

## Ready, Set . . . Wait! Choose Your Company's Trademarks with Care to Develop Brand Value *by Dana Brody-Brown*

***"We're a mid-sized technology company facing tough competition. We want a trademark for our new product that will immediately and directly tell customers what our product is and what special features it has.... Right?"***

Maybe not. From a marketing perspective, it is understandable that companies want to do this. You want customers to understand why your widget is better than that of your competitor; you want customers to understand what's new and exciting about your new widget; and you want to convey all of that immediately in the trademark. *But* from a legal perspective, this strategy is likely to create less brand value in the short and long term.

***Why? Descriptive trademarks are weak trademarks.***

The purpose of a trademark is to identify the source of goods and/or services and distinguish one source from another. The reason trademarks are afforded legal protection is to protect consumers from confusion regarding the source of the particular goods or services at issue. The law ***rewards distinctive trademarks*** with a broader scope of protection and ***disfavors weak trademarks***. Some trademarks are inherently stronger or weaker than others, and those marks that directly describe the goods or services with which they are used are considered "descriptive" and not entitled to protection on the Principal Register within the Trademark Office.

How strong is your company's mark? Compare it to these examples:

### Strongest Marks – Inherently Distinctive

Google (Internet search service)  
Fanciful mark

Apple (computers/phones)  
Arbitrary mark

Jaguar (automobiles)  
Suggestive mark

### Weaker Mark – Not Inherently Distinctive

American Airlines (airline travel services)  
Descriptive mark

**Not a Mark – Not Distinctive**

FLOR-TILE (flooring)  
Generic term

***Descriptive trademarks routinely carry a high risk profile. Many other companies also want their customers to know their product is... tiny/ fast/ safe / cloud (based), etc.***

Yes, we know that your customers will be delighted to learn that your new product “TINY FAST” integrated circuit is available or that your “SAFE CLOUD” remote data storage service has launched, but chances are good that other companies are also going to want their customers to know their chips are tiny and fast or and their data storage services are safe and cloud-based. So, it is likely that there may be other companies out there already using marks similar to these *that might decide to sue for trademark infringement*, oppose registration of your company’s mark, or at least send a demand letter if they think your new mark is likely to cause confusion with their mark and their products. While your company might have good arguments to defend against such a challenge, the popularity of descriptive marks suggests **two trademark selection best practices**:

1. Stand out from the crowd! Consider a mark that does not directly describe your goods/services; and
2. Invest in a clearance search before adopting any new mark.

Receiving a trademark infringement lawsuit or demand letter right after launching your product is bad -- but receiving it months later when you product has finally taken off and your company has invested heavily in the mark is much worse. The best way to anticipate possible challenges to the mark is through a clearance search.

***If you select and protect a descriptive mark (as opposed to something more distinctive), your ability to enforce your rights will be narrowly limited.***

Yes, it is *sometimes* possible to protect descriptive marks -- either by a registration on the Supplemental Register or by proving acquired distinctiveness after extensive use and advertising, or simply by convincing a trademark examiner there is enough distinctiveness to warrant registration. However, the more your mark describes the goods or services with which it is used (or a feature of those goods and services), the narrower your scope of enforcement will be. So, if you select “TINY FAST” for integrated circuits, your ability to enforce will likely be limited to identical marks for closely related goods. Will you be able to successfully prevent your competitor from using “SMALL FAST” for integrated circuits or “TINY FAST” for software? Probably not. On the other hand, if your mark is “GOOGLE,” chances are good that you can enforce against a later user of “GOOGLE” or anything similar against a user with a wide variety goods or services. Granted, that has to do in part with the fame and deep pockets available to Google, but also in significant part to the inherent distinctiveness of the mark.

### **“But what about iPHONE? Or BEST BUY? Or fill-in-the-blank?”**

Yes, it’s true: there are some well-known companies out there that have adopted descriptive marks, but that’s doesn’t mean it is a good choice for most companies. Take iPHONE, for example:

- First, there is the question of whether the mark is directly descriptive given the inclusion of the “i.”
- Second, Apple adopted iPhone after already establishing a family of “i” marks through extensive use and oodles of advertising and marketing dollars. Then, they spent many, many, more dollars advertising and marketing the iPHONE mark itself to develop secondary meaning in the mark and settling disputes with prior users of “iPhone” marks in the U.S., China and elsewhere. So, while Apple seems to have used its vast resources to ameliorate the various challenges presented by adoption of this mark, most companies are not in a position to be able to resolve their trademark shortcomings in the same way.

Take “BEST BUY” as another example. The company that owns “BEST BUY” was engaged in significant trademark litigation over several decades, including a case in which Best Buy sought and obtained a ruling that its own mark was generic (as a defense to a third party infringement claim). Its trademark registrations for the “BEST BUY LOGO” included an explicit disclaimer that the owner does not claim exclusive rights in the term “BEST BUY.” The company obtained a federal registration for the “BEST BUY” word mark as recently as 2008, and was only permitted registration based on an argument of acquired distinctiveness through extensive use. Best Buy first had to convince the trademark office that its mark was descriptive (not generic) despite the earlier ruling, and then convince the trademark office that its descriptive mark had acquired distinctiveness through submitting evidence of extensive use and advertising and marketing expenditures over time. Given all this prior history, it may be pretty difficult for Best Buy to enforce against third parties using the mark “BEST BUY,” unless the goods and services offered are closely related or unless that third party is also using a similar logo, even despite significant expenditures on advertising and marketing the name and logo and significant litigation expenditures.

So, yes, there are some big companies that have adopted descriptive marks. However, if they’ve been able to develop rights in the marks, it almost always involves significant expenditures in the way of advertising and marketing dollars, and sometimes expensive litigation as well.

### ***What if we’re determined to choose a descriptive mark?***

If your company is determined to adopt a descriptive trademark, a good trademark lawyer (perhaps after trying to convince you to select a more *distinctive* mark) will help you use and protect the mark in a way that’s best for your company. As discussed above, it is still advisable to conduct a trademark search before adoption, and the results of that search will help determine whether seeking registration in the U.S. and your other markets is advisable in your company’s circumstances. Proper trademark usage will be especially important with a descriptive mark to keep it from becoming generic, so be sure to consult with an attorney on trademark usage as well. ■



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