



“Any Lawyer Can Help a Trademark Client, Just File a Trademark Application”, Right?

Over my now 40 years of intellectual property prosecution and litigation practices, one area jumps out as the most common of those intellectual property related issues in which I must mitigate, or attempt to mitigate the results of glaring mistakes by other attorneys. That area is trademark counseling and transactions.

No attorney wants to turn away work, and even less so wants to tell their important client that they cannot meet their needs. However, taking on a trademark project, however “simple” it may at first appear, can lead to disaster for both client and attorney. I, for example, would never take on a trust and estates, securities law, or ERISA matter. In such realms, I recognize that I do not even fully know that which I do not know. Such is clearly the case for many lawyers whose clients I inherit in the trademark realm, usually after some crisis. It is worth adding that, though I do not do such work, I am very frequently asked to serve as an expert witness in malpractice cases in this realm.

Unlike patent prosecution before the U.S.P.T.O., there is no special license required for a lawyer to file trademark applications on behalf of clients, and certainly not to counsel clients in trademark matters. So yes, anyone lawyer can do trademark work. However, I believe that this technical reality represents something of a tempting, but poisonous apple for many attorneys and their firms, often even spawning malpractice claims.

Likely the most common trademark related ill advice that I see comes at the stage of a client’s initial selecting of a “brand” for their products or services. The common, and oft-repeated myths of what it takes to “get around” another’s trademark rights are the most common source of misdirection at the brand adoption stage. The myths often go something like “just add a word to that other brand”, “just change that brand’s spelling”, “use a different font or logo design from what they are using”, or some other, often wholly ineffective measures in attempting to avoid trademark infringement of existing trademark rights.

The problem with these lines of thinking lie in the legal test for trademark infringement (a *far* more expansive trap for the unwary than even most lawyers seem to realize), Perhaps too simply stated, but generally speaking *any* later-adopted brand can infringe a third party’s existing trademark rights if merely the *likelihood* of confusion arises from the simultaneous use of the

respective user's brands. This means that, in some extreme cases, even wholly different words might as an adopted brand infringe a third party's existing rights.

In my various CLE presentations and other trademark related talks around the nation, I often make the illustrative argument that RED DELICIOUS might actually be found to infringe some trademark rights owned by Apple, Inc. This is possible, in part, because the actual word(s) or other brand elements themselves represent only one of nine or so factors ("digits or confusion") that are to be considered with assessing infringement risks, and other such "digits" could easily be argued to evidence a likelihood of confusion.

Therefore, merely changing spelling, adding a word or name to an existing brand, or putting the brand in a differing graphic design rarely is sufficient to avoid infringement of an existing, otherwise like or similar brand. Furthermore, this means that, even if one knows where to search for registered marks that are possibly relevant to a client's proposed new brand, the lawyer who lacks significant trademark experience may be unable even to find problematic marks in the first place, much less ably assess their relevance in such cases as the "RED DELICIOUS" hypothetical above. Identifying and assessing third party un-registered, or "common law" trademark rights can be even more daunting, but no less important.

Another sub-category of trademark related blunders lies in failing to advise clients on the relative "strength" of brands that they proposed to adopt. Words and phrases as they relate to the products or services with which they are to be used fall in a spectrum of trademark or service mark categories ranging from "generic" to "coined". The latter is a brand that is a made-up word, and actually means nothing. EXXON is the classic example, and is generally regarded as the "strongest" brand in existence.

At the opposite end of the brand spectrum from a "coined" word as a brand is any term that is "generic" (it merely identifies the product or service for which it is purported to be the brand). When a word or phrase is generic with respect to its associated product or service, it can never be owned or in any way protected. I often use the example of "LIGHT BULB" as a purported brand for light bulbs. In short, anyone can use that generic term, and adopting such a "brand" represents a complete waste of a client's time and resources in reputational development for whatever product or service that the term is used to promote. This is a misstep that particularly start-ups and small businesses can ill afford.

Only somewhat less problematic for businesses are "descriptive brands". Here, I often use the example off "ROUGH STUFF" as a brand for sandpaper. ROUGH STUFF is a phrase that obviously describes a feature of sandpaper, and thus falls in the "descriptive" category of brands. Other attorneys' clients selecting descriptive brands represents the single most common blunder that I encounter in the trademark realm. This is not surprising, if only in part because clients, and often marketing firms advising the clients, often have a strong urge to adopt descriptive brands under the mantra of "you need to tell the public what the product or service is". Attorneys who are not steeped in the trademark field often fail to recognize the perils for their clients in adopting such brands.

The problem with descriptive brands? It is not that a descriptive brand cannot “grow up” into a fully protectable brand. However, any brand that falls within the “descriptive” category of trademarks or services marks can only be “owned” after the brand has acquired “secondary meaning” (the primary meaning being to describe the product, service, or some attribute of those, and the “secondary meaning” being that the brand represents a particular user’s such products or services). To the considerable peril to many ill-advised brand adopters, the general rule under federal law is that a brand will not be presumed to have acquired secondary meaning (and rights in it cannot be effectively enforced against would be infringers) until after a user’s five years of continuous and exclusive use. Otherwise proving secondary meaning can be a daunting task and is beyond the scope of this brief note.

So, a client that adopts a descriptive brand is, as the saying goes, “living on borrowed time”. During that initial five years of hoped-for exclusive use, a third party competitor, for example, can adopt the same or similar brand to disrupt the exclusivity element of presumed secondary meaning and thereby defeat a client’s hope for its brand becoming fully “owned”, with rights that can be lodged against users of like or “confusingly similar” brands.

When particularly a small or mid-sized client has adopted a descriptive brand for its core, or one of its core products or services, and finds itself in the loss of exclusivity scenarios just described, the resulting complete start-over in terms of product or business reputation and recognition is a business disaster of a scale that many business have not survived.

There are other trademark and service mark categories other than “generic”, “descriptive” or “coined”, but they are beyond the scope of this brief note.

While I often deal with many trademark related blunders, including seemingly innocuous choices made in the trademark application forms themselves, I’ll close with the third most common scenario.

Every state has some version of Texas’ Business and Commerce Code provisions to the effect that neither forming an entity under a particular name, nor filing an assume name registration has any effect on one’s right to use such a name in violation of a third party’s rights (this includes third party trademark rights). Essentially, this means (as I have seen dozens of times over my career, and had to litigation on numerous occasions) that one can legitimately form a corporation, LLC, etc. by a particular name, only to find that use of that name in public as a brand for products or services represents an immediate act of trademark infringement. When advising clients in such contexts (often after they have either been sued, or at least received a trademark infringement cease and desist demand), thus far in my career *never once* has “yes” been the answer to the question of “Did your prior attorney advise you of the need to do a trademark/service mark search before adopting this name?”.

Recognizing that which can and cannot be an “ownable” brand, combined with the issues of whether a chosen brand is available vis a vis third party existing trademark rights can be a very

complicated process. There is simply no getting around the fact that it takes years of experience to reach a level of reasonable competence in advising most clients with respect to such issues.

About Munck, Wilson & Mandala, LP and David G. Henry:

Our firm has one of the country's largest trademark practices, in which we represent clients from the largest multi-national corporations to the smallest start-ups in all facets of trademark law. Extending from 40 years past to the current day, I routinely advise our and others law firms' clients in trademark matters. I counsel on the creation and relative risks for adopting proposed brands, prosecute and litigate trademark matters throughout the nation, create and help manage trademark licensing and enforcement programs, and guide clients through the intellectual property aspects of M&A transactions, including those involving significant trademarks and patent portfolios.

I would be honored to work with you or your law firm in helping navigate the treacherous waters of trademark law.