

IPRs and their data analysis

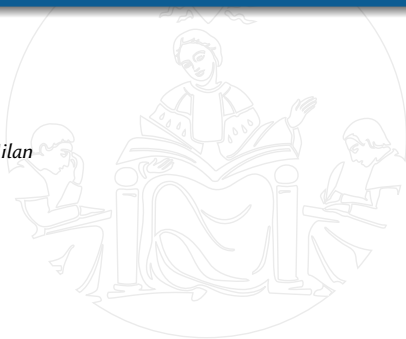
MODULE 2 – TRADEMARKS

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1 Trademarks

- What is a trademark
- Why trademarks exist
- How to activate protection
- What qualifies as a trademark
- Strategic considerations
- How to register a trademark
- How to maintain a trademark
- Genericide
- Trademarks and economics research

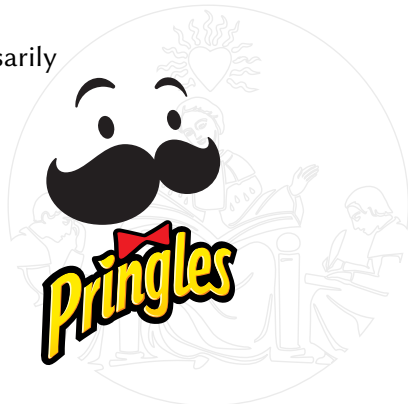


What is a trademark

- the *brand* of a certain *source* of goods or services
- shorthand representation of the valuable *goodwill* that came about because *consumers* associated that source with a quality good or service
- sometimes the same as a company name, but not necessarily

The Coca-Cola logo is displayed in its iconic red script font.

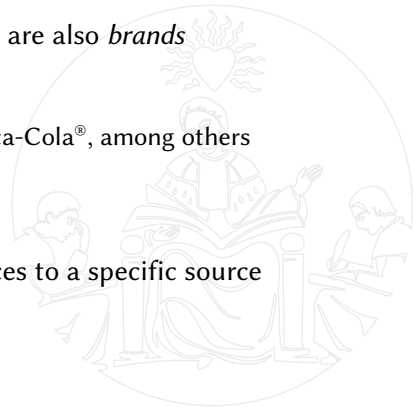
same as company name



different from company name

What is a trademark (cont'd)

- company names should *not* be trademarked unless they are also *brands*
- a trademark is an *adjective*
 - *The Coca-Cola Company* sells soda under the brand Coca-Cola[®], among others
 - Coca-Cola soda
adjective name
- trademarks are the brands that connect good and services to a specific source



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Why trademarks exist

Q why do governments concern themselves with protecting trademarks?

- the goal is to protect and empower *consumers* to make informed purchasing choices
 - consumers should be able to use their past experiences to continue to anticipate receiving similarly good products and services from the same source in the future
- trademarks allow providers of goods and services to *exclude* competing providers from using their brand
- legal protection is aimed at *consistent* use of brands over time
 - if different sources could use the same or similar brands there would be consumer confusion

in a nutshell: protect the seller in order to protect the consumers



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How to activate trademark protection

- within the range of proper marks, an owner of a mark get rights just through *use*
 - a company needs to start using it as a brand, offering goods and services to the public
- a trademark owner can get even more protection by filing an application for registration
 - trademarks registry $\neq$ state registry of companies
 - trademarks registry $\neq$ domain name registry

before registration

TM	SM
for goods	for services

after registration

®
for anything

- for the lifetime of trademark rights the owner may shut down others' uses and registration attempts of the same or similar marks, for the same or similar goods and services, on the basis of assumed interference between the two uses



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What qualifies as a trademark

- many things can qualify as a trademark

- as long as they serve as identifiers connecting goods and services with a particular source

- 1 words, such as names or slogans

- McDonald's "*I'm Lovin' it*"
- Nike's "*Just Do it*"

- 2 stylised marks

- logos



- words in a distinctive script or colour



- a combination of words and pictures



- 3 series of other identifiers

- colour



CATERPILLAR



- sound

NETFLIX



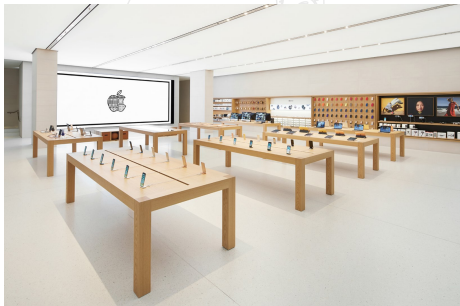
- scent



What qualifies as a trademark (cont'd)

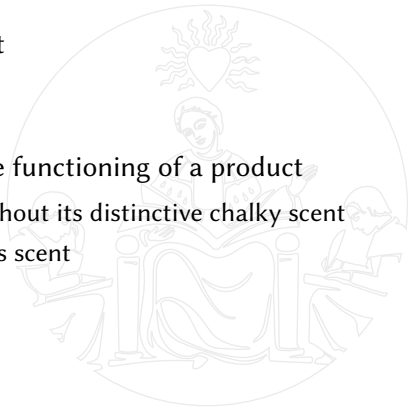
4 trade dress

- product configuration
- elements of packaging
- sales presentation



A word of caution

- no trademark can protect *functional* aspects of a product
 - that is the realm of patents
- e.g. you can trademark scent only if not necessary to the functioning of a product
 - Play-Doh would still be a modelling compound even without its distinctive chalky scent
 - Chanel No. 5 instead would not be a perfume without its scent



What does not qualify as a trademark

1 *deceptive* marks cannot be protected

organic aspirin filed for dietary supplements that do not contain aspirin

- consumers might think they are buying a natural form of aspirin

California peaches for peaches grown in Oregon, US

- consumers might think they are buying peaches grown in California

Champagne for sparkling wine originating elsewhere

- consumers might think it comes from the Champagne region of France

- exact copies of flags and institutional insignia    
- name, portrait, or signature of a living individual without their consent



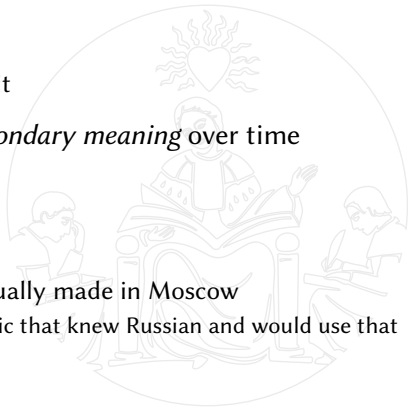
What does not qualify as a trademark (cont'd)

2 *generic* marks cannot be protected

- something the rest of the market needs to do business
- e.g. the common noun of a product or service

“restaurant”: every restaurateur should be able to use it

- some marks are not initially protectable but develop *secondary meaning* over time
- once they do, they can operate as trademarks
 - *Jones Craft Company*
 - *the Denver Beer Company*
 - Московская (lit. *Made in Moscow*) for a vodka not actually made in Moscow
 - the court ruled there was not enough of the buying public that knew Russian and would use that mark as a decision to purchase that particular vodka



What does not qualify as a trademark (cont'd)

- similarly, some marks which were previously considered *scandalous, immoral, disparaging* can now be protected



fuct



Certification marks

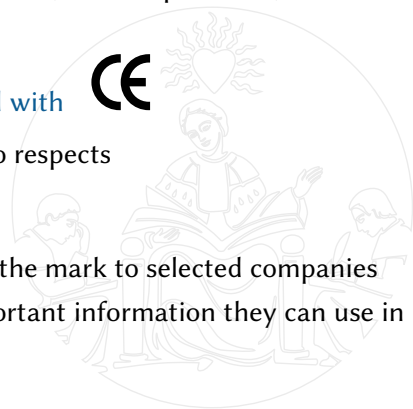
- certification marks indicate that either the goods or services, or their providers, have met certain standards or characteristics



not to be confused with



- certification marks differ from proper trademarks in two respects
 - 1 they do not point back to a specific source
 - 2 the user of the mark is not the owner of the mark
- the owner is a certification authority that grants use of the mark to selected companies
- like trademarks, certification marks give consumer important information they can use in their buying decisions



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Strategy for choosing a trademark

Q what makes a good trademark?

1 *uniqueness*

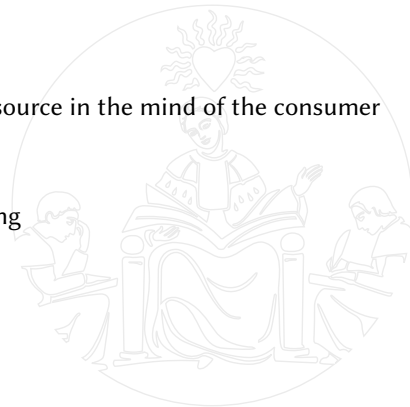
- the mark should connect the goods/services with their source in the mind of the consumer

2 *investment*

- branding is built up over time with invested resources
- too many marks → less consistent and weaker branding

3 *protectability*

- the mark should be able to be registered and enforced



Strategy for choosing a trademark (cont'd)

Q what is a legally strong mark?

🟢 arbitrary and fanciful



amazon

🟢 suggestive

AIRBUS



Microsoft

🟡 descriptive

American Airlines



🔴 generic

■ *Apple* for selling apples 🍏



The case against descriptive marks

- marketing departments love descriptive marks
 - very evocative of offered goods and services
 - less advertising expenses

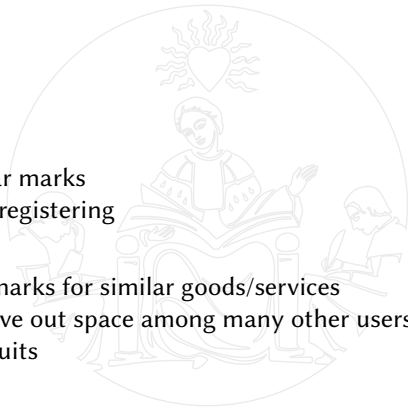
Q what's wrong?

1 hard to register

- hard to secure rights to exclude others from using similar marks
- may need to wait to develop secondary meaning before registering

2 hard to prove harm

- the more descriptive, the more competitors use similar marks for similar goods/services
- building a strong brand is difficult when you have to carve out space among many other users
- greater chance of facing expensive oppositions and lawsuits



How to fix a descriptive mark

- 1 add a logo to your word mark

Kentucky Fried Chicken →



- 2 work to develop secondary meaning or acquire distinctiveness through active use
 - in the meantime you might apply for the *supplemental* trademark register



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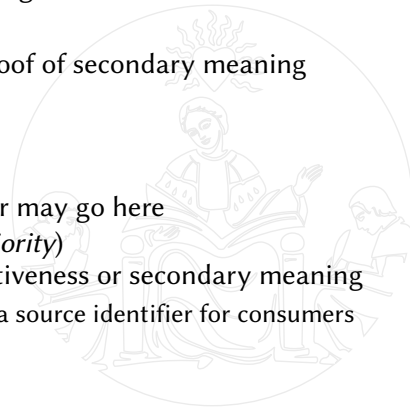
Different registers

principal register : marks immediately receive all protection rights

- arbitrary and fanciful marks go here
- some trade dress marks always require proof of secondary meaning (e.g. product configuration, colour)

supplemental register : fewer protection rights

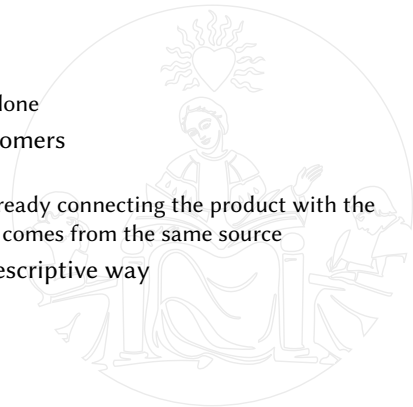
- marks ineligible from the principal register may go here
- can use ® and mark a date of first use (*priority*)
- marks hang out until they acquire distinctiveness or secondary meaning
 - gather proof that the mark functions as a source identifier for consumers
 - then reapply to the principal register



Different registers (cont'd)

Q what kind of evidence suffices?

- results matter, not just effort
 - advertising expenditure may help, but is not sufficient alone
- surveys of the buying public or affidavits from new customers
- actual confusion or intentional infringement
 - the buying public cannot be confused unless they are already connecting the product with the source, and there is another good which they think also comes from the same source
- show that your (word)mark is not used by others in a descriptive way



Registering a trademark

When registering a trademark

1 the format should be absolutely set

- other characters or punctuation marks (e.g. ‘!’) cannot be added later
- the logo (if present) cannot be altered later
- colour(s) and font(s) (if specified) cannot be altered later

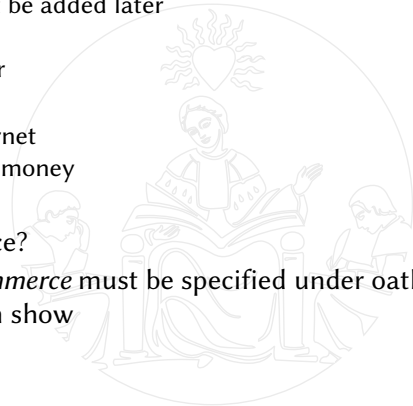
2 use in commerce should be provable

- easy to qualify if the mark is advertised e.g. on the internet
- goods/services do not necessarily have to be offered for money
- goods have to have been sold or services rendered

Q how does the PTO know if the mark is used in commerce?

- when filing, a *date of first use* and *date of first use in commerce* must be specified under oath
- *specimen(s)* (e.g. a screenshot) should be provided which show

- 1 the mark
- 2 used in connection with goods/services described
- 3 that goods/services are available to the public



Registering a trademark (cont'd)

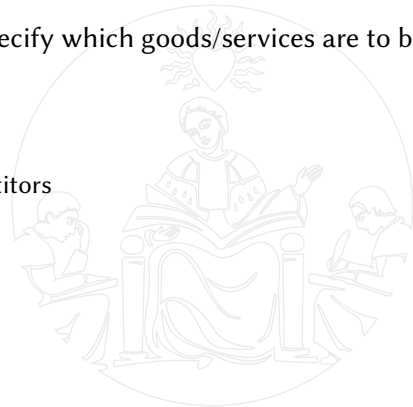
Q what if use in commerce cannot be proven (yet)?

- an *intent to use* application can be filed
- the design of the trademark should be absolutely set, as before
- dates of first use and first use in commerce are left blank
- the application goes through the usual examination process
- a *notice of allowance* is issued until use in commerce is shown, at which point the mark is registered
- once registered, protection rights are retroactive to the filing date of the application
- grace period is usually ≈ 6 months to prevent people from “reserving” marks
- extensions to grace period may be asked but must show progress towards use of the mark



Registering a trademark (cont'd)

- when filing a trademark application you are asked to specify which goods/services are to be associated with your mark
 - this sets the limits of underlying exclusion rights
- you want to keep it as broad as possible
 - to be able to stop as many uses as possible from competitors
- but you need to be accurate
 - the specimen has to show all listed uses



Prosecution phase

- much shorter compared to patents
- response from trademark examiner after ≈ 3 months from application
 - back and forth revision process between applicant and PTO to address possible deficiencies
 - mark may end as *abandoned* if no compromise is reached on deficiencies
- after completing the examination phase, mark is published for a 30-day opposition period
 - the public can oppose the registration with a *notice of opposition* (rare)
 - if e.g. your mark creates confusion with theirs
 - a mini-trial follows and original application may need to be narrowed down
- actual registration after $\approx 6-8$ months to $\approx 18-24$ months from application
 - depending on the examination phase and possible opposition from the public
 - longer when filing for an *intent of use* (until use in commerce is proven)



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Maintaining a trademark

- trademark rights can last *forever*, but only if properly maintained

1 *correct marking*

- make it stand out from other text by capitalising letters and using a different colour/font
- use symbols **TM** and **SM** before registration and ® after registration
- to put people on notice that you claim this trademark as yours

2 *consistent use*

- use the same format every time
- if registered/pending, use exactly as filed and for exact goods/services designated
- use the mark as an adjective
 - ✓ “Google search engine”
 - ✗ “Go use Google” (noun) or “Google a term” (verb)
- a trademark should be your *brand*, not your *product*
- incorrect use leads to *genericide*



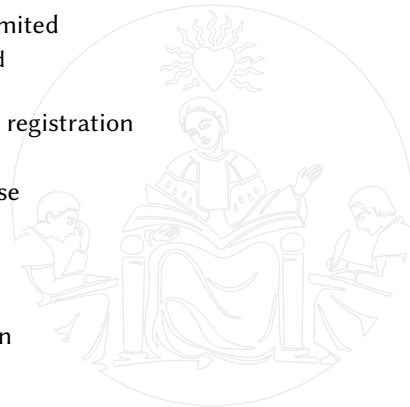
Keeping a trademark

3 *policing*

- PTOs' power to stop conflicting uses of trademarks is limited
 - possible confusion of newly registered marks is reviewed
 - but what about non-registered marks?
- the owner must be vigilant and monitor others' use and registration
 - trademark monitoring services exist for a fee
- the owner must also be vigilant over licensees' proper use
 - e.g. manufacturers, partners, franchisees

4 *maintenance fees*

- costs in the hundreds USD per class of goods/services
- typically paid after 5, 10, 20, 30... years from registration



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What is genericide

Genericide

- loss of distinctiveness through incorrect public use of a mark to name the actual goods or services instead of the brand
 - your brand becomes synonymous with the goods/products you offer
 - e.g. *Aspirin*, *Cellophane*, *Escalator*, *Laundromat*, *Linoleum*, *Trampoline*, *Yo-Yo*, *Zipper*¹
- Q isn't the goal of branding that everyone knows/uses your name? is it so bad?
- it is bad, because you no longer *control* the use of that name
 - bad quality products can be sold under your moniker
 - customers cannot use your name to find *only* your product
 - all in all, goodwill can be lost

¹https://en.wikipedia.org/wiki/List_of_generic_and_genericized_trademarks

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Trademarks and economics research

“Although novelty is not a requirement [...] one can safely assume that trademarks are filed primarily for new products and services” [Mendonça et al., 2004]

“[Trademarks] meet essential [suitability] preconditions [as an indicator of innovation], in particular correlation to innovation, good data access by electronic databases, and the possibility of operationalising them in relevant dimensions of desegregation” [Schmoch, 2003]

“60 per cent of [trademarks recently registered by Benelux small- and medium-sized enterprises] refer to innovation activity, predominantly to product or service innovation” [Flikkema et al., 2014]



Useful links

- WIPO Global Brand Database: <https://www3.wipo.int/branddb/en/>
- EU TMview: <https://www.tmdn.org/tmview/>
- EUIPO eSearch plus: <https://euipo.europa.eu/eSearch/>
- TMOG – US TradeMark Official Gazette: <https://eog-tmng.uspto.gov/>
- TESS – US Trademark Electronic Search System: <http://tess2.uspto.gov/>
- UK IPO Trade Marks Journal: <https://www.ipo.gov.uk/t-tmj.htm>

