

• Making sense of the law

The Need for Global Trademark Protection

BY AMY B. GOLDSMITH, ESQ.

IN TODAY'S GLOBAL MARKETPLACE, THE CHOICE OF A TRADEMARK to represent a company's product line (or a service mark to identify a company's services) must take into account not only the home country, but virtually the entire world. Today's Internet capabilities allow even an individual entrepreneur to operate globally, which means competition, and infringement of trademark rights, will only intensify with time.

The protected trademark or service mark

It is important to assess how well the current home-based mark will hold up in the international arena. Is it distinctly unique? Does it have the same significance in a foreign language? The substance of the mark being considered for international usage is important so that it can find its unique place among the registries of many countries.

There are four types of marks: fanciful, arbitrary, suggestive and descriptive. Fanciful marks - which typically have no meaning in any known language (a "coined" term) - are the strongest both in the U.S. and internationally. Famous fanciful marks are Xerox and Kodak. Arbitrary marks, which are considered one step down from fanciful, may have a meaning in a known language but that meaning may have no significance when applied to a particular product or service. Some famous arbitrary marks: Ivory, Nike and Lifesavers. Names are characterized as arbitrary as well (McDonald's, Tiffany's and Levi's). Suggestive words, which allude to a characteristic of the product or

service, can become powerful trademarks, like Burger King. Descriptive marks, such that might define the service or product, are usually unregistrable since descriptive words must be available to everyone for

Once again, Amy B. Goldsmith, a partner of regular columnist George Gottlieb, who specializes in intellectual property, contributes her expertise to the topic.



marketing merchandise or services. For example, the word "tabletop" could not be registered, but "Tippy's Tabletop Treatments" is registrable.

Will the trademark hold up in foreign countries?

A mark must be checked to determine whether anyone else has adopted it for the industry in question. If the industry of concern is the tabletop industry, for example, a search which includes this category in every country must be conducted to verify whether or not the selected mark is already in use. Since there is no world-wide trademark registry (every country, including the U.S., maintains its own registry), a world-wide search can be very costly. However, the costs involved in manufacturing or marketing a tableware product under a specific name and then beginning the process all over again if the mark is unavailable are significantly higher. The monies invested in a worldwide search will likely appear very minor in comparison.

The worldwide search should include not only registered trademarks and pending applications, but Internet domain names, since the use of domain names has exploded to unprecedented numbers. Ideally, a company's trademark or service mark should also be available as a domain name.

Registration in Foreign Countries

As stated, there is no world-wide trademark registry. If a particular product is to be manufactured in Italy, for example, and sold in Europe, Asia and the United States, applications should be filed in each manufacturing and marketing location to assure the protection of the trademark. Recently, the European Economic Community established a procedure which allows for one application to be filed for trademark registration in the fifteen member countries (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom). Accordingly, separate applications in each of these countries is unnecessary. However, separate applications must still be filed for the rest of the world.

One advantage for U.S. trademark registrants: the United States has entered into treaties with a majority of other

countries, providing benefits to timely foreign filings. If the foreign application is filed within six months of the U.S. filing date, the U.S. mark has priority over any filing in that foreign country occurring after the U.S. filing date (including the European Economic Community members). Priority is reciprocal - a foreign entity with a home-based application may file in the U.S. within a six month window and receive the same benefit: priority over a U.S. filing occurring after the foreign filing date. Being aware of priority is essential - if a U.S. based company has launched a major marketing campaign for a new product under a new label, but has filed only in the U.S. Trademark Office, any would-be pirates filing in foreign countries can be blocked from stealing the new label if filings occur in the foreign countries within the six month window.

Intent to use is standard

The nations of the world are consistent in one respect: each permits an "intent-to-use" application to be filed; the product does not have to be actually manufactured and/or marketed to provide a basis for trademark registration. The development of the concept is enough. This allows for some comfortable breathing space for manufacturing and marketing to be budgeted and structured.

The registration process and costs

There are several steps in the international registration process: (1) application; (2) examination by the trademark authority; (3) allowance; and (4) registration. Government filing fees are commonly charged at the application and registration stages. The filing fees escalate with each additional class to be covered. For example, tableware items may be registered in several classes such as class 21 [dinnerware and beverage ware], class 8 [flatware] and class 24 [table linens]. Thereafter, maintenance fees are due every few years.

Global registration is expensive (costs range from \$1,000 to \$4,000 per class, depending upon the chosen country), but is essential to avoid the legal entanglements that result from infringements as well as the loss of business due to lack of protection.

Legal proceedings

Unfortunately, it is highly unusual for a mark to be cleared in each and every nation of the world. A mark may be available in the U.S. and Canada and not in Mexico. A decision must be made as to either selection of another mark or dropping Mexico as a manufacturing or marketing location. Taking a chance on doing business in Mexico anyway would not be recommended; most companies are very diligent about protection of their intellectual property rights.

However, if the mark in question is established and has earned a following in the United States, Canada and Central America, and the Mexican mark was quite recently registered, doing business in Mexico might be appropriate since the situation might involve piracy - the theft of a trademark. Many countries have enacted anti-piracy statutes which can be invoked against a pirate who has stolen a famous mark. The proceedings to cancel a registration can be expensive and lengthy, however, and the pirate registrant may bring an action as well - to prohibit the manufacture or sale of a product pending the outcome of the cancellation action.

Given the global economy of today, it is important to take into consideration the availability of trademark and service mark registration in nations outside the home country. Any entry into a foreign market should be based on the knowledge that expansion of business opportunities can go forward without encountering unexpected delays, especially from legal entanglements.

* * * * *

Be sure to visit our web site: <http://www.grr.com>. If you have any specific questions regarding intellectual property protection, address them to the Editor of *Tableware Today* magazine and we will answer them directly or through this column in the future. You may request a reprint of this article or any of the following articles: "Do It Yourself With Copyright", "Sell It and Protect It With Trademarks", "Unexpected Help From Design Patents"; "Trade Dress—a New Helping Hand for Product Protection", "Licensing Your Products", "Frequently Asked Questions About Intellectual Property Protection", "The U.S. Copyright Office: Update on Contact", "Protection From Copycats", "Starting Your Own Business—A Checklist", "The Retailer as Accomplice to the Sale of Knockoffs", "Navigating the Web—Legally", "Covenants Not to Compete: What You Should Know About Restrictions on Switching Jobs", "The U.S. Copyright Office: Update on Contact" and "Bankruptcy and the Continuation of Business as Usual", or our Primer, "What's a Copyright / Trademark / Patent?", by either calling (212) 684-3900, faxing your request to (212) 684-3999, or e-mailing your request to info@grr.com

Reprinted from:

TABLEWARE
TODAY
THE TABLEWARE SOURCE
June/July 1999