



GUIDE TO PROPER TRADEMARK AND SERVICE MARK USAGE

Trademark Tips

1. A trademark or service mark is a word, slogan, symbol or design (or combination of these) used by a business to identify its goods or services and distinguish it from other businesses. The names and logo designs that a company is using or is planning to use are extremely valuable assets that need to be protected. In the business world, the name of a successful product or service contribute greatly to its real worth. Who among us cannot instantly identify with legendary marks such as McDonald's for burgers, FedEx for overnight shipping services or Microsoft for computer software. Ultimately, a successful product or service is synonymous with a strong, memorable identity.

Kinds of Trademarks and Service Marks

Trademarks come in four varieties: 1. Descriptive, 2. Suggestive, 3. Arbitrary and 4. Fanciful. Each has its particular advantages and disadvantages with regard to trademark protection and ease of marketing.

Descriptive Marks

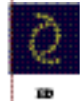
Descriptive marks are the easiest to market but the hardest to register. A descriptive mark is one that says exactly what the product is. In general, any mark that describes a quality, characteristic, ingredient, purpose, function, etc. of the product or service is descriptive. Other descriptive marks can be geographic, laudatory or personal surname words. All of these are considered weak marks. The USPTO feels that a product description is not a mark because it describes all other competing products too. Please note, however, a descriptive mark can be registered if the mark through continuous and substantial use has acquired distinctiveness through consumer recognition or "secondary meaning."

Suggestive Marks

Suggestive marks are a bit easier to register and a bit harder to market. If information about the product or service given by the mark is indirect or vague, then this indicates that the mark being used is "suggestive." An example would be "Bravo®." While this mark does not explicitly describe what the underlying goods or services are, it hints at it. You may suspect that it has something to do with the performing arts, but you don't know if the mark is for a channel, a theater or a magazine. A name like this requires a leap of imagination and necessitates a little education to explain to consumers what it is. Sometimes a sub-title helps, as in "Bravo-the culture channel." Since the word is suggestive you have a better chance of getting it on the Principal Register than if it was an exact description. Other examples of suggestive marks are Greyhound® for buses and Sunkist® for oranges.

Arbitrary Marks

Arbitrary marks are common English words that are used in a way that their normal meaning has nothing at all to do with the product or service. They are relatively easy to register and relatively hard to market. (See how there is an inverse relationship between trademarks and marketing? The easier it is to register the trademark, the harder it is to tell consumers what the product is. And the easier it is to market it, the harder it is to prove the trademark is unique.) "Nickelodeon®" is an example of an Arbitrary mark. It's a fun, silly-sounding word but the actual meaning is "a five-cent movie theater," which doesn't have anything to do with children or cable television or green slime. But, it has been so well-marketed that now "Nickelodeon" means "kids." This required much effort and many dollars in advertising to establish. But once established, the mark became very valuable property. In other words, the more money invested in giving meaning to an Arbitrary mark, the more value it has in the long run.



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Arbitrary marks are easy to register because the words have no connection to the product. A five-cent movie theater might have a hard time registering "Nickelodeon," but not a TV network. "Apple® Computers" is another good example. Since apples and computers have no connection, it is a strong, defensible mark that has gained recognition value with consumers over the years. A fruit company named "Apple" would have a very tough time.

Fanciful Marks

The final category is Fanciful, which is the easiest to register and the hardest to market. Fanciful marks are coined words that never existed before. They do not exist in any dictionary and are completely made up. A classic example is "Oreo®." This name has nothing to do with chocolate sandwich cookies, or anything else for that matter, because somebody simply invented the word. (It exists in the dictionary only as a slang word derived from the Nabisco trademark.) The Oreo trademark is so strong it has almost become an icon. Everyone knows what an Oreo is, thanks to decades of advertising and marketing. And, the mark is unchallengeable.

Choosing A Mark

Depending on how important it is to a company to have a strong mark, or how much time and money they are willing to invest in educating the public in their marketing efforts, they can decide whether their new name should be Descriptive, Suggestive, Arbitrary or Fanciful. In the short term, Descriptive is better because it starts selling right away. But remember, it cannot be registered absent a showing of secondary meaning. If the product has longevity, and the company wants it to be around a long time, and can wait a while until the public catches on, then Fanciful is the best bet. But, Fanciful marks have the disadvantage of being expensive to establish and require lots of start-up advertising. The choice is up to the owner of the company, product or service.

What Constitutes Trademark Use

"Use" of a trademark means selling or offering for sale goods on which, or in close physical proximity to which, the trademark is disposed; for example, use of the trademark imprinted or embossed on the goods themselves or on packages or labels for the goods. Use of the mark in advertising, letterhead, shipping documents, or the like, is not a trademark use for tangible goods. Generally, the trademark must be on the goods themselves, or on containers, packages or labels for the goods.

What Constitutes Trademark "Use in Commerce"

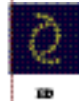
Any shipment of goods bearing the trademark across a state line in the normal course of business satisfies the "use in commerce" requirement. Token sales made solely to establish trademark use do not constitute legally sufficient "use." Invoices or other documents showing the initial shipment of the trademarked goods to out-of-state customers (first "use in commerce") should be preserved.

What Constitutes Service Mark Use

"Use" of a service mark means directly associating the mark with the underlying services, for example, in print, radio, television or electronic advertising on the World Wide Web. Merely including the mark in printed materials concerning the services without specifically using the mark as an identifier of the source of the services is insufficient to engender rights in the mark.

What Constitutes Service Mark "Use in Commerce"

It is not necessary to have branch offices in different states in order to supply services in interstate commerce. Thus, a single location within a state which caters to persons who come to it from another state qualifies as interstate commerce. Clearly, hotels, retail department stores, restaurants and the like, fall into such a category, but so do many other businesses, if it can be shown that at least part of their clientele is from out-of-state. Utilization of the service mark in print, radio, TV or World Wide Web advertisements which reach out-of-state audiences is helpful in establishing the existence of an interstate clientele. In particular, print advertisements in out-of-state publications may conveniently be submitted to the U.S. Patent and Trademark Office as evidence of solicitation of interstate business. In addition, it is useful to retain copies of representative out-of-state purchase orders as evidence of servicing interstate commerce.



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Use of Marks in Advertising, Text, Brochures, Articles, etc.

Always use the mark as a proper adjective to modify a noun which is a generic word for the goods or services with which the mark is associated.

Never use the mark as a noun in a sentence:

EXAMPLE:

Correct: "ACME white bread tastes great and can be used as a bonding agent."

Incorrect: "ACME tastes great and can be used as a bonding agent."

Use a superscript TM for unregistered trademarks and a superscript "SM" for unregistered service marks. Use the symbol "®" only for trademarks or service marks for which federal registrations have been granted, not merely applied for.

It is not necessary to use the trademark or service mark symbols TM, "SM", or "®" for each repeated use of the mark on a given page, article or advertisement, but the symbol should be used on the first or most prominent use of the mark. If it is desired to not use the symbols at all, they may be replaced by a short statement, e.g., in the form of a footnote, declaring the trademark or service mark status.

EXAMPLE:

Correct use for an unregistered trademark:

"ACME is a trademark of the Flour Power Company for its line of breads and baked goods."

Correct use for a registered trademark:

"ACME is a registered trademark of the Flour Power Company for its line of breads and baked goods."

Always print the trademark or service mark in a type style (all caps, underlined, italics, etc.) which is different from that of the surrounding text or, at the very least, capitalize the trademark.

Never punctuate or pluralize the trademark.

EXAMPLE

Correct: The outstanding feature of ACME white bread is that it sticks to most surfaces.

Incorrect: ACME's outstanding feature is that it sticks to most surfaces.

Do not employ variations of the same mark, be absolutely consistent in rendering the mark.

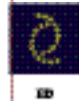
Avoid phraseology which implies that the trademark is other than a unique indicator of the source of the goods or services. The difficulty with the following incorrect example is that it may be construed to imply that there is one ACME line owned by the Flour Power Company and another ACME line owned by someone else.

EXAMPLE

Correct: ACME breads and baked goods which are supplied exclusively by the Flour Power Company, have been enthusiastically received by plumbers.

Incorrect: The Flour Power Company's ACME breads and baked goods have been enthusiastically received by plumbers.

A licensed trademark attorney should review your advertising copy before it is submitted for publication or printing.



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Do You Need Protection?

Your product, service name or logo could be your most valuable asset as well as your most vulnerable one, if you do not take the proper steps to insure its protection. If you have developed a distinctive mark for use in interstate commerce (this includes the World Wide Web), it may be eligible for registration.



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