



# What You Should Know About Trademarks and Domain Names

## Grand Rapids, Michigan

Bridgewater Place  
333 Bridge Street, N.W.  
P.O. Box 352  
Grand Rapids, MI 49501  
Phone: 616/336-6000  
Fax: 616/336-7000

## Lansing, Michigan

The Victor Center  
201 N. Washington Square  
Suite 810  
Lansing, MI 48933  
Phone: 517/482-6237  
Fax: 517/482-6937

## Kalamazoo, Michigan

251 North Rose Street  
4th Floor  
Kalamazoo, MI 49007  
Phone: 269/382-2300  
Fax: 269/382-2382

## Grand Haven, Michigan

The Chemical Bank Building  
1600 South Beacon  
Suite 240  
Grand Haven, MI 49417  
Phone: 616/846-7100  
Fax: 616/846-7101

## Novi, Michigan

39500 High Pointe Boulevard  
Suite 350  
Novi, MI 48375  
Phone: 248/567-7400  
Fax: 248/567-7440

Important Notice: This advisory has been prepared by Varnum LLP for informational purposes only and does not constitute legal advice. Copyright © 2008, Varnum LLP. All rights reserved.

## Introduction

Trademarks and domain names are vital components of your intellectual property portfolio. We at Varnum believe that the more you understand trademarks and domain names, the better we will be able to assist you in protecting your interests and rights. We are pleased, therefore, to provide you with an outline of some basic information and fundamental considerations about trademarks and domain names and the process of protecting them. We look forward to answering any questions you may have and to discussing your intellectual property protection needs with you.

## Trademarks

1. Names, logos and possibly even slogans which you use or propose to use on products, processes or services can be registered in the United States Patent and Trademark Office.
2. A trademark does not have to be registered in the United States Patent and Trademark Office in order to be protected.
3. However, there are important advantages to federal registration, indeed merely to filing an application for federal registration which ultimately issues. These include:
  - establishment of "constructive use" as of the application filing date once the application becomes registered even if the application is based on an intent to use (THIS IS PERHAPS THE MOST IMPORTANT BENEFIT SINCE ONCE THE APPLICATION IS FILED, IT IS LEGALLY IMPOSSIBLE FOR A THIRD PARTY TO INNOCENTLY ADOPT THE SAME TRADEMARK AFTER THE APPLICATION FILING DATE AND ACQUIRE SUPERIOR TRADEMARK RIGHTS TO YOURS, SO LONG AS YOUR MARK DOES ULTIMATELY ISSUE);
  - the right to sue in federal court for trademark infringement;
  - recovery of profits, damages and costs in a federal court infringement action and the possibility of treble damages and attorneys' fees;
  - the right to deposit the registration with Customs in order to stop the importation of goods bearing an infringing mark;
  - *prima facie* evidence of the validity of the registration, registrant's ownership of the mark and of registrant's exclusive right to use the mark in commerce in connection with the goods or services specified in the certificate;
  - the possibility of incontestability, in which case the registration constitutes conclusive evidence of the registrant's exclusive right, with certain limited exceptions, to use the registered mark in commerce;
  - limited grounds for attacking a registration once it is five years old;
  - availability of criminal penalties and treble damages in an action for counterfeiting a registered trademark;
  - a basis for filing trademark applications in foreign countries.

## What You Should Know About Trademarks and Domain Names

---

4. You can file an application for registration of a trademark based either on actual use of the mark on goods or services, or on a *bona fide* "intent to use" the mark.
5. Even when an application is filed based on your *bona fide* intent to use a mark, you must ultimately actually use the mark on the goods or services covered by the application. Actual use of a trademark or service mark requires:
  - on goods, the mark must be placed either directly on the goods, or on containers in which the goods are shipped or must be used in displays associated with the goods, and then the goods must be "sold or transported in commerce" (interstate or foreign);
  - on services, the mark must be used or displayed in the sale or advertising of the services, and the services must be rendered in commerce (interstate or foreign).

Note that if the application is for use of a mark on goods, use of the mark in advertising is not sufficient, unless the advertisement includes a picture of the goods and shows the mark actually printed on the goods in the picture. If the mark covers services, on the other hand, the mark can be used in advertisements for the services, or it can be used in the "sale" of the service, which we have successfully interpreted as including the rendering of the service.

6. When we allege actual use of a mark to the Patent and Trademark Office, we must provide the Office with specimens showing the mark as it is actually used. We ask you to provide us with specimens showing the mark as it is actually used. We also need from you the date on which the mark was first used on the goods and the date of first use in interstate commerce. The specimens provided can include, without limitation, labels or tags applied to the goods, or to containers in which the goods are shipped, photographs of the goods showing the trademark applied directly to the goods, copies of advertisements advertising services rendered under the mark, etc.
7. Your trademark rights are infringed when others adopt trademarks which are likely to confuse some people into thinking that your competitor's goods or services originate with, or are authorized or sponsored by you. Actionable dilution of a famous mark occurs when another uses a mark which is likely to dilute the distinctive quality of the mark.
8. Before adopting a trademark, service mark or trade name, it is advisable to conduct a search in order to minimize the possibility that another has prior rights in the mark or name you have selected. A substantial investment in advertising and promotion could be for naught if another has prior rights, and could expose you to an infringement suit.
9. In most cases, merely descriptive marks which indicate a characteristic, function or feature of the goods or services identified by the mark are not protectable either at common law or through federal registration. However, exclusive use of a descriptive mark over a number of years can cause the mark to become distinctive for you and be protectable and registerable. A distinctive design mark is protectable even though it incorporates merely descriptive terminology.
10. It is easiest to protect, and hence best to select, marks which are suggestive, arbitrary or fanciful. A suggestive mark is one which does not describe the goods or service, but rather merely suggests them. For example, "DEPENDS<sup>®</sup>" as applied to incontinent pads does not describe the product, but is suggestive of its function. An arbitrary mark is a word which has a dictionary meaning, but that meaning does not apply to the goods or services. For example, the mark "CHEER<sup>®</sup>" as applied to detergent is "arbitrary." A fanciful mark is a word which has no dictionary meaning, as for example "KODAK<sup>®</sup>" or "POLAROID<sup>®</sup>."

## What You Should Know About Trademarks and Domain Names

---

11. Avoid using a mark descriptively lest it become generic, that is the common, ordinary term for the product. In other words, always use a trademark or service mark as a proper adjective, not a noun, i.e., “Kodak” film or “Kleenex” tissues, not “make me a Xerox of this.” Marks that have become generic are no longer protectable either federally or at common law. Examples: aspirin, escalator, brassiere.
12. Use of the symbols “TM” and “SM” (upon use of a mark and until federal registration) and “®” (after federal registration) helps you avoid an argument that you have used your mark descriptively:
  - “TM” is used with any common law mark you intend to protect as your trademark (as applied to goods), including any mark for which registration has been applied for but not yet obtained;
  - “SM” is used with any common law mark you intend to protect as your service mark (as applied to services), including any mark for which registration has been applied for but not yet obtained;
  - “®” is used with any mark which you have successfully federally registered;
  - we recommend use of these symbols at least once on each page where the mark appears.
13. Protection of a mark to prevent it becoming generic or diluted requires careful and continuous attention to proper use of marks in company literature, advertising and correspondence, as well as conscientious enforcement against infringers.

### Domain Names And Domain Name Disputes

1. Trademarks and tradenames are often used as web site domain names. However, a domain name “per se,” is neither a trademark nor a tradename. This subtle difference leads to some nuances and differences in the protection of domain names.
2. A trademark owner typically encounters the unauthorized use of its name or trademarks, or slight variations thereof, as domain names or as meta-tags. The unauthorized user attracts to its web site customers looking for information on the owner’s products or services, and then promotes its own products or services, or those of others, on its web site. This constitutes both trademark infringement and unfair competition. It is therefore actionable in the federal courts and in the state courts in a conventional manner. The U.S. and other countries also have specific laws against cybersquatting. beyond the normal rules of trademark law. See the Anticybersquatting Consumer Protection Act (ACPA) of 1999.
3. In the alternative, domain name poachers can be dealt with by initiating a less expensive “ICANN” proceeding. Such proceedings are governed by the Uniform Domain Name Dispute Resolution Policy (“UDRP”), and administered by the Internet Corporation for Assigned Names and Numbers (“ICANN”), a non-profit corporation formed by agreement with the U.S. Department of Commerce for the management of the domain name system contractors, and volunteers.
4. The ICANN UDRP policy requires a domain name registrar to cancel, transfer, or otherwise make changes to a domain name registration when it receives instructions from the registrant, an order from a court, or a decision by the administrative panel in an ICANN domain name proceeding.
5. The ICANN proceeding begins with filing of a complaint with a resolution service provider (typically the World Intellectual Property Organization, WIPO, or the National Arbitration Foundation, NAF), specifying the domain name in question, the respondent or holder of the domain name, the registrar with whom the domain name was registered and the basis for the

## What You Should Know About Trademarks and Domain Names

---

complaint. The elements of such an action are:

- the domain name must be identical or similar to a trademark to which the complainant has rights;
  - the respondent domain name holder must have no legitimate rights or interests in respect of the domain name; and
  - the domain name must have been registered and used in bad faith.
- Section 4(a) of the UDRP

The respondent is offered the opportunity to defend itself against the allegations. The provider (eg: WIPO or NAF) then appoints one or more panelists who decide whether or not the domain(s) should be transferred.

6. Evidence considered by the dispute panel in deciding whether a complainant has met its burden of proof on the three required elements of the action include:
  - circumstances indicating that the domain name was registered or acquired primarily for the purpose of selling the domain name registration to the complainant who is the owner of the trademark or service mark;
  - a pattern of conduct indicating that the domain name was registered in order to prevent the owner of the trademark or service mark from using the mark in a domain name of its own;
  - the domain name was registered primarily for the purpose of disrupting the business of a competitor;
  - the registrant intentionally attempted to attract "hits" for commercial gain by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of a product or service listed on the registrant's web site or location.
7. A registrant's legitimate interest in a domain name may be demonstrated by circumstances including:
  - before receiving notice of the dispute, the registrant used or prepared to use the domain name as its own trademark;
  - the registrant has been commonly known by the domain name, regardless of whether it has acquired trademark or service mark rights; or
  - the registrant is making a legitimate noncommercial or fair use of the domain name, with no intent for commercial gain or to divert consumers or tarnish the reputation of the owner of the trademark or service mark at issue.
8. A prior registrant can thus legitimately prevent you from using your own trademark or tradename as your domain name, where they are using it in a manner which would not infringe your trademark or tradename rights.
9. A way to minimize domain name poaching is to register variations on your trademarks as domain names, and link those variations to your principal web site. Varnum can maintain such a domain name bank on your behalf.