

TRADEMARK USAGE: GETTING THE BASICS RIGHT

Imagine a frequent traveler looking for his favorite fast-food chain in a foreign country and finding the restaurant sign, that is always unmistakably bright yellow, looking more like a dark orange. Or a writer buying a new ink cartridge for her printer and noticing something wrong with the label on the package – the writing is somewhat different from what she is used to. These people may wonder: Am I in the right place? Did I buy the right product? Is this my tried and tested brand? At times, companies don't use their trademarks properly and risk confusing or, worse, losing their customers. They may also be jeopardizing the validity of the mark itself and the enforcement of their rights against infringers.

Protecting a trademark begins in-house. Knowing how instrumental a trademark is to developing brand identity and consumer loyalty, businesses should make proper use of their trademark and protect it from being misused by others. Here are some of the do's and don'ts to preserve and even enhance the distinctiveness and value of a trademark over time.



Do set the trademark apart from surrounding text – When referring to a trademark in printed material, always distinguish the mark from the rest of the text by using capital letters, bold, color, italics, underline or quotation marks. This will reduce the chance of the mark being seen as a generic term.

Correct use: After you install the *Windows*[®] operating system...

Incorrect use: After installing Windows programs you can...

Do specify the font (style or typeface), size, proportion and placement of your trademark – If a specific font is used for the lettering, then it should be consistently reproduced especially if the font is an integral part of the registered trademark. Take for example the IBM logo which consists of three grooved capital letters. The font is stylized and when reproduced must match the logo exactly. The letters may either be in white on a blue background or blue on a white background. It also helps to provide guidelines (or develop style manuals) regarding the size, positioning and spatial ratio when reproducing the trademark. This helps maintain a uniform and consistent look and avoids confusing consumers.

Do specify the colors of the trademark – If color is a feature of the trademark, it must always appear in the correct corporate colors and the color version should be used whenever possible. If a third party is given permission to use the trademark, provide

them with color specifications down to the exact 'Pantone' mix that gives the trademark its distinctiveness. If it is not possible to use color – in a newspaper reproduction or because of budget restrictions – specify if and when the monochrome version of the logo can be used.

Do use the trademark as an adjective, not as a noun or verb – It is best to use a trademark as an adjective and avoid using it as a noun. The function of a mark is to distinguish - not to describe - the goods or services produced or provided by one enterprise from those provided by other enterprises. If care is not taken about how a trademark is used, it may eventually become generic. The words "aspirin", "yo-yo", "thermos" and "escalator" were once trademarks that eventually lost their protection because of common use. It is best to say, "make a XEROX copy", not "make a XEROX". The latter phrase would turn the trademark "XEROX" into a replacement term for photocopier. This is risky and also damaging because the company produces other products such as fax machines, scanners, etc.

The same risk is involved if the trademark is used as a verb. For example people often incorrectly say "XEROX this for me" instead of saying "photocopy this for me on the XEROX copier".

To protect a mark, use it as an adjective in association with a generic, descriptive noun. Never use a plural

form of the trademark. Rather than putting the trademark in plural form, it is best to make the nouns that are described by the trademark plural.

Correct: Buy Macintosh computers from authorized dealers

Incorrect: Buy Macintoshes from authorized dealers

Immediate steps to take to avoid erosion of a trademark into a descriptive term and loss of trademark rights:

- ▶ Correct any inadvertent misuse or mistaken reference to the mark appearing in the press or in advertising;
- ▶ Register the trademark as a domain name as soon as possible in all countries of interest to the business;
- ▶ Include a trademark ownership attribution notice in the credit notice section of the product, product documentation, or other product communication, such as advertisements and brochures. The preferred notice is an asterisk (*) and footnote reference of ownership placed after the first mention of the trademark in a running text, it need not be used thereafter.

Do not use a trademark in a possessive form unless the trademark itself is possessive – In the case of “McDonald’s” the trademark itself is possessive. However, it would be wrong to say, “the BMW’s great comfort”. The correct form would be “the great comfort of a BMW car”. The issue is slightly different in the case of trade names. These are proper nouns that can be used in the possessive form without a generic modifier. Many companies use their trade names as trademarks for example “IBM” is both a trademark of International Business Machines Corporation and an abbreviation of its company name. It is therefore permissible to use the possessive form of IBM when referring to the company.

Do not use the mark as an abbreviation – The spelling of a trademark should not be modified. Hyphens should not be inserted or deleted, nor words merged. Changes in the form of the mark will confuse the consumer. It would be incorrect to use S/F for STYROFOAM. Abbreviated terms can only be allowed if they constitute registered trademarks of their own – as for *Coca-Cola* and *Coke* – both registered trademarks of the *Coca-Cola* Company.



Coca-Cola

The *Coca-Cola* soft drink was officially registered in the US Patent and Trademark Office in 1893. Early advertising tried to stop people from calling the product *Coke* because the company was afraid that the new nickname would break down the distinctiveness of the mark and contribute to making it generic. But people kept asking for *Coke*. In 1941, the Company started advertising as *Coke* and *Coca-Cola*. Finally, in 1945 *Coke* was registered as a trademark.

Do use a trademark notice in advertising and labeling – Use of the ® symbol is not compulsory since it does not provide any legal protection. It is used to alert the public that the mark is registered and therefore may discourage others from illegally using the mark. If the trademark registration notice is used, it should appear with the first and most prominent use of the mark in an advertisement or on a label. It is not necessary to repeat the notice each time the mark is mentioned. Generally, the registration symbol is in subscript or superscript. What is most important is that the symbol appears with the name or logo of the mark. It is highly recommended to include trademark notices in advertising or on websites where trademarks receive wide exposure.



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When a trademark has not been registered, the symbol TM (trademark) or SM for an unregistered service mark is placed next to the logo. **Do not use** the registration symbol ® in countries where the mark has not been registered. Trademark rights vary from country to country. There may be severe penalties for the unlawful use of the registration sign.

Do monitor the authorized users of the mark – Monitor licensees, franchisees, authorized resellers, brand owners, developers, designers, advertising agencies, retailers, subsidiaries, customers and other parties allowed to use the mark in promotional, instructional or reference material, or on websites, products, labels or packaging. Control the quality of the goods and services offered under the licensed mark in order to maintain the quality and standard that the trademark stands for. Quality control is particularly important in relation to labels, signs or displays. Be sure that licensees or franchisees do not utilize the mark in a manner that goes beyond the terms of the license agreement; they may create a different consumer opinion of the mark that can have a devastating effect on the overall reputation of the trademark.

Do review your portfolio of trademarks – Every business should conduct an annual review of its portfolio of trademarks to check whether timely action has been taken to (1) register all trademarks in use or proposed to be used; (2) record licensing of a trademark if required under the trademark law; and (3) renew trademark registrations.

What to do if your trademark evolves?

Many trademarks, including some of the most famous, have evolved over the years to modernize the image of the company or to adapt to new advertising media. Take for example the Shell trademark below.

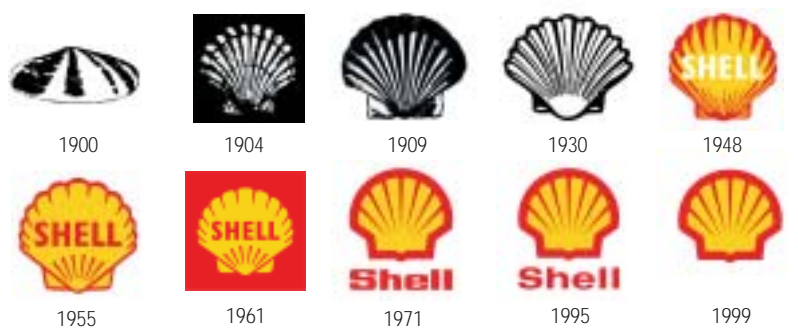
There is no restriction on modifying or adapting marks, but a company would have to consult with the trademark office(s) concerned or a competent trademark agent in order to determine the cost and procedure involved in registering the change. The modification of a trademark should suit the nature of the product and not simply be done for the purpose of modernization as there is always a risk of confusing loyal consumers.

Trademark user manual

It is common practice in many companies to issue trademark usage manuals. Apart from instructions concerning proper use, these manuals usually require a systematic review of information, promotional material and company publications, including annual reports and press releases, to make sure trademarks are presented properly and consistently to the public.

For more information on various practical aspects of the IP system of interest to business and industry, please visit the website of the SMEs Division at www.wipo.int/sme/.

The next article in the IP and Business series will discuss merchandizing.



Further Recommendations to Protect a Trademark

- ▶ Do not allow third party use or registration, in whole or in part, of the trademark or any alteration of it as part of a company name, trade name, product name or service name of another company.
- ▶ Do not allow use of the trademark on or in connection with websites, products, packaging, manuals, promotional/advertising materials, or for any other purpose except pursuant to an express written trademark license.
- ▶ Do not allow use of variations, take-offs, phonetic equivalents, foreign language equivalents or abbreviations of the trademark.
- ▶ Do not allow the manufacture, sale or free distribution of merchandise items, such as T-shirts, mugs, souvenirs, etc. bearing the trademark, except pursuant to an express written trademark license.
- ▶ Do not allow the registration or maintenance of a domain name identical to, or virtually identical, or incorporating a part or the whole of the trademark as a second-level domain name.
- ▶ Do not combine the trademark with trademarks owned by others.
- ▶ Do not allow the logo to be redesigned, compromised or misused in any way. Do not allow any change in the relationship, size, perspective, shape or configuration. Examples of misused logos include reworked proportions, repositioning of logo elements, combining logo with additional elements, stretching logo colors, adding a separate color background to any of the elements, or stretching the logo horizontally or vertically. Do provide an appropriate electronic file or hard copy, reproduction quality art of the logo to partners.
- ▶ Do not use a mark to modify or describe any words other than the appropriate generic, descriptive or chemical name:
Incorrect: STYRON Plant
Correct: The plant that manufacturers STYRON polystyrene.
- ▶ Do not combine or use a whole mark with other design elements, logos or devices, unless the combined mark has received approval for use from the appropriate authority in the company.
- ▶ Do not use a trademark with a developmental/experimental product designation because if that product fails, there is a risk the mark will be tarnished by association. Trademarks are so difficult to clear for use that they should not be placed at risk until the product for which the trademark is intended is moved to full commercial status.

A registered trademark needs to be properly and actively used in commerce to keep the registration valid. Essentially, the right to keep and use a trademark has to be earned through its proper and regular use. Use in commerce means the mark is applied on the goods, containers, packaging tags, labels or displays associated with the goods. The notice of the mark must be given to the consumer/user at the time the product bearing the mark is sold to the consumer. If a company's name is the same as its trademark, use of the company name is not use as a trademark.

