

## Intellectual Property & Life Sciences

### Identifying When Your Trademark Has Been Infringed Upon

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A trademark is a word, symbol, phrase or other identifier (trademark law can even protect colors and smells) used to identify a particular product and distinguish it from other products in the marketplace. Sources of trademark law in New Jersey are the federal “Lanham Act,” the New Jersey Trademark Act, and the New Jersey Unfair Competition Act. While all of these laws are important tools for trademark protection, the most comprehensive trademark protection is achieved under the federal Lanham Act. Only through the selection and establishment of a strong trademark under the Lanham Act, as well as the proper use and vigilant policing of that mark, will the owner of a mark be able to determine when its trademark has been infringed upon. In this manner, the trademark owner is afforded the best opportunity to appropriately protect its mark.

Creation of the mark is perhaps the most important step in its protection. In determining the level of protection that the law affords a mark, courts group potential trademarks into one of four categories, which are based on the relationship between the mark and the product that that mark identifies. The

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four categories are: 1) arbitrary and fanciful; 2) suggestive; 3) descriptive; and 4) generic. See Hiaring, Anne, “Basic Principles of Trademark Law,” 939 PLI/Pat 51, 64 (2008).

Arbitrary and fanciful marks are deemed to be the strongest type of mark. Such marks are defined by the fact that they bear no logical relationship to the underlying product. These marks are created for the sole purpose of identifying a product. One famous example of an arbitrary and fanciful mark is “Kodak.” Kodak was not a real word and did not identify anything before it was created to identify the products of the company of the same name. As such, when another entity might use that word, or a word that created confusion with that mark, infringement of the Kodak trademark could be established relatively easily.

Suggestive marks evoke a characteristic or quality of the underlying good, but do not specifically describe the underlying product. The term Ivory, used in the sale of soap, suggests purity, not soap. Descriptive terms describe rather than suggest the qualities of products to which they refer, such as Yellow Pages, which describes the color of the business section of a telephone book. These terms are not inherently distinctive and are only protected if they acquire secondary meaning. A descriptive mark acquires secondary meaning when the consuming public primarily associates that mark with a particular producer, rather than the underlying product. Proving such a secondary

meaning can be a difficult and expensive step in litigation to enforce a trademark. Generic terms are not protected as marks since they are not truly marks at all, but common product or service names. For example, the term “Cellophane” is a generic term for clear plastic wrap and is not protected.

Once a strong mark is chosen, the owner must establish its ownership rights. In the United States, the establishment of ownership rights in trademarks requires either the filing of intent to use applications to register with the United States Patent and Trademark Office or actual use of the mark in commerce. In order to perfect rights under an “intent to use” application, the party seeking protection must be the first to register the mark and must demonstrate use of the mark to the Patent and Trademark Office. Registration constitutes constructive, nationwide notice of the registrant’s claim of ownership of the mark. This registration affords the owner the right to use the mark nationwide, even if actual sales are limited to a specific geographic area.

Even without such registration, the first to use a mark in commerce still receives protection under the law. The Lanham Act allows for enforcement of unregistered marks and protects against related types of unfair competition. However, for non-registered marks, trademark rights arise only from actual use of the mark. Moreover, even if a mark is registered, failing or refusing to use the mark can result in a loss of

protection for the mark.

Once the owner does establish a strong, defensible trademark, the owner must remain vigilant in enforcement and protection of that mark. Global commerce and the rapid expansion of information technology have had a profound effect on how companies enforce rights in trademarks. These developments have increased both the ease and variety with which a trademark may be infringed through the sales of counterfeit goods bearing infringing marks.

This trend was demonstrated recently when, on July 14, the United States District Court for the Southern District of New York concluded that trademark owners, not e-commerce sites like eBay, carry the burden of ensuring that their intellectual property rights are not being violated. In a suit filed by Tiffany, the company alleged that sellers offered hundreds of thousands of counterfeit silver jewelry items on eBay's Web site between 2003 and 2006. Tiffany argued that eBay had an obligation to investigate and stop sales once a counterfeit problem presented. U.S. District Court Judge Richard J. Sullivan disagreed and found that brands should police their own products; the law does not make eBay liable for contributory trademark infringement for refusing to take pre-emptive steps.

Thus, once a strong mark is established, it is clear that an owner must police its trademark, or the ability to enforce that the mark may be reduced. The burden of policing the use of a

trademark lies with the owner, not with the government or any other entity. This burden is made all the more onerous based upon current technology and expanding markets. Notwithstanding, if another company uses a mark that causes confusion, it could seriously damage the value of that trademark. If such use is allowed to continue, such neglect could even foreclose the owner's remedies against the infringer.

Owners must regularly take a variety of steps to police their trademarks. See Sloane, Peter S., "Trademark Vigilance in the Twenty-first Century: A Pragmatic Approach," 824 *Fordham Intell. Prop. Media & Ent. L.J.*, Vol. 9:823 (2006). Foremost among these steps are regularly performed name audits to discover filings for new marks that are either identical or likely to cause confusion (these audits are most efficiently done through one of a number of services that will monitor an owner's trademark for a modest fee). In addition, the owner must monitor its competitors, trade publications, advertisements and the marketplace as a whole for signs of possible infringement of the owner's trademark. Finally, it is imperative in the existing marketplace that the owner perform its own Internet searches in order to discover transient Internet sales sites and possible use of the mark in emerging foreign markets.

In addition, owners must police themselves and their employees, distributors and retailers in order to maintain the strength of the mark. Use of the mark

must remain uniform and consistent, in the precise form sought to be protected. Moreover, the mark should be properly and conspicuously identified — utilizing the ® symbol for registered marks. Owners must also ensure that any license agreements are clear and detailed with regard to the use of the mark by others.

Most significantly, if the trademark owner discovers or suspects improper or unauthorized use of its mark, it must act immediately — preferably through legal counsel. Attempts at the registration or use of similar marks must be expeditiously opposed. Potential infringers must be put on notice and, if they do not cease and desist their infringing activities, must be promptly prosecuted. Hesitation on the part of the trademark owner can result in a limitation of the trademark owner's rights, or, in some cases, a loss of one's rights in the use of its own trademark.

First and foremost, it is imperative that a potential trademark owner take the time and effort to choose the strongest mark practicable. Then it is the constant and vigilant policing of a strong trademark that permits the owner of the mark to be able to determine when its trademark has been infringed upon or weakened. While there are many safeguards and protections afforded to a strong trademark, it is ultimately up to the trademark owner to establish, utilize and police its mark effectively, in order to permit the trademark owner the opportunity to appropriately protect its mark. ■