

## Of Kleenex and Cheez Whiz: Trademarks Are Nothing To Sneeze At

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### STARTING UP: *Practical Advice for Entrepreneurs*

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## Of Kleenex and Cheez Whiz - Trademarks Are Nothing To Sneeze At

My 10-year-old daughter Elizabeth knows that I write this column. The other day she said to me, "Dad, I really enjoyed your Cheez Whiz article." I had no idea what she was talking about. Several time during the evening she again mentioned my article on Cheez Whiz. At bedtime, I found the "article" she had written about Cheez Whiz, under my name.

We had a good laugh, but I got to thinking about Cheez Whiz. It evokes a clear image (for better or worse) about a particular product. In law, it's what we call a trademark, one of the categories of "intellectual property."

Intellectual property assets have become very valuable and important in all businesses. Every week, I get questions from clients who recognize the general importance of IP assets, but have only a vague idea about what's involved.

This article about trademarks will attempt to clear up some of the issues.

### Trademarks and Servicemarks

The major purpose of trademark law is to prevent confusion among consumers as to the source of goods or services. A trademark may consist of a name, a phrase or a symbol. Even colors and sounds have been held to be entitled to trademark protection under special circumstances. A person who has rights in a mark may exclude others from using the same or a similar mark in connection with goods or services, in circumstances that may result in confusion by consumers.

When you are naming a product you should try to come up with a unique name. Depending on the "strength" of the mark, the breadth of the class of goods or services to which the trademark right pertains may be greater or smaller. If your mark is fanciful and contrived, such as "Exxon" or "Kodak" it is highly unlikely that someone else is using it. You also will have a stronger case against someone who later uses a similar mark to trade on (or "dilute") the reputation of your product.

Further, it's easier to expand the zone of protection for a fanciful mark beyond the initial product on which it is used. For example, Kodak would have a good case against someone who opens a chain of "Kodak" drugstores. Conversely, a "weak" mark such as "Supreme" might not be afforded trademark protection beyond the products or services on which it is used.

A name that is "merely descriptive" won't be entitled to trademark protection unless you can show that over time the mark has acquired "secondary meaning;" that is, customers actually associate the mark with your goods.

You can search for trademarks at the US Patent and Trademark website ([www.uspto.gov](http://www.uspto.gov)) or other information services to see if the mark you have chosen is already registered in the Patent and Trademark Office or in use by others.

Once established, a trademark must be "policed" to maintain rights. If you allow your mark to become synonymous with others' goods or services, you run the risk that your trademark rights will be lost because the name may be deemed to have become "generic" and, thereby no longer identifies a source, but a good or service available from several sources.

Trademark and service mark protection are available under both federal and state law. You don't need to register a mark in order to obtain the basic rights afforded under state law. Rights in a mark arise upon its use in commerce in connection with a particular good or service. Registration of a mark is required, however, to obtain protection throughout the U.S. Generally, state protection is limited to the geographic area in which the mark is used; federal protection extends the owner's rights nationally, including to geographic areas in which the mark (or a very similar one) is not already in use.

In addition, since 1989, it's been possible to obtain federal registration of a mark under an "intent to use" registration without actually using the mark in commerce prior to applying for registration.

Federal registration filing fees are currently about \$500 per mark per class of registration. Registration typically takes three to six months if no opposition or problems are encountered. For the current fee schedule check out <http://www.uspto.gov>

If you haven't registered a mark federally, you should place the symbols "TM" and "SM" next to the mark in advertisements, etc., to indicate that you claim rights in the trademark or servicemark involved. Federally registered marks ought to be identified by the ® symbol. If you refer to a trademark belonging to someone else in an advertisement or for some other purpose, you should indicate clearly that the mark is owned by the other person. For example, "iPhone is a registered trademark of Apple Inc."

Although there are international trademark treaties, you need to be very careful about protecting your trademark rights in other countries. For example, sending a software product to a reseller in another country may result in that reseller becoming the owner of your mark in that country.

A practical tip: Many start-up entrepreneurs ask me to "protect the name of our corporation in all of the states." It can be very expensive to reserve and protect a corporate name on a state-by-state basis. Instead, consider registering a trademark for your product. You can change the corporate name later without losing the value of the trademark for the product. Do you know who owns the Cheez Whiz mark? Kraft General Foods Inc.

So how did you like my Cheez Whiz article, Elizabeth?

*DISCLAIMER: This column is designed to give the reader an overview of a topic and is not intended to constitute legal advice as to any particular fact situation. In addition, laws and their interpretations change over time and the contents of this column may not reflect these changes. The reader is advised to consult competent legal counsel as to his or her particular situation.*