

DyKEMA

Trademarks

The purpose of this outline is to describe the trademark registration and protection process, the time required and the approximate costs in order to eliminate surprises for our clients.

1. What should be trademarked? Typically, the trademark process involves at least two registrations.
 - (a) A name, a word or a phrase. "Word" is used collectively in the remainder of this outline.
 - (b) A graphic used in product identification (a "logo"). This may be as simple as the typeface and color associated with the same or it may be a design
2. The search. Searches are conducted to make sure a proposed mark does not infringe a previously registered mark or a mark that has rights based on use. So long as the public is not confused as to its source, the same mark may be used by different persons or companies for different types of goods and services. For example, FORD cars and FORD modeling agency co-exist in the marketplace. However, other marks like LEXUS are considered "famous" and have broader protection that can extend to uses on unrelated goods and services. Uses of LEXUS for adult entertainment, construction services and mortgage banking services have all been enjoined because they weaken or "dilute" the famous LEXUS mark. Having your lawyer conduct a search helps you understand the risks associated with the use of your desired mark.
 - (a) Search companies charge a fee of approximately \$700 for each word or logo.
 - (b) Once the results are obtained, Dykema's lawyers will examine the them and suggest any changes that might be required for a successful trademark.
 - (c) Estimated timing is 3 business days for the search and another 3 business days for the legal analysis.
 - (d) The estimated range of Dykema fees for analysis and report s to the client is \$1200 to \$1500.
3. Application.
 - (a) Trademark applications are usually filed electronically via the Internet. The client must first provide Dykema the following:
 - i) Owner name, address and state of incorporation
 - ii) Goods /Services covered by application
 - iii) Basis of the application:

- a) Intent to use in interstate commerce;
 - b) Actual use in interstate commerce;
- iv) For actual use, specimens showing use
 - a) Good specimens for goods are packaging showing mark;
 - b) Good specimens for services are advertisements for services showing mark
- (b) Dykema then completes the application and it is submitted after client approval. The legal work required to actually prepare the application depends on the material provided by the client and what additional items are required. Fee generally do not exceed \$600.
- (c) The U.S. Patent and Trademark Office (USPTO) fee currently is \$325 for each class of goods/services listed in an application. The number and variety of goods and services covered by an application will determine how many classes need to be covered. The USPTO fees can add up quickly.

4. USPTO review process and timing

- (a) The USPTO will examine the application within 3 – 4 months and then issue an office action raising issues that need to be addressed in response or during the “prosecution” of the application. The applicant has a period of 6 months from the date the office action is mailed to respond to the refusal.
- (b) The following are the most common issues raised by the USPTO:
 - i) Need for a more definite description of goods/services;
 - ii) Request for a disclaimer of descriptive matter in the mark;
 - iii) Mark is descriptive and cannot be registered;
 - iv) Mark is confusingly similar to a prior registration and cannot be registered;
 - v) Specimens show a mark different than what is applied for;
 - vi) Specimens do not show use as a mark;

Each of the foregoing bases for refusal require a different strategy and amount of time for response. Dykema lawyers typically bill by the hour for prosecution of trademark applications and we can provide an estimate before any work is performed. The fee amount can be as little as \$400 for clarifying a description of goods/services to as much as \$2000 for responding to a complicated refusal of registration based on one or more prior registrations.

- (c) Assuming the response persuades the USPTO to withdraw the refusal, the application will be published. Typically, it takes another 3 – 4 months from the filing of a response to receive this decision.
 - (d) (d) If the USPTO is not persuaded, it will issue a Final Refusal. Again, there is a 6 month period to respond. However, the only appropriate response to a Final Refusal is a Request for Reconsideration and, if desired, an appeal to the Trademark Trial and Appeal Board.
 - (e) Assuming the mark is published, if no oppositions are filed within 30 days and the application is based on use, the registration will issue in about 4 months from publication.
 - (f) For published and unopposed applications based on intent to use, the USPTO Issues a Notice of Allowance. Following the Notice of Allowance, the applicant has a period of 6 months to file a Statement of Use with a specimen showing use of the mark. This 6 month period can be extended for another period of 6 months once as a matter of right and thereafter for another 24 months in 6 month increments with a showing of good cause.
 - (g) After the Statement of Use is filed and accepted, the registration will issue in due course. Registration term is 10 years from issuance date.
5. A trademark registration is not a magic piece of paper. It is a tool which can be used to protect brand strength and customers from being confused over uses of similar marks by other persons or companies. However, proper brand protection takes time, money and effort. The following are typical of what trademark registration owners must do to protect their marks:
- (a) Maintenance and Renewal: TM registrations must be maintained between the 5th and 6th years following the issuance of registration. The documents that must be filed are an affidavit of current use. If the mark has been used for five consecutive years, the registrant will file an affidavit declaring the mark incontestable. In most cases, the two affidavits are combined and filed at the same time. Dykema fees for this combined affidavit are \$600. The USPTO fees for the combined affidavit of use are \$300 per class. Similarly, Dykema's fees for a renewal application are \$600 while the USPTO fees are \$500 per class.
 - (b) Foreign registration – unlike the U.S., in most other countries companies only have trademark rights if they register their marks. A full discussion of the laws of each country is beyond the scope of this outline. However, suffice it to say if you have a desire to be a global brand, you must register abroad. For example, the trademark NIKE is registered in at least 195 recognized countries and protected by other means in other jurisdictions which do not have a trademark registration system. Generally speaking, you should plan to spend \$3000 - \$5000 per mark per country per class.

Some countries do allow you to file applications covering goods and services in more than one class (like the U.S. does) which can save some money.

- (c) Watching the Register and Marketplace – the only way you can protect your brand is if you know when there is an infringement. That’s where trademark watching comes into play. There are services to help brand owners monitor newly issued business licenses, incorporations, newly filed U.S. trademark applications, the publication of trademark applications after they have been examined, and newly issued registrations. Other services monitor newly registered domain names, uses of marks on the Internet and in social media. While it is not uncommon to pay more than \$2000 per mark for a full suite of watching services, the results are well worth it. Dykema typically reviews these watch reports and makes enforcement strategy recommendations as unauthorized and infringing uses come to our attention. We typically bill by the hour for this work but have the review performed by paralegals.
- (d) Enforcement – if an infringement is found, a cease and desist letter should be sent. We generally charge \$500 per letter and bill hourly for subsequent negotiation of a favorable resolution of the dispute. In our experience, most infringements are resolved without litigation and, on average, for a fee less than \$1000.
- (e) Litigation – obviously a last resort, but sometimes court action is necessary. Trademark infringement litigation is very expensive and a discussion of all the steps involved is beyond the scope of this outline.

6. Takeaways:

- (a) Trademarks and Service Marks are words and logos;
- (b) Before adopting a new mark, a clearance search should be conducted;
- (c) Assuming the new mark is “clear”, an application should be filed with the USPTO. A registration could issue in as little as a year, depending on the issues raised during the prosecution of the application.
- (d) Proper protection of a mark requires making sure the mark is maintained and renewed; registered in commercially important countries abroad; and put on a watch service for third party infringements. When an infringement is discovered, prompt action in the form of a cease-and-desist letter or filing a lawsuit must be taken.