



A Brief Overview of Trademark Law

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The Commerce Clause of the Constitution granted Congress the power to enact trademark legislation. Therefore, federal law governs much of this arena, although State common law trademark rights can coexist with federal protection, as discussed below. The federal statute on trademark law is referred to as the Lanham Act. Section 45 of

the Lanham Act describes a trademark as “any word, name, symbol, or device or combination thereof.”¹ A trademark (or “mark” as it is commonly called) is used by a manufacturer of products or a supplier of services to identify and distinguish its product or service from those products sold or services rendered by another. Moreover, the mark can be utilized to indicate the source of the products.

Trademark law is designed to protect these marks for the benefit of both sellers and consumers. Three policy rationales underlie trademark law. The first of these policies is based on the so-called search-cost theory. Under this theory, a trademark functions as a signal to consumers, enabling them to locate the specific product they desire quickly and easily. In

¹ 15 U.S.C. § 1127.

turn, the consumers' cost of searching for the item is reduced, and the risk of confusion with another product is diminished. When consumers observe a trademark, they immediately make a subjective judgment as to that product's cost, quality, taste, usefulness, reliability and other such attributes. The consumers' judgments may be based on many factors, including their own experiences with the product and the national reputation of the product. A trademark is valuable to the consumer as a result of its signaling power. Therefore, by granting exclusive rights for the use of a mark to trademark owners, trademark law enables suppliers of goods and services to signify to consumers the nature and quality of their goods.

Second, trademarks encourage the supplier of the product consistently to maintain the level of quality and character that the consumers expect. Lastly, trademark law encourages competition among suppliers of goods and services. Because competitors cannot use another's trademark on their own product, trademark law facilitates competition in the marketplace among manufacturers and suppliers of goods and services.

- **Obtaining Protection**

Because federal trademark law originates in the Commerce Clause, in order to obtain trademark protection, one must establish that the product or service identified by a trademark is sold or used in interstate commerce, and that consumers are

exposed to the mark. If a manufacturer or supplier of a good or service is the first to use a trademark, then it will be granted the right to use that mark on certain products within the geographic area in which the mark has been used. When a mark is registered with the United States Patent and Trademark Office, the trademark owner will be granted nationwide rights to the mark, except in those geographical locations where someone else used the mark first. When an individual or a corporation registers a trademark with the federal government, the mark is registered for use in connection with a particular category of goods or services. The owner of the mark is entitled to utilize the mark only with respect to that particular category of goods or services.

- **Degrees of Protection**

Because consumers utilize trademarks as source-indicators, trademark law grants a greater degree of protection to marks that are highly distinctive, or “strong,” and a lesser degree of protection to marks that only describe a product or its attributes. Trademarks are classified under one of four categories for the purpose of trademark protection: generic, descriptive, suggestive, or “arbitrary or fanciful.”² A trademark will receive the most protection if it is classified as “arbitrary or fanciful,” and no protection at all if it is classified as “generic.”

“A term is generic when it refers to the genus or class of product, rather than a particular product; a

² Horizon Mills Corp. v. QVC, Inc., 161 F. Supp. 2d 208, 211 (S.D. N.Y. 2001).

generic term is one which is commonly used as the name for a type of goods.”³ Therefore, the “generic name of a product can never function as a trademark to indicate the origin of that product.”⁴ A generic term thus receives no protection under trademark law and cannot be registered as a trademark.

“Descriptive” marks indicate and describe the quality and characteristics of a product. Within this category, there are two sub-classes: “common descriptive” terms and “merely descriptive” terms.

“Common descriptive” terms are treated in the same manner as generic terms, and thus receive no protection. “Merely descriptive” terms, however, directly inform the consumer of the purpose, utility, ingredients or characteristics of the product. Terms

³ Id.

⁴ Id.

such as these may receive trademark protection if the trademark owner can demonstrate that secondary meaning has been attached to the term. Secondary meaning has attached to a term when, in the minds of the buying public, “the primary significance of a product feature or term is to identify the source of the product rather than the product itself.”⁵

“Suggestive” marks are unique in that a certain level of reasoning, imagination, thought, or perception is required in order for the consumer to determine what the product is exactly. The mark, therefore, is suggestive of the quality, characteristics, or purpose of the product in that it indirectly describes the nature of the product to the consumer. While suggestive marks receive trademark protection without the

⁵ Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc., 973 F.2d 1033, 1041 (2d Cir. 1992) (internal citations omitted).

requirement of proving secondary meaning, the protection is rather weak.

“Arbitrary or fanciful” marks receive the highest level of protection and do not require a finding of secondary meaning. An arbitrary term is one which has no connection whatsoever to product, and is simply an existing word that has been used in an unrelated context. An example of this would be ‘Apple Computers,’ since the term ‘apple’ has no relation at all to the world of computers. Similarly, fanciful terms are words that have no definition at all, and have been concocted by the product manufacturer or service supplier, such as ‘Xerox,’ for example.

- **Common Law Rights**

Federal trademark protection coexists with State common law trademark protection. Under the

common law, “trademark ownership rights are appropriated only through actual prior use in commerce.”⁶ It has been held that “a party establishes a common law right to a trademark only by demonstrating that its use of the mark was deliberate and continuous, not sporadic, casual, or transitory.”⁷ Moreover, “the continuity of a user’s commercial activities in connection with the mark is also relevant to determining whether use is sufficient to establish common law ownership.”⁸

The “senior user” of a mark is “the first to adopt and use a mark anywhere in the country. The “junior user” is the second user, regardless of whether it adopts and uses a mark in a geographically remote

⁶ Planetary Motion, Inc. v. Techsplosion, Inc., 261 F.3d 1188, 1193 (11th Cir. 2001).

⁷ Circuit City Stores, Inc. v. CarMax, Inc., 165 F.3d 1047, 1055 (6th Cir. 1999) (internal quotations omitted).

⁸ Id. at 1054-55.

location.”⁹ The rights of a senior user of a particular trademark “may extend into uses in related product or service markets...[and] an owner of a common law trademark may use its mark on related products or services and may enjoin a junior user’s use of the mark on such related uses.”¹⁰ As a result, under the common law, a senior user of a trademark with strong common law rights may prevent a subsequent, or junior, user of a mark from further utilizing the mark.

- **Enforcing Trademark Rights - Trademark**

- Infringement Action**

Once a trademark has been acquired, the trademark will exist in perpetuity as long as the mark is continuously used in interstate commerce. If, however, someone utilizes a trademark owner’s

⁹ Lucent Info. Mgmt. v. Lucent Techs., Inc., 186 F.3d 311, 316 (3d Cir. 1999).

¹⁰ Planetary Motion, Inc. at 1201 (internal citations omitted).

registered mark in a way that confuses or deceives consumers, the trademark owner may be able to bring suit against that person via a trademark infringement action. In order to bring an infringement action, a plaintiff must first prove that he has the exclusive right to the mark in connection with a certain good or service in a particular geographic area. Under section 32(1) of the Lanham Act, “any person who shall, without the consent of the registrant, use in commerce any reproduction...of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services or in connection with which such use *is likely to cause confusion*, or to cause mistakes, or to deceive...shall be liable in a civil action....”¹¹

¹¹ 15 U.S.C. § 1114 (Lanham Act § 32) (emphasis added).

A trademark infringement suit hinges on whether the plaintiff can demonstrate that the alleged infringer's use of the mark is likely to create confusion to consumers as to the source of the goods upon which the mark is affixed. One case described the crucial question in trademark infringement suits as "whether the use of [the term] on differing but related products, and in their promotion, creates any likelihood that an appreciable number of ordinarily prudent purchasers are likely to be misled, or indeed simply confused, as to the source of the goods in question."¹² The court mapped out certain factors that must be considered in determining whether the plaintiff has a right to relief. These factors include the strength of the mark, the degree of similarity, the

¹² Lever Bros. v. American Bakeries Co., Inc., 537 F.Supp. 248, 252 (D.N.Y. 1982) (citing Mushroom Makers, Inc. v. R.G. Barry Corp., 580 F.2d 44, 47 (2d Cir. 1978)).

proximity of the products, the quality of the defendant's product, the sophistication of the buyer, and good faith.¹³

- **Enforcing Trademark Rights - Trademark Dilution Claim**

In addition to, or instead of, a trademark infringement suit, a plaintiff may also bring a trademark dilution claim. Even if there is no confusion as to the source of a product, if multiple users utilize the same mark, the instant recognition value of the mark may be diluted or diminished.

The Federal Trademark Dilution Act (FTDA), 15 U.S.C.S. § 1125, provides a remedy for dilution of famous marks. The FTDA, which was recently amended by Congress in 2006, "entitles the owner of

¹³ Id. at 252-56.

a famous, distinctive mark to an injunction against the user of a mark that is ‘likely to cause dilution’ of the famous mark.”¹⁴ In other words, the owner of a famous mark can prevent others from using the mark and further diluting its distinctive quality.

This article is intended as a brief overview of the law relating to federal trademark infringement.

Recent caselaw has changed the standard for evaluating trademark dilution under federal law. In addition, there are also State antidilution statutes.

These topics are beyond the scope of this article.

While this article simply provides a glimpse into the extensive field of trademark law, it is apparent that it is an intricate and complex arena. It is clear, however, that the main objective of federal trademark

¹⁴ Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., No. 06-0435-CV, 2007 U.S. App. LEXIS 3372, 3372 (2d Cir. Feb. 15, 2007) (citing U.S.C. § 1125(c)(1)).

law is to protect source-indicating marks, and to prevent confusion among consumers.

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