

THE RIGHT TO COMPETE

Unfair Competition Liability: is determined by the *business methods* employed by the actor and not the actor's motivation.

Dual-Protection: unfair competition laws protect both the consumer and businesses from potential abuses of the right to compete.

Interference w/ Contractual Relationships: one who intentionally causes a 3rd person to not to perform a K with another is liable to the other for the resulting harm; for this is an improper means of competition. Look for 3 parties & K.

Picking Off Deals: picking off a deal before it becomes a K is considered fair competition.

ACQUIRING TRADEMARK RIGHTS

TM Protection Purposes: to prevent consumer deception/confusion, and protect businesses' goodwill associated with product quality.

Registered v Unregistered: *registered* TM infringements are brought under §32 of the Lanham Act (15 U.S.C. §1114); *unregistered* marks are brought under §43(a) [§1125(a)], which forbids false designation of origin.

Common Law Rights: exclusive rights belong to the *first in time to use* the mark in connection with goods/services. Use must be open. Mark must be affixed to merchandise in commerce.

Frequency of Sales: Sporadic or nominal sales are not enough for "use in commerce"; Sales must be extensive and continuous.

Federal TM Rights: occur by getting Federal registration on a mark once mark sufficiently used in commerce. The four types of identifying symbols are TM, service mark, certification mark, and collective mark.

ITU: one may obtain an intent to use (ITU) with the PTO, allowing the applicant to reserve the mark while it gears up to introduce its products to the market bearing the mark.

PROBLEM TRADEMARKS

Generally: the three problems are marks with *truthful* information, *false* information, or *offensive* marks. These problems are overcome by refused registration, held invalid in court, or struck down by free speech, fraud, etc.

Levels of Distinctiveness: there are five levels of distinctiveness & protection in a mark:

- *Generic:* no protection; known to the public
- *Descriptive:* protectable if secondary meaning
- *Suggestive:* not described, but brings to mind
- *Arbitrary:* mark has no connection w/ product
- *Fanciful:* made up term; e.g. XEROX.

Suggestive, arbitrary, and fanciful do not need secondary meaning in order to be protected.

PROBLEM TRADEMARKS (continued)**GENERIC TERMS**

Primary Significance Test: asks the consuming public whether the term is the *product* or the *producer*. Answer must be *producer* in order to get TM protection, otherwise term is generic.

Policy to Free Generic Terms: competitors need terms to *describe* their products more than other mark holders need it to *distinguish* goods.

Anonymous Source Rule: A TM need not identify source directly; it can identify a product which emanates from a particular source, known or unknown, because it shows *uniform quality*.

Doctrine of Foreign Equivalents: makes generic foreign words ineligible for private ownership as TM.

Localized Generic Terms: a word may be generic by virtue of its association with a particular region, cultural movement, or legend.

DESCRIPTIVE TERMS

Laudation: marks that are merely laudatory (claiming superiority) and descriptive of the alleged merit of a product are regarded as being *descriptive*; but a phrase/slogan can be so highly laudatory as to be incapable of distinctiveness as a TM (eg. *The Best Beer in America* is generic).

Slogans: some courts have denied protections to slogans (descriptive), while other slogans that have a clever twist or double meaning have been held to be suggestive and protectable without a showing of secondary meaning.

Registrability: descriptive marks w/ secondary meaning can be registered, unlike a generic term

Secondary Meaning: a mental association in buyers' minds between the alleged mark and a single source (which could be anonymous) of the product. Provable by direct evidence (surveys, testimony) or circumstantial evidence (use, advertising, sales, extensiveness, etc).

Incontestable Status: occurs when there is 5 years of exclusive & continuous use ; prima facie evidence of distinctiveness/sec. meaning.

SUGGESTIVE MARKS

Imagination Required: the more imagination required, the more likely the mark is suggestive.

Creativity is Key: the amount of creativity needed to arrive at the mark is an indicator of its suggestiveness.

PERSONAL NAMES

Rule: a TM shall be refused registration if it is *merely a surname*. This bar to registration can be overcome on proof of secondary meaning. 15 U.S.C. § 1052(e)(4).

Remedies: look to whether the Δ is acting in order to take the goodwill of another, or if Δ has a genuine interest in the name and the business. A disclaimer or explanation clarifying the actual source may be the work-around solution.

PROBLEM TRADEMARKS (continued)**GEOGRAPHIC DESCRIPTIONS**

Rule: a TM shall be refused registration if it is *primarily geographically descriptive*. This bar to registration can be overcome on proof of secondary meaning. 15 U.S.C. § 1052(e)(2).

Primarily: is not the intent of the law to refuse registration of a mark where the geographic meaning is *minor, obscure* or *remote*.

Single Place: term must refer to a single place to be primarily geographically descriptive (PGD). A general place, like "The River City" is applied to many places and is not PGD.

FACTUALLY INACCURATE MARKS

Deceptive Marks: § 2(a) of the Lanham Act bars registration of TMs which consists of or comprises deceptive matter. An inapt or misdescriptive mark does not automatically make it deceptive.

Deceptive Factors:

- misdescriptive of character, quality or function
- consumers likely to believe misrepresentation
- will likely affect consumers' decision to buy.

Deceptively Misdescriptive Marks: can be registered upon proof of secondary meaning because it won't affect a consumers' decision.

Primarily Geographically Deceptively Misdescriptive Marks: are unregistrable; this occurs when there's a *generally known geographic place* coupled w/ *purchasers likely to believe* that goods are *connected* to place. A disclaimer will not fix this problem.

IMMORAL & SCANDALOUS MARKS

Rule: § 2 of the Lanham Act says, a TM that comprises *immoral, deceptive, or scandalous* matter which may disparage persons or beliefs is not entitled to registration by the PTO (it can also be cancelled if already registered).

Example: a racial slur of "redskin" may be cancelled or opposed.

Who Can Oppose: Any person who believes that he would be damaged by the registration of a mark may oppose the mark; opposer must have *real interest* in the proceedings (not a mere intermeddler) and must have a *reasonable basis for his belief of damage* (others share same belief, surveys, petitions, or affidavits from public interest groups).

Public Decides Offensiveness: since the board (or court) does not decide what is scandalous, but instead the public does, the board should publish a questionable mark and let the public oppose the mark.

Substantial Composite: only a substantial composite (could be less than a majority) of the population needs to find the mark offensive in order to be cancelled. This allows flexibility and "fudge-room" for a judge to make a decision.

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