetheless are eligible for protection by virtue of actual use in commerce are called unregistered trademarks or service marks.

We Discovered Another Entity Using a Similar Name. Who Owns the Trademark?

The determination of whether a trademark is being infringed can be quite fact-specific and will often require the advice of trademark counsel.

Broadly speaking, however, the entity that first uses a mark in connection with particular goods or services has trademark rights that supersede the rights of later users of a similar mark *for the same or related goods or services*, if the later users have constructive or actual notice of the first entity's earlier use. In other words, the mere fact that another entity is using a similar or identical name does not necessarily mean that there is a trademark conflict. Highly similar marks and even identical marks can often coexist peacefully so long as they are used on unrelated goods. For example, the term "Cadillac" has been used by different parties in connection with automobiles and dog food.

That being said, the concept of trademark dilution has been codified into federal law in recent years. "Trademark dilution" can be defined as a situation in which the use of a new trademark that is highly similar to a more established, famous trademark reduces the distinctiveness and impact of the famous trademark. It is not intended to protect consumers from confusion, but is instead intended to protect the value of famous trademarks. There are several categories of trademark dilution, including "blurring" and "tarnishment". A more detailed discussion of trademark dilution is beyond the scope of this FAQ. Suffice to say that one must be mindful of this additional risk when adopting a name that is identical or similar to a mark that is recognized as famous by the general public.

Thus, in determining whether there is a true trademark conflict, one must consider not only whether the marks themselves are similar, but also whether the respective goods or services on which the marks are used are similar or otherwise related. One must also consider whether the trademark might arguably dilute the value of a famous trademark. If your trademark counsel concludes that a genuine conflict exists, then the prescribed course of action will depend on the circumstances.

THE REGISTRATION PROCESS

Should We Register Our Mark?

Registration is *not* a prerequisite for using a mark or enforcing common law rights against an infringer. Unregistered marks can be protected under the common law, so long as priority of use can be established. Nevertheless, federal registration, particularly on the Principal Register, does provide benefits that are not available to those relying on common law rights.

Trademarks can be federally registered on the Principal or the Supplemental Register. Most marks are registered on the Principal Register, which provides greater protection. The Supplemental Register is reserved for descriptive marks.

Some of the primary benefits of registration are as follows:

- (1) Registration on the Principal Register is evidence of ownership of a mark and of the owner's exclusive right to use the mark in commerce on the product(s) or service(s) identified in the registration. After five years, a registration may become "incontestable," which limits the bases on which the registration can be challenged. Incontestable status may only be obtained by filing the appropriate documentation and paying the applicable fee with the Trademark Office after the mark has been registered for five years. It is strongly advisable for registrants to seek incontestable status for such marks.
- (2) Benefits of Registration for marks registered on both the Supplemental Register and the Principal Register include the following:
 - (a) Only the owner of a registered mark may use the ® symbol to indicate its exclusive rights.
 - (b) Registration confers nationwide trademark rights.
 - (c) Registration provides "constructive notice" to others of the owner's rights to the mark; this means that anyone adopting the same mark after it has been registered cannot claim to have done so in good faith.
 - (d) A prior registration or pending application may be cited by the Trademark Office as a bar to the registration of a later applicant's identical or similar mark. In addition, a registered mark or pending application will be disclosed on a trademark search, which may deter others from initially adopting the same or a very similar mark.

However, registration is not worthwhile in every case. It will take a year or more to obtain registration. Accordingly, registration may not be recommended for marks with a short life span, which will not be used again in the future.

In addition, registration is not recommended unless the organization is confident that there are no other parties who can claim prior rights to a similar mark on related goods or services. As discussed below, the registration process involves publication of the mark and an opportunity for interested parties to object. The public nature of a trademark filing can potentially notify those parties whose marks the applicant is unwittingly infringing.

How Long Is the Registration Process?

At a minimum, registration takes at least one year, from the date the application is filed to the date a certificate of registration is issued. Issuance of a registration will take longer if the application encounters substantive objections from the Examiner (such as the mark is confusingly similar to a prior pending or registered mark) or if the application is opposed by any third parties.

What Are the Governmental Fees for Filing an Application?

The basic application fee charged by the government is currently \$375 *per class of goods or services per application* filed on paper via mail. A single trademark application can often entail two or more classes. Trademark counsel can assist with determining the appropriate coverage for a given trademark. The fee is reduced to \$325 *per class* if the application is filed online, which is encouraged by the Trademark Office.

What Are the General Steps of the Application Process?

- (1) **Filing:** The application and one specimen (generally marketing materials or product labels) showing the mark as used in commerce (if the application is based on use) are provided to the Trademark Office. In approximately six months, the Office will assign a serial number to the application, and issue a filing receipt.
- (2) **Examination:** Within approximately six to seven months from the filing date (depending on the Office's workload), the application will be assigned to Trademark Examiner within the Office. The Examiner will review the application, and conduct a search of the Office's records to ensure that there are no prior registrations or pending applications that are confusingly similar to the applicant's mark. If the Examiner finds any defects in the application or specimen, or a confusingly similar mark is found, the Examiner will issue a written Office Action which identifies the problems. The applicant will have six months to respond to a written objection. Failure to respond within six months will cause the application to be abandoned. Additional office actions may be issued if the initial response does not sufficiently address all the outstanding objections.
- (3) **Publication:** If the Examiner has no objections to the application, or any objections are successfully overcome, the application will be published in the Trademark Office's *Official Gazette*. Any interested party will have thirty days from the publication date to oppose the application, or to request an extension of time to consider whether to oppose. (The opposition term may be extended by up to 90 days, for a total of four months from the publication date).
- (4) **Registration:** If the application is not opposed, a registration will issue approximately twelve weeks after publication in the *Gazette*. The mark can now be designated with the ® symbol whenever it is used in connection with the goods/services for which registration was obtained.

Can an Application Be Filed Before Use of a Mark Begins?

An application may be filed before use of the mark is commenced. An application may be based simply on an applicant's *bona fide* intention to use the mark in interstate commerce in the future, in connection with particular goods or services. Such applications are called "intent-to-use" or ITU applications.

Note: These applications cannot be filed merely to reserve or warehouse marks for later use without any actual intention to use the mark on specific goods/services. An ITU application may only be filed if there is

a *bona fide* intention to use the mark and the applicant is in the process of developing the goods/services and/or otherwise engaged in making preparations for use, including market research, etc. The allegation of the applicant's *bona fide* intention to use the mark in commerce is made under oath in the application. Questions as to whether a legitimate *bona fide* intention to use a mark existed at the time of filing can be raised if an ITU application is opposed by a third party. A registration will not be granted, however, until the applicant files a verified statement that it has used the mark in commerce. The applicant has six months to do so (although this period that can be extended up to an additional two-and-a-half years).

What Information Is Needed to File the Application?

(1) Intent-To-Use (ITU) Applications

- (a) The mark and/or logo (the logo must be in rendered in black and white for the application, unless color is claimed as a feature of the mark); and
- (b) A description of the good(s) or service(s) in connection with which the mark will be used (descriptions must be compliant with the Trademark Office's acceptable terms).

(2) Use-Based Applications

- (a) The mark and/or logo (the logo must be in rendered in black and white for the application, unless color is claimed as a feature of the mark);
- (b) A description of the good(s) or service(s) in connection with which the mark will be used (descriptions must be compliant with the Trademark Office's acceptable terms);
- (c) The date of first use of the mark in *interstate* commerce; and
- (d) A "specimen" showing use of the mark in commerce (a specimen to evidence use of a service mark or web-based software often can be printed from the organization's website; labels, tags and packaging should be provided for goods).

What Constitutes the Date of First Use of a Mark in Interstate Commerce?

For service marks, the date of first use of a mark in interstate commerce is the earliest date that the mark was used to advertise or market the services to prospective customers, i.e., (a) the services were *available to the public* as of this date; and (b) the mark was used in an advertisement, brochure, direct marketing piece, contract, etc., that was mailed or otherwise distributed to potential customers.

For trademarks, the date of first use in interstate commerce is the earliest date a product bearing the mark (on the product itself or on a label or package for the product) was sold or distributed to the public.

Why Is The Date of First Use of a Mark Important?

As discussed above, under U.S. law, the first to use a mark in connection with a particular good or service generally has trademark rights that supersede the rights of later users of a similar mark for the same or related goods or services, regardless of when or if that first user filed for a registration of that mark. For

example, if the Meals On Wheels Association of America commences use of the mark MEALS ON WHEELS in connection with charitable food distribution services in 1995, but does not file an application for that mark until 2002, its rights trump those of any later users of the same or similar term for charitable services within the geographical territories in which the Association has used the mark, *even if those later users filed for a trademark application before 2002.*

This general “first in time, first in right” rule is why the date of first use is so important and why the Trademark Office requires a trademark applicant to provide a sworn statement of this date.

An exception to this rule exists for the Intent to Use application, which allows applicants to date back their rights to the filing date of their Intent to Use application, rather than the date of their actual use.

MAINTENANCE AND RENEWAL OF REGISTERED MARKS

How Long Does a Registration Last?

For registrations issued *after* November 16, 1989, the initial term of the registration is ten years. For registrations issued *prior* to November 16, 1989, the initial term is 20 years. Subsequent renewal terms are ten years.

Trademark registration may be renewed indefinitely, provided that: (a) the mark remains in use in interstate commerce in connection with the relevant goods and/or services; (b) a Declaration of Use is filed between the fifth and sixth year after registration; and (c) renewal documents are filed at ten year intervals.

What Are the Requirements for Maintaining a Mark and Renewing?

(1) Continued Use of the Mark

It may seem obvious, but the most important factor in maintaining a valid trademark registration is to continue using the mark, in the form in which it is registered, and in connection with the product(s) or service(s) for which the mark has been registered.

If a mark is not used for three consecutive years after registration, it may be considered to have been abandoned, making the registration vulnerable to cancellation by third parties.

(2) Declaration of Use or Combined Declaration of Use and Incontestability

A Declaration of Use (also known as an Affidavit of Use) is the first mandatory filing after registration of a mark on the Principal Register. Trademark law requires a Declaration of Use to be filed between the fifth and sixth anniversaries of the registration's date, attesting to the fact that the mark is still in use in interstate commerce in connection with the product(s) or service(s) for which it's registered. A specimen showing the mark as *currently* used must accompany this declaration. The cost of filing the Declaration of Use is currently \$100 per class of goods/services.

Failure to file this declaration results in the automatic cancellation of the registration by the Trademark Office. The sixth-year deadline cannot be extended. A registration, once cancelled, cannot be revived.

A Combined Declaration of Use and Incontestability may be filed instead of the Declaration of Use, if the following statements can be made about the mark: (a) it has been in

continuous use for the five years after registration; (b) it is not presently involved in litigation or administrative proceedings; and (c) the owner's rights in the mark have not been limited by a final decision of a court or administrative agency. The combined declaration, if accepted, significantly strengthens the protection for the mark, because it makes the registration "incontestable". Incontestability limits the grounds on which the registration can be challenged and provides conclusive evidence of the registrant's rights in the mark. The cost of filing the Combined Declaration of Use and Incontestability is currently \$300 per class of goods/services.

(3) Renewal of the Registration

In the six months preceding the tenth anniversary of the registration date, (or the 20th anniversary for marks registered before November 16, 1989), the registrant is required to file the first renewal application. As with the Declaration of Use, the renewal application attests to the fact that the mark is still in use in interstate commerce on the product(s) or service(s) named in the registration, and a specimen showing *current* use of the mark must accompany the application.

Thereafter, all registrations may be renewed every ten years during the six months preceding the anniversary of the registration date. The cost of filing the renewal is currently \$500 per class, which includes renewal and declaration of use.

PROPER USE OF TRADEMARKS AND SERVICE MARKS

How Should an Organization's Trademarks and Service Marks Be Identified?

(1) Distinguish Trademarks from the Surrounding Text

Showing that a word or logo is a trademark may be accomplished in several ways: by using a *special* or **larger** typeface, a different **color**, *italicizing* or CAPITALIZING the mark, by using quotation marks around the mark, or by using the mark in **bold print**.

(2) Use the Appropriate Symbol (®, TM or SM)

(a) ® (The Registration Symbol)

The ® symbol may *only* be used when a mark has been registered with the U.S. Patent and Trademark Office. This limitation on use of the registration symbol is governed by federal law. Use of the ® symbol when a mark is not registered may be considered fraud, and may limit an organization's ability to enforce its trademark rights.

In addition, the ® symbol should only be used in connection with the goods or services *for which the mark has been registered*. For example, if a mark is registered for use only in connection with education services, it is improper to use the ® symbol when the mark is used in connection with different services, such as consulting services. Under those circumstances, the SM symbol should be used instead

(b) SM and TM Symbols

TM and SM are informal symbols that indicate that the user claims trademark rights to that particular word(s), design or logo. The TM or SM symbols may be used with any unregistered marks. It is not necessary that a trademark application be filed in order to use an SM or TM symbol. However, the SM or TM symbol (as opposed to the ® symbol) is the appropriate symbol to use while an application to register the mark is *pending* at the Trademark Office.

The TM symbol is appropriate when a mark is used in connection with the sale of *goods*, e.g., furniture, jewelry, cookies. It should be placed directly on the item, or on labels, tags, or packaging associated with the item.

The SM symbol is appropriate when a mark is used in connection with *services*, such as charitable services. The SM symbol may be used on any documents which: (1) promote or advertise the services (e.g., brochures, newspaper advertising, direct mail pieces); or (2) are used in connection with rendering the services (e.g., manuals, handouts).

(3) Properly Place the Symbols

The ®, TM and SM symbols should be displayed to the right of the trademark, in superscript, and placed slightly above the mark, for example:

Pro Bono PartnershipSM
American Heart Association[®]

How Often Must I Use the ®, TM and SM Symbols?

It is unnecessary to add the ®, TM and SM symbols *every* time a mark is used in a particular ad, marketing piece, prospectus or policy. The purpose of using the symbols is to advise other parties viewing the materials that the organization claims trademark rights in the mark. The symbols should be used in the first and/or most prominent places a mark is featured, e.g., on the cover of a brochure or prospectus, in the headline of an advertisement, or in headings or subheadings in text pieces.

The ®, TM and SM symbols should also be used the *first* time that the mark is used in the text itself. If the mark appears in several sections over a number of pages in a piece, it is advisable to repeat the particular symbol where it first appears in the text in each section.

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