TRADEMARKS:
HOW TO GET THEM, KEEP THEM, AND ENFORCE THEM
Eugene L. Grimm and Thomas C. Grimm

Almost everyone will agree that, as human beings, we live by symbols. We also purchase goods by them. The protection of trademarks is the law’s recognition of the psychological function of such symbols. A trademark is used to identify the product of a particular supplier and distinguishes that supplier’s goods from the goods of others. The trademark’s primary function is to disclose origin. The mark answers the question, “Whose goods are these?”

What May Be Protected As a Trademark

In the United States, ownership rights in trademarks depend on use, rather than registration. The first to use a trademark publicly, regardless of whether it has been registered with the United States Patent and Trademark Office (the “PTO”), becomes the owner of the mark with the attendant right to prevent others from using the mark on any other mark that is likely to cause confusion or mistake in the minds of consumers.

A trademark may be a word, name, symbol, or device. For example, "Fantastik" is a word mark, the name "Coca-Cola" is both a trademark and a trade name, the “Du Pont Oval” is a symbol, and McDonald’s “golden arches” constitute a device. The word “trademark” is really a shorthand reference for four types of marks: trademarks that are used in the sale or advertising of goods; service marks that are used in the sale or advertising of services; certification marks that are used with the goods or services of persons other than the owner of the mark to certify some characteristic of such goods or services, such as quality; and collective marks that are used by members of a cooperative, an association, or another collective group or organization.

Not all words or symbols are suitable for trademark protection. Candidates for trademark protection are commonly evaluated along the following scale: generic words, descriptive words, suggestive words, and arbitrary or fanciful words. At one extreme are generic words, which describe the whole product category. A generic word is the common descriptive term that the public uses when shopping for that type of product; "soda", "furniture" and "integrated circuits" are examples. A generic term cannot be appropriated as a trademark by one supplier (or registered with the PTO) because competitors may not be deprived of their right to use that term in its ordinary meaning.

At the other end of the spectrum are arbitrary or fanciful words or terms that are created specifically to be trademarks. Such trademarks are commonly thought to be the strongest because the mark conveys what its owner wants it to convey and nothing more. Examples of such strong trademarks include "Kenmore" for Sears household appliances, "Formica" for American Cyanamid’s countertops, and "Kodak" for Eastman-Kodak’s cameras and film.

Somewhere in between on this sliding scale are suggestive and descriptive words or terms. The distinction between them is critical because, while suggestive words are protected under trademark law, merely descriptive words are not. Suggestive words or terms are protected as trademarks because they require some exercise of imagination to associate the mark with the goods. Du Pont's "Silvverstone" for ovenware coatings and Proctor & Gamble’s "Head and Shoulders" for dandruff shampoo are strong, suggestive marks that help do the selling job. On the other hand, merely descriptive words are not suitable for trademark protection because they directly convey an immediate idea of some important or significant aspect of the product and the “law [will] not secure to any person the exclusive use of a trademark consisting merely of words descriptive of the qualities, ingredients, or characteristics of an article of trade.” Beckwith v. Commissioner, 252 U.S. 538, 543 (1920). Obviously, the line distinguishing between what is suggestive (and protectable) from what is merely descriptive (and not protectable) is not a bright one. One commentator suggests this subjective test as a guideline:

Generally speaking, if the mark imparts information directly, it is descriptive. If it stands for an idea which requires some operation of the imagination to connect it with the goods, it is suggestive.


The proscription against using a merely descriptive word as a trademark is not without exception, however, because trademark law is sensitive to the realities of the marketplace. In circumstances where a descriptive term, through use, has acquired distinctiveness — an identification by consumers of the descriptive term with a single source of origin — trademark law is willing to accommodate itself to later experience and afford protection to such a term under the doctrine of "secondary meaning". See, e.g., American Waltham Watch Co. v. United States Watch Co., 173 Mass. 85 (Mass Supr. Ct. 1899).

Proof that a mark has acquired secondary meaning with the public requires a rigorous evidentiary showing that the mark has become distinctive of the applicant’s goods through use. Under the circumstances, it is said that the mark is no longer "merely descriptive." While no one factor is determinative, the Second Circuit Court of Appeals has noted that courts will look to (i) advertising expenditures; (ii) consumer studies linking the name to a source (ii) sales success, (iv) unsolicited media coverage of the product, (v) attempts to plagiarize the mark and (vi) length and exclusivity of use. Thompson Medical Co. v. Pfizer, Inc., 225 U.S.P.Q. 124 (2d Cir. 1985).

See, for example, In re Minnetonka, Inc., 3 U.S.P.Q. 2d 1711 (TTAB 1987), holding that "Soft Soap" was merely descriptive for liquid hand soap but had acquired secondary meaning and, therefore, was eligible for registration with the PTO.

Protecting Your Trademark

Although there is no requirement that a trademark be registered with the PTO, there are advantages to being so. Registration constitutes notice of a claim of ownership, creates certain presumptions regarding ownership and validity, and brings to the registered owner the remedies for infringement provided by the Lanham Act (15 U.S.C. §1115, et seq.). A certificate of registration is prima facie evidence of the registrant’s ownership of the mark and exclusive right to use it. 15 U.S.C. § 1057(b). A mark that has been in continuous use for five years following registration becomes incontestable, except in certain circumstances. See 15 U.S.C. § 1065. This means that the trademark has secondary meaning and cannot be challenged unless its registration was fraudulently obtained, it is (or has become) generic, or it has been abandoned. 15 U.S.C. § 1064.

An irony of trademark law is that a particularly strong trademark risks losing its distinctiveness and becoming generic. "Cellophone", "Lite", "aspirin", and "Gold Card" proved to be too good for protection.

To obtain registration the owner of the trademark must make application under Section 46 of the Lanham Act. Once a suitable word or symbol has been selected, a search should be conducted of the Principal Register maintained by the PTO. There are several statutory reasons for rejecting candidates for registration. By far, the most common reason is likelihood of confusion with a prior mark. A trademark is not registrable if it “so resembles a mark or a trade name previously used in the U.S. by another, and not abandoned, as to be likely, when applied to the goods of the applicant to cause confusion or mistake, or to deceive.” 15 U.S.C. § 1052(d). Search firms will provide this search service for a relatively modest fee. Since, as we have said, rights in a trademark are acquired only by use, prior to filing an application for trademark, the mark should be used with the goods in interstate commerce. Evidence of such use must be included in the application.

During October, 1988, Congress authorized an amendment to the trademark registration to include an applicant may register a trademark without proof of use. (Currently the only registered trademark holder is a sponsor of a product or service.)
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During October, 1988, however, Congress authorized an "intent to use" trademark registration system, whereby an applicant may apply to register a trademark based on a bona fide intention to use the mark in commerce. If the mark clears the allowance process, the applicant will then have six months to make use of the mark. Once the mark is used and registered, the registrant will obtain nationwide "constructive use" priority dating back to the date of its application for registration. Until regulations under the Trademark Law Revision Act are promulgated, however, actual use will be safer and success more certain.

If, after examination, the mark is deemed registrable by the Trademark Examiner, the mark is published in the Official Gazette, putting the world on notice of the registrant's claim to that trademark. A prior owner of a conflicting mark (registered or not) may assert his rights at this application stage by opposing registration on grounds, jure alia, that there exists a likelihood of confusion or mistake between the proposed mark and an existing mark. 15 U.S.C. §1063. The opposition is then considered by the Trademark Trial and Appeal Board. If the opposition is rejected, appeal may be taken to the Court of Appeals for the Federal Circuit and then, certiorari may be sought from the United States Supreme Court. Trademarks that are found to be entitled to registration have a term of 10 years, subject to the owner's continued use of the trademark. The registration period was reduced from 20 years to 10 years by the October, 1988 revision.

An irony of trademark law is that a particularly strong trademark risks losing its distinctiveness and becoming generic. When the purchaser returns a trademark as the common descriptive name for that type of product, rather than as identifying a particular source of the product, the trademark has become generic. Some famous cases include Du Pont losing "cellophane" as a trademark for transparent wrapping, Du Pont Cellophane Co. v. Waxred Products Co., 85 F.2d 75 (2d Cir.), cert. denied, 299 U.S. 601 (1936) and reh. den., 304 U.S. 575 (1938); Miller Brewing Company losing "Lite" as a trademark for reduced calorie beer, Miller Brewing Co. v. Falstaff Brewing Corp., 211 U.S.P.Q. 665 (1st Cir. 1981); and Bayer losing "aspirin" as a trademark for a pain relieving drug, Bayer Co. v. Wright, 272 F. 505 (S.D.N.Y. 1921). A recent case is American Express Co. v. Mastercard International Inc., 7 U.S.P.Q. 2d 1829 (S.D.N.Y. 1988) holding "Gold Card" generic for credit card services. As a result of these examples and many others, owners of trademarks must be alert to maintaining the status of their trademarks. King-Seely Thermos Co., which began using "Thermos" as a trademark in 1907, discovered that its trademark had acquired firm roots as a descriptive or generic word for vacuum-insulated bottles. It therefore intensified its efforts to educate those in the trade that "Thermos" was a trademark. But, King-Seely failed to police generic uses of its trademark by consumers and consumer publications, and "Thermos" was later held to be generic. King-Seely Thermos Co. v. Aladdin Industries, Inc., 321 F.2d 577 (2d Cir. 1963). The Court's thoughtful decree, however, permitted the defendant to use "thermos" only when preceded by the possessive of the name "Aladdin" and prohibited any description of the defendant's product as "original" or "genuine". An example of a company that successfully avoided losing a valuable trademark is Xerox, which waged a campaign encouraging the public to cease using the "Xerox" trademark improperly when they wanted a photocopy made of a document. Most of us today, as a result of Xerox's efforts, ask for a "photocopy" instead of a "Xerox copy.

Good trademark usage, therefore, begins with practical considerations such as these: distinguishing the mark always with an initial capital letter and making it stand out in some way (i.e., through italics, quotation marks or artwork); describing the mark by using an appropriate generic term with the trademark (i.e., "kleenex" tissue); relating the mark to the owner (i.e., Du Pont "Teflon" TFE resins); and, if registered, identifying the mark as a registered trademark (i.e., use the symbol ®). Then, when the owner's trademark is questioned, the owner can state that the mark is a trademark and the registration is controlled by the owner. Where a descriptive term has acquired distinction, trademark law is willing to accommodate itself to later experience and afford protection under the doctrine of "secondary meaning".

Attention is brought to an inappropriate or unauthorized use of the trademark, the owner should take steps to stop it. Continuous public use is essential, for just as trademark ownership is defined by use, so the owner may be found to have abandoned his mark and the rights that go along with it if he stops using it. The use must be on goods, the packaging for goods, display cards to which goods are affixed, or promotional or sales materials accompanying the goods. Care should be...
taken, therefore, to use the trademark whenever appropriate and, if it is registered, to use the statutory notice with the trademark.

Remedies For Trademark Infringement

An owner of a registered trademark may look to a full panoply of remedies under federal law, state law, or common law for trademark infringement. Section 32 of the Lanham Act prohibits any "colorable imitation of a registered mark in connection with the sale... of any goods or services [where] such use is likely to cause confusion, or to cause mistake, or to deceive..." 15 U.S.C. §1114(1)(a). Section 43(a) prohibits any false designation of origin or false description of goods, or any misrepresentation as to goods. 15 U.S.C. §1125(a). Therefore, most actions under federal law for trademark infringement include counts for both trademark infringement and misrepresentation or misdescription or origin of the goods.

In most cases, the infringement question boils down to whether the simultaneous use of the two marks is "likely to cause confusion," a notion that is not subject to precise definition and is largely intuitional. Each case generally turns on its own peculiar set of facts, but the courts have identified various factors that will be considered, such as:

1. The strength of the earlier trademark -- is it a strong arbitrary mark, is it suggestive or descriptive, is it generic?
2. The similarity of the marks -- how close are they in spelling, appearance, and sound?
3. The geographical proximity of the products -- are consumers likely to believe that both products emanate from the same source?
4. Evidence of actual confusion -- does the prior owner have actual evidence that the public has been confused or misled by the existence of the two similar marks?
5. The good faith of the junior user -- is there evidence of an attempt to capitalize on the favorable reputation of the earlier mark?
6. The sophistication of the buyers of the products -- how much attention are consumers likely to give in purchasing these goods or services?
7. The quality of the junior user's product and the nature of his trade practices -- an inferior product or disreputable trade practice will favor the prior user.


Remedies for infringement under the Lanham Act include injunction, see, e.g., Tree Tavern Products, Inc. v. ConAgra, Inc., 640 F. Supp. 1263 (D. Del. 1986), and monetary relief in the form of (i) defendant's profits, (ii) any damages sustained by plaintiff and (iii) costs of the action. 15 U.S.C. §1116, 1117(a). The Lanham Act also affords the Court discretion to award treble damages -- an award up to three times the amount found as actual damages -- and to award reasonable attorneys' fees in "exceptional cases" to the prevailing party. Id. A declaratory judgment is also available in an appropriate case under 28 U.S.C. §2201. See Ultrasonic Systems Corp. v. Ultronic, Inc., 217 F. Supp. 89 (D. Del. 1963).

Non-Federal Protection -- Delaware Law

Delaware law also affords a trademark owner a plentiful assortment of remedies for trademark infringement. The Delaware Trademark Act (6 Del. C. §3301 et seq.) provides those who register their mark with the Secretary of State in accordance with Section 3304 of the Act remedies of injunction and monetary relief in the form of defendant's profits and plaintiff's damages. 6 Del. C. §3314. Infringers are defined in much the same way as under the Lanham Act. See 6 Del. C. §3312. Section 3315 expressly reserves a trademark owner's common law rights: "Nothing herein shall adversely affect the rights or the enforcement of the rights in marks acquired in good faith at any time at common law." 6 Del. C. §3315.

Today, trademark law is only one aspect of the broader law of unfair competition, with trademark infringement constituting one kind of unfair competition. Thus, in bringing a trademark infringement suit, counsel should consider whether the client may also have a claim for other kinds of unfair competition, such as false advertising, or imitation of trade dress (product packaging or labeling) or misappropriation. "Likelihood of confusion" is also the test for common law unfair competition claims. Delaware's Uniform Deceptive Trade Practices Act (6 Del. C. §2531 et seq.) codifies Delaware's common law of unfair competition. The Act covers a wide array of deceptive trade practices, including the causing of "likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods of services." 6 Del. C. §2532(a)(2).

The Act provides for an injunction, treble damages and, in "exceptional cases," attorneys' fees to the prevailing party. 6 Del. C. §2533. This Act also makes clear that it provides remedies in "addition to remedies otherwise available... under the common law or other statutes of this State." 

Footnotes at page 27
paper, and a sealer for sealing the paper trailing end to the consumer-security end.

27. E.g., Heslin v. Alpine Valley Ski Area, Inc., 714 F.2d 1075, 1077 (Fed.Cir.1983). The list of relevant factors was from
premises that the license fees and commissions are necessary in order to

28. E.g., Hanson v. Alpine Valley Ski Area, Inc., 714 F.2d 1647, 1659 (Fed.Cir.1983). The list of relevant factors was from the
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31. Gyorman, 735 F.2d at 537.

Bower - pages 24-25
1. "The Congress shall have the power..." promote the progress of science and useful arts, by securing for limited times, to authors and inventors, the exclusive right to their respective writings, discoveries and inventions." Article I, Section 8, U.S. Constitution.


3. Title 37 Code of Federal Regulations §1.1(b).

4. Jewkes et al., Sources of Invention, 253.


13. id., 19.


16. §707.07(c).

17. MPEP §608.02.


Crawford - Smink - pages 28-32

2. The Broadcast of a copyrighted motion picture does not extinguish the consumer's "copyright" reserved right to reproduce (copy) the motion picture. Thus, copying the film constitutes a moral copyright infringement (464 U.S. 191, 104 S. Ct. 1179 (1984)).

3. Conversely, the consumer's "copyright" reserved right to reproduce (copy) the motion picture. Thus, copying the film constitutes a moral copyright infringement (464 U.S. 191, 104 S. Ct. 1179 (1984)).

4. The preamble of §107 lists several uses (research, news reporting, scholarship, etc.) that are "fair use," as well as four general guidelines for determining fair use in other situations. The House and Senate reports on the Copyright Act indicate that these guidelines were purposely broad so that they would not be exhausted by rapidly advancing technology (464 U.S. 417 at n. 32).

5. To perform or display a work "publicly means -

6. Grinnell - Grimm - pages 40-42
1. Trade names are used by manufacturers, merchants, and others to identify their business, etc., but they may not be registered under the Lanham Act unless actually used as trademarks. Trade names are protectible, however, under the common law of unfair competition. Therefore, while trade names are registered under the Lanham Act, this registration may be used to prevent the registration of confusingly similar junior trademarks.

2. There are two authorized statutory notices of registration: the letter "R" enclosed in a circle and the phrase, "Registered in U.S. Patent and Trademark Office" (or Reg. U.S. P. & T. O.).

3. Market surveys have been successfully used in the absence of other evidence. See, e.g., Draper Commodities Inc. v. Valley Brokers Limited Partnership, 509 F.2d 1283 (7th Cir. 1975).

4. In cases seeking preliminary injunctive relief, the usual test appears to be balancing the likelihood of success on the merits, irreparable injury if an injunction should not issue, harm to the alleged infringer if an injunction were granted, and the public interest.

5. These remedies are subject to limitations under certain circumstances. See 15 U.S.C. §§1111, 1114.

6. Unlike some other states, Delaware does not have a statute prohibiting trademark dilution.

Whitney - pages 44-49
1. The factors listed are novelty, secrecy, value, cost, and unobviousness. Restatement of Torts §757, comment b (1939).

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6. The trial evidence revealed that DCC did not use the preliminary injunction stage (see 297 A.D. 2d at 435-36), engage in legitimate "reverse engineering," nor in outright copying (see 357 A.D. 2d at 414) of the coating used by Defterios. Some courts, indeed, have limited an injunction to that period of time it would have to reverse engineer the misappropriated product. The Delaware Chancery Court seemed to defer to that position tentatively (see 297 A.D. 2d at 436), but ultimately adopted the better (and sounder) position that the defense of reverse engineering is available only to one who actually did so legitimately, and not for one who has misappropriated trade secrets (see 357 A.D. 2d at 414).

7. The Court applied the Delaware Uniform Trade Secret Act, 9 Del. Code §1001 et seq.


11. Del. Ch. §87(e).


15. 20 FMC Corp. v. Bonsky, 852 F.2d 97 (7th Cir. 1986).


18. In re Vou Boul, 828 F.2d 94 (9th Cir. 1987).


The text continues with further details, cases, and legal analyses, providing a comprehensive overview of the legal and financial aspects related to trademarks and trade secrets in Delaware. The section concludes with references to further readings and legal precedents that may be necessary to understand the complexities of intellectual property law in this context.

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