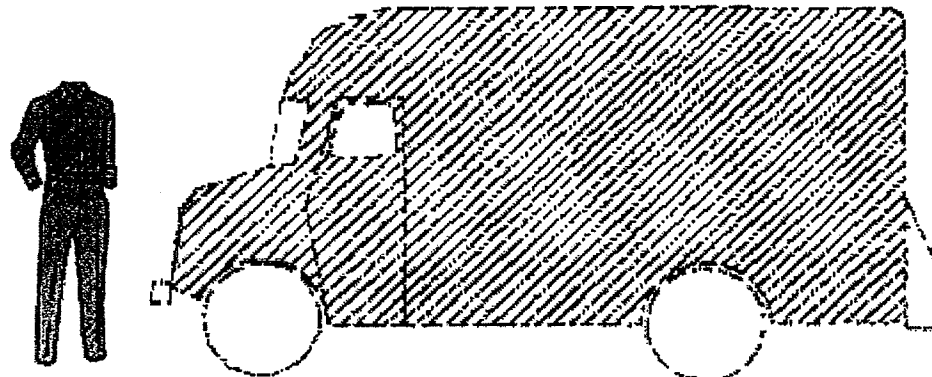


Trademark Searching



"The drawing is lined for the color brown. The mark consists of the color brown which is applied to the clothing/vehicles."

Design code: 29.02.02 (Single color used for the entire goods/services—brown)

Searchers need to be careful in deciding which design code to use. For example, Tiffany has registered the color blue, as shown on its gift boxes, for jewelry, retail store services, and other merchandise. The registration contains a claim for the color blue, and has a design code for the color blue:



"The drawing is lined for the color blue, and color is a feature of the mark."

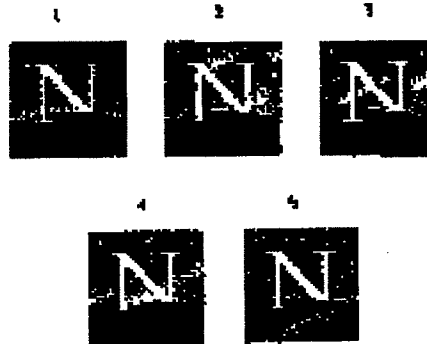
Design code: 29.02.03 (Single color used for entire goods/services—blue)

However, the design is not coded for 29.04.03 (Single color used for packaging, labels). Thus, if a searcher used that code in searching blue packaging, the Tiffany mark would not appear, even though the mark depicts a blue package.

In searching for a particular colors in a design or trade dress, the searcher may want to consider whether to also search for that color as a part of word marks in the relevant class of goods or services.

ANIMATED MARKS

Although still a relatively rare phenomenon, some marks for multimedia products and services consist of a sequence of images. These marks receive design codes, and are usually also accompanied by a design phrase such as the one in this Netscape registration:



"The mark consists of an animated sequence of images depicting the silhouette of a portion of a planet with an upper case letter "N" straddling the planet and a series of meteorites passing through the scene, all encompassed within a square frame. The animated sequence is displayed during operation of the software."

Unfortunately, as with trade dress, there is no consistent terminology to allow the searcher to isolate such marks.

SOUNDS

Some marks consist only of sound, without any visual element. The applicant may submit either musical notation or a tape as the "drawing" with its application. The type of drawing submitted generally dictates how search databases classify such marks. An application containing musical notation may appear in the database as if it were a design mark, with the musical notation appearing as the "design." If the applicant submitted a tape as a drawing, there will be no "design." The application or registration may also contain a phrase that describes the sound mark ("the mark consists of the tones A, E and G . . ." or "the mark comprises the sound of a human voice making quacking noises like a duck").

Because of these inconsistencies, sound marks can be difficult to search. Most will be coded in the database as sound marks, but even if a sound

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mark record is retrieved, it may be difficult to understand exactly what the mark is without obtaining the file history and specimens from the Trademark Office.

SCENTS

Scents registered as trademarks are a rare phenomenon. There is no "design," but there is a phrase which describes the mark (e.g. "the mark consists of a high impact, fresh floral fragrance reminiscent of plumeria blossoms" in U.S. Reg. No. 1,639,128, now cancelled).

Beyond the Preliminary Search

7

- **The "Full" Search**
Elements of the Full Search
Selecting the Search Firm
Placing the Order



Beyond the Preliminary Search

Although many on-line search resources are available to trademark lawyers today, most practitioners still rely to a great extent on outside search firms that specialize in trademark searching. These firms offer an array of U.S. and non-U.S. search services of varying comprehensiveness to augment the trademark practitioner's own preliminary search. Trademark lawyers most often supplement the preliminary search with an outside search generally referred to as a "full" trademark search, although ordering such a search is just one of a number of options.

The major trademark search firms are very competitive with one another, and the trademark bar has benefited considerably from this competition. Each of the major firms has introduced a constant stream of innovations and enhancements to its search products, seeking to gain an advantage over its competitors.

A trademark lawyer who finds no obstacles to a proposed mark at the preliminary stage must first decide whether to use an outside firm for additional searching, and must then evaluate and choose a search firm to do the work.

THE "FULL" SEARCH

The most commonly-used search product offered by outside firms is a standard "full" search. The full search is designed to be a reasonably comprehensive, but not exhaustive, review of the federal and state trademark registers, trade and business directories, domain name registries, and proprietary databases. The major search firms also offer more extensive, enhanced versions of the full search, or additional industry-specific searches for an additional fee. An enhanced search, for instance, may also search for the names of federal applicants and registrants that are similar to the proposed mark, while the standard version searches against the marks themselves, and not their owners' names. The enhanced service may also in-

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clude searches of additional trade name sources, above and beyond those that are routinely searched, or searches of databases that are specific to the particular industry in which the mark will be used.

The question of whether a company should do a "full" trademark search was explored in *International Star Class Yacht Racing v. Tommy Hilfiger Inc.*, 146 F.3d 66 (2d Cir. 1998), *aff'd after remand*, 2000 U.S. App. Lexis 660 (2d Cir. January 12, 2000). In that case, counsel conducted a preliminary search of the mark STAR CLASS, which Hilfiger proposed to use on clothing. The search was limited to the federal trademark register and revealed no conflicting marks. Counsel's opinion letter to Hilfiger included a recommendation, apparently part of the law firm's boilerplate search opinion language, that Hilfiger conduct a full search. Hilfiger did not request a full search.

STAR CLASS, as it turned out, was the unregistered mark of a yacht racing association, a fact that may or may not have been revealed by a full outside search. The Association sued Hilfiger for infringement, seeking damages for the sale of the t-shirts. On appeal, the Second Circuit questioned whether Hilfiger's failure to follow counsel's recommendation to conduct a full search was bad faith, and remanded the case to the lower court.

Ultimately, the district court found no bad faith, a finding affirmed by the Second Circuit on remand. However, the Second Circuit's 1998 opinion raised the question of whether a company has a duty to follow counsel's recommendation to conduct a full search. The court seemed to view an outside full search as an automatic part of the search process. That assumption, however, misconstrues searching as a "one-size-fits-all" process which inevitably culminates in a full search from an outside search firm. The better view is that searching is an effort to reduce the risk in adopting a new mark, and different risks are inherent in different situations. With most marks, the risk is indeed sufficient to justify the cost of going beyond a preliminary search, and the client is unwise to take the risk of adopting a new mark without a full search. However, that is not always the case.

Counsel and client need to decide what level of searching is desirable from a cost-benefit standpoint. For example, if a company creates a constant stream of new trademarks, the cost of conducting a full search on each can be quite high. Some marks, such as advertising slogans or t-shirt slogans, may have a lifespan of only a few weeks or months. In such cases, the downside of a trademark dispute may be relatively low, since the product's lifespan may have ended before an infringement claim arises. A company could conclude that the occasional cost of removing a disputed

low-volume product from the market and settling with a trademark claimant does not justify the cumulative cost of ordering a full search on hundreds of marks. Under such circumstances, the trademark owner could opt for a more limited search program rather than conducting a full search of every mark, as long as that program was well thought out. That calculus is not necessarily bad faith—it may simply be sound business judgment.

Determining the existence of bad faith requires an overall analysis of defendant's business and behavior—it is not simply a question of whether defendant conducted a full search. In the *Hilfiger* case, the real problem wasn't necessarily the lack of a full search; plaintiff did not prove that its mark would have appeared in a full search. The problem was in defendant's approach to searching. If counsel had known that STAR CLASS was proposed to be used on nautical-themed sportswear, or had simply questioned the derivation of the proposed mark, counsel could have specifically searched beyond the federal trademark register to determine the meaning of STAR CLASS in that context. The lack of a full search wouldn't have been a problem if the approach to searching had been more thoughtful, and less routinized. It may be that the client failed to provide counsel with important information, or it may be that counsel neglected to ask enough questions—the real lesson of *Hilfiger* is that when a trademark lawyer has adequate information about the product and the mark, he or she can tailor the search to the circumstances.

For most marks that involve a significant investment or hope to enjoy a reasonably long lifespan, the decision to forego the full search is penny-wise and pound foolish. All decisions on how extensively to search are ultimately a question of risk analysis—the greater the risk, the more searching is advisable. For average clients and average marks in the middle of that risk analysis continuum, some form of “full” search will suffice. A company at the low end of the risk spectrum, which decides to forego regular full searches, will still want to make sure that its preliminary searching is reasonably comprehensive, and will want to consider the option of a full search when circumstances suggest that relevant information may exist in common law databases.

However, just as there are situations in which client and counsel may agree that a full search is not necessary, there are situations at the other end of the spectrum when an ordinary full search is not adequate. When the stakes are especially high, counsel will want to consider options beyond the standard search firm full search. Some lawyers will even order full searches from two different firms in an effort to make sure that no potentially relevant marks are missed.

Trademark Searching

There are other circumstances in which a client might question whether searching beyond the preliminary search is necessary:

- **When Competitors' Plans are Widely Known**

A search is useful even if a company has a great deal of knowledge about potential conflicts. The automobile industry, for example, has a limited number of competitors, high barriers to entry, and long product introduction lead times. Each company knows all of its competitors and has considerable advance information about their product plans. Nevertheless, an automobile manufacturer will not necessarily be aware of intent-to-use applications or have extensive information about companies in related industries (e.g., auto parts and accessories), and a thorough search is still advisable because the investment in the mark is significant.

- **When a Mark Is Already In Use**

Determining whether to conduct a search of a mark already in use depends on how long the mark has been used. The longer a company uses a mark without encountering any objection, the less likely it is that someone will object to its use in the future or be able to show it has been damaged by such use. However, a post-use search can provide peace of mind by confirming that no conflicts with prior users are likely, and may bring to light any infringing junior users. A post-use search is particularly advisable when a company will be increasing its investment in a mark, extending a product line, or expanding use to new geographic areas.

- **When an Intent-to-Use Application is Pending**

If use of a mark will not commence for some time, a company may be tempted to forego a search, file an intent-to-use application, and "let the Trademark Office clear the mark." However, the strategy of waiting to see if the application survives examination and opposition has several shortcomings.

First, it requires a long lead time, since examination and publication of a mark take many months. If a conflict does come to light in examination or when the mark is published for opposition, the applicant must start the selection process all over again, months after it began. The applicant winds up incurring the costs of seeking registration twice, once for the failed application and once for its replacement. This is not a bargain, since a full search of the first mark could very well have cost less

than the preparation, filing, and prosecution of the first application, and would probably have identified the barrier to registration. More importantly, this is not a reliable method of clearance. The fact that a mark survives examination and opposition does not necessarily mean that it does not infringe. The examining attorney could miss the conflicting mark in a search of the Trademark Register, the conflicting mark might not be registered at all, or the owner of the conflicting mark might not oppose registration because it does not monitor the Trademark Office's *Official Gazette*. Therefore, even if an application is not refused registration or opposed, it does not mean that the mark is clear. It usually makes sense to conduct a more thorough search before making a significant investment in the mark.

ELEMENTS OF THE FULL SEARCH

Although the resources exist for experienced counsel to conduct a thorough search internally, most will turn to an outside search firm for assistance beyond the preliminary search. The standard full search report prepared by such firms contains federal registrations and applications, state registrations, common law marks, and Internet domain names.

The federal trademark section is usually the largest portion of the search report. Firms produce this from their own in-house federal databases, or from databases licensed from vendors. The format and the approach used in displaying the results differ somewhat from firm to firm. Most firms attempt to prioritize marks, presenting those that the searcher deemed most relevant at the beginning of the report. The major firms provide detailed descriptions of the search strategies used and classes searched, so that counsel can check the thoroughness of the report.

The common law portion of the report is generally divided into two sections: one for trademarks and service marks, and one for company names and other trade names. Search firms use a variety of resources to produce the common law portion of the search, including print directories, indexes, databases licensed from vendors, and databases created and maintained in-house. The greatest differences between search firms appear in the common law section of the full search, since different firms use different types of common law databases.

Excerpts from a composite prototypical full search report on the mark iSEA prepared by two major vendors appear in the Appendix.

SELECTING THE SEARCH FIRM

The most important factor in selecting a search firm is the skill and judgment of the search firm's staff. The client relies on the searcher to devise the best possible search strategy and to execute it properly. A sound, well-executed search strategy, in turn, is only useful if the resulting report includes the most relevant marks. The marks retrieved using the search strategy are merely the "raw materials" for the search. The searcher culls through them and selects the most pertinent references for inclusion in the full search report. Thus, the client relies on the search firm's judgment in selecting those marks that are most likely to be relevant.

Another important factor is the quality of the database used in conducting the search. Although all search databases use the same raw data from the Trademark Office, the major search firms enhance this basic information by checking for errors, and by attempting to compensate for spelling and grammar variations by cross-referencing them with the conventional spelling. These enhancements help compensate for some of the deliberate misspellings, sound-alikes, and other quirks found in trademarks.

It takes time and careful scrutiny of search report format, content, and strategies for counsel to decide which vendor is best for the job at hand. Fortunately, most search firms will provide samples of their standard search reports to prospective customers. Some will even conduct an introductory search without charge. This allows an attorney to make comparisons between the comprehensiveness of each firm's search resources, and the presentation of information.

From a reliability standpoint, the most important part of the search is the section in which the firm outlines the search queries it used in conducting the search. The strategy for the iSEA search in the Appendix, for example, shows the large number of phonetic variations and synonyms of I and SEA used in the search. This allows the trademark lawyer to understand the searcher's approach, and to second-guess whether the searcher failed to search any relevant classes, descriptions of goods or services, or variations on the mark.

As a method of comparing search firms, it can be useful to order the same search from two different firms and compare the search strategy and the number of marks cited. Are the strategies used comparable? Have potentially significant cites appearing in one search been omitted from another?

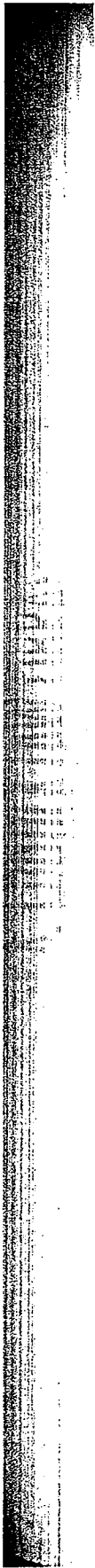
Other factors to be considered when selecting a vendor include the following:

1. What does the firm charge for its standard full search? What is the trade-off between price and comprehensiveness compared with other firms?
2. What is the standard search turnaround time? Are searches available more rapidly, and how great is the premium vis-a-vis the increase in turnaround time? Will it transmit the search electronically?
3. Will the search firm supplement its search without extra charge if the lawyer believes it is incomplete? If so, how quickly will the supplement be delivered?
4. Will the search firm customize the format of the search to meet the client's preferences?
5. How does the search firm handle customer service? Are customer service personnel pleasant, knowledgeable, and responsive? During what hours are they available?

PLACING THE ORDER

The search firm can do a better job if the trademark attorney provides a clear and comprehensive definition of the goods or services to be searched. If the intended purchasers, users and marketing channels are not obvious from the definition of the goods or services, counsel should provide the search firm with that information. For example, in ordering a full search on iSEA, counsel should give the search firm the full description of whole range of goods and services which could be offered under the proposed mark. Thus, the search request should include not just the "core" children's Internet website service, but ancillary products which could be sold under the mark (videos, recorded music, t-shirts, toys, and the like). (See the Appendix for the description given to the search firms in conducting the iSEA search.)

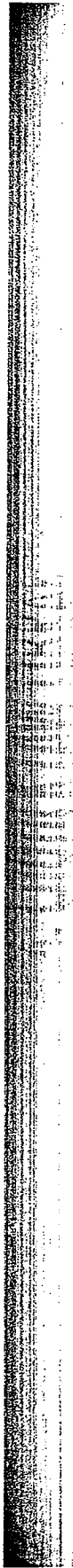
In situations in which there is a special purpose to the search (e.g., seeking to show that a particular term or design is especially common), or any other unusual factor, counsel should advise the search firm of that.



Evaluating the Search Report

8

- **Defining the Mission**
- Understanding The General Limitations of Searching**
- Understanding the Search Resources and Search Strategy**
- Identifying Potentially Conflicting Marks**
- Evaluating Potentially Conflicting Marks**
- Is the Mark Registered?**
- Is the Mark in Use? If Not, Has It Been Abandoned?**
- Where Is the Mark Used?**
- What Are the Goods or Services?**
- Who Is the Trademark Owner?**
- Is the Mark Famous?**
- Evaluating Domain Names**



Evaluating the Search Report

Evaluating a trademark availability search is not just a matter of determining whether a mark is available for use. In most cases, counsel must also determine whether the mark can be registered with the Trademark Office. In some instances, the trademark lawyer faces a more elementary question as well—is the proposed “mark” protectible at all (i.e., is it descriptive or generic)?

Assuming it can indeed function as a mark, the ultimate question is whether the proposed mark is likely to cause confusion with another mark. This is a question about which reasonable people sometimes differ, as demonstrated by the thousands of trademark lawsuits, oppositions, cancellations, and *ex parte* appeals filed each year.

Therefore, evaluating a search report is significantly more complicated than simply looking for “direct hits” (i.e., exact duplicates of the proposed mark). It involves a multi-stage process, described in the pages to follow, which is part legal analysis, part detective work, and part intuition and judgment. The task requires all of the following: (1) expertise in trademark law (because the lawyer must understand how courts and the Trademark Office have decided the ultimate question of likelihood of confusion and dilution in trademark cases); (2) a feel for marketplace behavior (because the ultimate question of confusion turns on consumer perception); (3) an understanding of the client, its business, and the market for the proposed goods (all of which are central to the issue of confusion); (4) a sense of how trademark infringement disputes play out (so that one can advise clients of the real-world risks in adopting a mark); (5) an understanding of Trademark Office examining standards and procedures (so that one can give the client an accurate reading on registrability); and (6) a thorough knowledge of the technical aspects of searching. The stakes can be high—if the advice is wrong, or simply incomplete, the problems that result can be very disruptive and expensive.

While it may sound self-serving for the trademark bar to insist that only

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an experienced trademark lawyer can render a competent opinion on the results of a search, it happens to be true. The quality and reliability of the search process and opinion really do require experience. If the client does not have such expertise in-house, it is well worth the expense of outside counsel, especially when the cost is so low compared to the potential exposure. If the client requires search opinions only occasionally, bringing trademark search evaluations "in-house" is unlikely to be cost-effective, and unlikely to produce results in which the client can have confidence.

DEFINING THE MISSION

Evaluating a search is a process of determining the amount of risk in using a mark. That determination should begin with two practical questions: What is at stake? How much risk is the client willing to take?

Part of the answer lies in knowing the client. How risk-averse is the client? Does it expect a virtual guarantee that the mark will be safe? Or will it consider taking a risk (if adequately explained) for a mark it really likes? What is the corporate culture? Would a trademark dispute be perceived as a disaster for the company (or the decision-maker's career), or as a cost of doing business?

In gauging the acceptable level of risk, counsel must also consider how the mark will be used, as follows:

- **How important is the mark in the marketing and selling of the product or service?**

The more important the mark is to the success of the product, the more caution is required. For consumer package goods that are promoted in mass media advertising and sold in retail stores, catalogs, the Internet, and other self-service outlets, the mark is critical. A significant part of the marketing budget may be invested in building brand recognition; for a national consumer brand, the amount spent is likely to be in the millions. An infringement claim would jeopardize that name recognition. In contrast, where the product or service is sold primarily through personal selling to sophisticated purchasers, the mark may be less central to the selling effort, and confusion may be inherently less likely. In such situations, the risk of a conflict is significantly lower.

- **Will the product or service have a high profile in the industry or marketplace? Is the "mark" being searched the new name for a company or a division of a company?**

The higher the profile, the greater the public relations problems in a forced name change. A conservative approach is recommended.

- **Will the investment in the mark be substantial? Would a change in the mark create serious logistical problems?**

No one is happy about changing a mark because of an infringement claim, but the expense and problems involved in such a change can vary dramatically. Trademark counsel has an incentive to be more conservative: (a) if there will be a substantial investment in market research on the mark, in the creation of packaging, advertising, signs, and other items bearing the mark, and in building brand recognition; (b) if a significant inventory of packaging, promotional materials, or other items bearing the mark must be maintained; (c) if long lead times would be required for preparing packaging, advertising, or other items bearing a replacement mark, or (d) if the mark must double as a domain name for a heavily-trafficked Internet website.

- **Will the mark be licensed?**

If so, an infringement claim will affect the licensee's business as well as the client's. It could result in a claim for damages by the licensee against the client. This usually calls for conservative advice, especially where multiple licensees or franchises are contemplated.

UNDERSTANDING THE GENERAL LIMITATIONS OF SEARCHING

Searches have a variety of inherent limitations and "blind spots." Unless the evaluator is aware of these limitations, he or she may underestimate the risks involved in a new mark. The key limitations are:

- Unregistered marks can be as relevant as registered marks, but are not as easily searched. There is no source which is guaranteed to capture every unregistered mark that is potentially relevant.
- Recently-filed applications for federal registration will not appear in a search because of processing delays by the Trademark Office. It usually takes several weeks, and sometimes even longer, before newly-filed applications are processed and made available for data entry in search database records. Trademark search databases and outside search reports generally indicate how current the Trademark Office information is.
- Databases of state registrations have an even more significant, and less predictable, "blind spot." The frequency of updating varies from

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state to state, and pending applications are generally not included. Descriptions of goods and services are also less controlled and less predictable than in the federal system.

- Foreign applicants for federal registration under Section 44 of the Lanham Act may obtain an effective filing date which is as much as 6 months earlier than the actual U.S. filing date. These applications create a considerable risk for U.S. trademark owners, creating a 6-month-plus searching "blind spot" in which another party could "leapfrog" the U.S. applicant and establish superior rights.
- Errors in the input and indexing of database information can mean that relevant marks do not appear in the search. For example, new applications can contain typographical errors in the identification of goods/services, the owner name, and sometimes even the mark.
- Trademarks do not always follow established rules of spelling, grammar, construction, punctuation or meaning. Misspellings, word play, unusual constructions, creative punctuation, and other inventive variations are commonplace. This makes searching more of a challenge than if trademarks were always made up of conventional, "known" words. (See Chapter Five.)
- Non-word marks are more difficult to search. As a general rule, the evaluator should have less confidence in the comprehensiveness of a search of a design, trade dress, or other unconventional marks. (See Chapter Six.)

UNDERSTANDING THE SEARCH RESOURCES AND SEARCH STRATEGY

An availability and registrability opinion is obviously no better than the search on which it is based. In order to have confidence that the search results are reliable, and to provide accurate advice to the client, one must first understand the search strategy and the limitations of the search resources.

Preliminary Searches

A preliminary search requires a series of interrelated decisions, including which search queries to use, which sources to use, and how to limit the database search to particular classes or descriptions of goods and services. (Methods for developing an effective search strategy are described in Chapter Five.) Because most searches involve commonplace words, word

fragments, or design elements, the person conducting the search is usually forced to limit the marks retrieved to particular variations on the word searched, to particular goods/services, and/or to particular classes of goods/services. Even with those limitations, a search query may retrieve a large number of marks for the searcher's review, but the searcher may only print out selected marks for counsel's review. Thus, in virtually all cases, the searcher makes subjective decisions as to what is and is not relevant.

The person evaluating the resulting search report is relying on the searcher's judgment, but it still makes sense to review to the extent possible whether the searcher has been sufficiently thorough. Thus, the evaluator must understand searching techniques in order to determine whether the searcher used an appropriate search strategy. Quality control is important to make certain that the search took no "wrong turns" and made no significant omissions.

If the evaluator designed the strategy but another person performed the search, the evaluator still needs to make sure the other person properly executed the search. The evaluator should first make certain that the searcher followed the strategy and should then review the results to determine if the strategy was appropriate. In some cases, the search may have turned up unanticipated leads that should be pursued.

If the evaluator actually conducted the preliminary search himself, he should still review the printed search output to make certain that he properly executed the strategy. The evaluator should check the printed search results for errors in database commands or typos in search terms, which can significantly affect the results. The printed report may also suggest other search strategies that the searcher did not think of while conducting the search.

Full Searches

Most search firms now include the search strategy in the report, and the evaluator should review it to understand the breadth of the search. Such search strategies are intentionally broad, and will generate many more marks than can be included in the search report. The report contains only those marks that the searcher deemed most relevant. Searchers generally err on the side of being over-inclusive, and usually do not omit significant marks, but errors do occur. If the evaluator knows of particular marks that resemble the proposed mark, he should double-check to make sure that the searcher retrieved them. In particular, if a preliminary search preceded

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the outside full search, the evaluator should compare the two to spot any omissions in the full search.

IDENTIFYING POTENTIALLY CONFLICTING MARKS

Not every mark retrieved in a search is likely to be relevant, and a trademark lawyer must separate those that are relevant from those that are not. This is a judgment call, based on an understanding of the law and the marketplace along with a good deal of intuition. While a book cannot impart this expertise, it can at least provide a general framework for identifying those marks that are of genuine concern.

The basic task, of course, is to determine whether any marks in the search are sufficiently similar to the proposed mark that confusion or dilution would result. This requires a two-step process:

1. On the first pass through the search, identify those marks that are sufficiently similar in appearance, sound or meaning to the proposed mark, and flag those for which the goods or services are at all related to the client's proposed goods or services.
2. Select the marks from the first pass that merit additional scrutiny, and review the balance of the search for any significant marks that were missed on the first pass. Consider whether the search as a whole suggests that the flagged marks are commonplace and weak, and therefore entitled to narrow protection, or distinctive, strong and entitled to broad protection. Check identical and near-identical marks, even where the goods or services are unrelated, to determine whether they are sufficiently distinctive and famous to give rise to a dilution claim.

The fact that a mark in the search is identical to the proposed mark, or a mark in the search is for directly competing goods or services, does not necessarily make that mark relevant. The mark and the goods/services must be considered in combination to gauge likelihood of confusion, as shown by the chart on page 103:

Comparing the Proposed Mark vs. Marks in a Search

If appearance/ sound/meaning of marks are:	and Goods/services are:	Then	Mark in search is:
Identical or very similar	Competing or very closely related		Definitely relevant
Identical or very similar	Somewhat related		Probably relevant
Somewhat similar	Competing or very closely related		Probably relevant
Identical or very similar	Unrelated		Possibly relevant
Somewhat similar	Somewhat related		Possibly relevant
Somewhat similar	Unrelated		Probably not relevant

If appearance/ sound/meaning of marks are:	Goods/services and are:	then	Mark in search is:
Very similar	Very closely related		Definitely relevant
Identical	Unrelated		Possibly relevant
Very similar	Somewhat related		Probably relevant
Somewhat similar	Unrelated		Probably not relevant

A preliminary search of iSEA would reveal the following:

ISEE for "providing access to global computer networks and electronic mail services"

ISEA for "association services promoting the interest of education, educational employees, and students in the state of Iowa"

ISEE for "audio/video conferencing hardware and software"

EYE SEE FOR LESS for "retail optical store services"

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In practice, of course, this classification process is more complex than the above grid suggests, and is only the first step in reaching a conclusion about the proposed mark. The courts and the Trademark Office do not limit the analysis merely to the inherent similarity of the marks and the relatedness of the goods/services; they apply a multi-factor test to determine infringement, especially when the parties' goods are not identical. The additional factors for consideration can include the strength of the plaintiff's mark, the sophistication of the potential purchasers, the care with which the purchasing decision is made, and the number and nature of third party uses. Each circuit uses a somewhat different set of factors from the other.¹⁰ The Trademark Office has its own set of factors and its own special rules for determining registrability, which is somewhat divorced from reality—likelihood of confusion is determined in large part based on how the parties' marks appear and how their goods and services are defined in their respective applications/registrations, even if their actual logos, trade dress, and trade channels are different or more limited.¹¹ The differences between a court's approach and the Trademark Office approach can result in drastic differences between trademark counsel's analysis of the availability for use and the registrability of the proposed mark.¹² Because of this emphasis on the text of a registration or application rather than the "real world" use behind it, the Trademark Office might find confusion where a court would not. Trademark counsel needs to be aware of these very significant differences in advising on availability and registrability.

In addition to the trademark infringement analysis, counsel must also consider whether the proposed mark could give rise to a claim of dilution. Since dilution does *not* involve likelihood of confusion, it requires a different analysis than the one described above. (See "Is the mark famous or unique?", this Chapter.)

¹⁰See, e.g., *McCarthy on Trademarks and Unfair Competition*, §§24.06.

¹¹See, e.g., *McCarthy on Trademarks and Unfair Competition*, §§23.24; Trademark Office Manual of Examining Procedure §1207.01.

¹²As an example, the Trademark Trial and Appeal Board ruled in its unpublished decision in *Royal Crown Cola Co. v. Buley*, Opp. No. 78,078, that ROYAL CROWN for asparagus was likely to be confused with ROYAL CROWN for soft drinks. Query whether a court reviewing actual trade dress and trade channels would have reached the same conclusion.

EVALUATING POTENTIALLY CONFLICTING MARKS

After sorting the marks found in the search and making judgments about their relevance, the evaluator must examine the other information given in the search in order to better determine the significance of each potentially relevant mark. This is detective work, a search for clues about the mark and its owner. Unfortunately, the amount of information in the search can vary considerably.

A search record from a Trademark Office database usually provides the most information, as shown in this entry:

FRIED NERVE ENDINGS

Int'l. Class 30

Status: Registered

Goods/services: Coffee

Serial No.: 75-423,522

Reg. No.: 2,207,322

Registered: December 1, 1998

First use: June 30, 1997

First use in commerce: July 31, 1997

Filed: January 26, 1998

Published: September 8, 1998

Owner: Brewed Hot Coffee, Inc. (Oregon corporation), 802 NE Davis,
Portland, OR 97232

Filing Correspondent: Ater Wynne Hewitt Dodson & Skerritt, 222 SW
Columbia, Suite 1800, Portland OR 97201

If the mark is only the subject of a state registration, somewhat less information is likely to be provided:

PERCASSO

Int'l. Class: 42

State: Oregon

Status: Registered

Goods/services: Coffee and bottled water service

Reg. No. S32,095

Trademark Searching

Registered: November 24, 1997

First use: February 10, 1997

Registrant: Matthew Burr and Erika Burr, 3968 NE 38th Street, Portland,
OR 97212

If the mark appears only in common law sources such as trade directories and trade name listings, the amount of information may be even more limited:

RIMSKY-KORSAKOFFEE, coffee retailer, 707 SE 12th Street, Portland
OR, 97214-2410, 503-232-2640

The following is a checklist of six questions to be asked about each potentially relevant mark found in the search. Some of the answers will be obvious from the search record; some will not and will require further investigation.

- Is the mark registered?
- Is the mark in use? If not, has it been abandoned?
- Where is the mark used?
- What are the goods or services?
- Who is the trademark owner?
- Is the mark famous or unique?

IS THE MARK REGISTERED?

Marks can be registered at the federal or state level, or can exist at common law without registration. The registration status of a mark is one of the most important factors to consider in evaluating the significance of a mark.

Federal Principal Registrations and Pending Applications

Marks that are federally registered, or that are the subject of pending applications for federal registration, require particular scrutiny, for several reasons.

Federally-registered marks are entitled to a number of presumptions, the most important of which is the presumption that the registrant has the

exclusive nationwide right to use the mark for the goods or services described in the registration.¹³

Federal trademark registration also constitutes "constructive notice" of the mark throughout the United States (*see* Lanham Act §22, 15 USC §1072). As a result, anyone who adopts and uses a mark deemed confusingly similar to the federally registered mark, subsequent to that registration date, cannot ordinarily acquire rights in the mark anywhere in the United States superior to those of the federal registrant.

Of course, not all federally registered marks are still in use. In industries such as computers, products can come and go very quickly. A relatively recent registration may in fact be a defunct mark. Because older marks can remain registered for as long as 15 years before proof of continued use is required to maintain the registration, the federal trademark register contains many registered marks which have in fact been abandoned. Thus, further investigation is required. (See "Is the Mark in Use?", this Chapter.)

Pending applications for federal registration should be given as much scrutiny as registrations. The filing of an intent-to-use application constitutes constructive use of the mark, provided that the application proceeds to registration on the Principal Register. Lanham Act Section 7(c), 15 U.S.C. 1057(c). Consequently, the filing of an application potentially confers nationwide rights as of the application date, even though the mark has not yet been used.¹⁴

The principle of constructive use also applies to applications filed on the basis of use. Even if actual use of the mark is limited to one area of the country at the time of filing, the applicant's rights upon registration are generally deemed to have been nationwide as of the filing date. Lanham Act § 7(c), 15 U.S.C. 1057(c).

As a result, the safest course is to assume that any Trademark Office applicant could have nationwide rights in its mark as of the date of filing.

¹³A certificate of registration of a mark upon the Trademark Office's principal register is *prima facie* evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate, subject to any conditions or limitations stated in the certificate. 15 U.S.C. Section 1057(b).

¹⁴Constructive use creates a treacherous "blind spot" in trademark searches. Because of the lag between the filing date of an application and the date it appears on search databases, marks which have already obtained contingent nationwide protection will not appear in the search until weeks after filing.

Federal Supplemental Registrations

Terms which the Trademark Office deems descriptive, and therefore ineligible for the Principal Register, can be registered on the Supplemental Register if the examining attorney determines that the term is nevertheless *capable* of attaining secondary meaning as a trademark. One cannot ignore such registrations, since a term on the Supplemental Register may have acquired secondary meaning since the time of registration, or it could very well be proven to be distinctive in a forum other than the Trademark Office. A term can acquire secondary meaning in a matter of months or years if use is substantially exclusive and consumers come to identify the term with a single product or service. The Trademark Office will usually permit Supplemental Register marks to be placed on its Principal Register under Lanham Act Section 2(f) after five years of substantially exclusive and continuous use. *See* 15 U.S.C. §1052(f); Trademark Rules of Practice §2.41(b) (37 C.F.R. 2.41(b) (1993)). For this reason, it is important to check the first use date listed in a Supplemental registration.

Even though a Supplemental registration does not create any presumptions that the registered term in fact functions as a mark, an examining attorney can cite it as a bar to registration of a mark that he or she deems confusingly similar. This rule must be considered in determining the registrability of the proposed mark, even though it seems to contradict the basic theory of trademark law. (One might question how can confusion occur if consumers perceive the term on the Supplemental Register as merely descriptive, and not as an indicator of origin.)

Abandoned Applications

If a potentially conflicting mark appears in an abandoned application for federal registration, counsel must carefully consider the reasons for abandonment. In some cases, the mark may still be in use, and therefore must be considered in rendering the availability opinion, even though the application for registration has been abandoned. (See "Is the Mark In Use?", this Chapter.) This is one reason why search databases which omit abandoned applications are unsuitable for search purposes.

Problems in Obtaining Registration

The experience of prior applicants is obviously instructive in gauging whether the proposed mark will be registrable or will encounter objections from third parties. Thus, if the search reveals that a similar word or

phrase has been refused registration or disclaimed in prior applications, or that a registration of a similar mark has been opposed or subjected to cancellation proceedings, the client's mark could very well face the same fate.

Often, the signs of such problems will be obvious from the search record. If an application was abandoned before publication, the most likely reason is that the examining attorney refused registration, usually because the mark was deemed descriptive or too similar to a previously registered or applied-for mark. If the application was opposed, the name of the opposer and the opposer's mark will usually appear in the database. If the examining attorney's refusal to register resulted in an ex parte appeal to the Trademark Trial and Appeal Board, that information should also appear in the search record.

However, one should be alert to other problems which are not immediately obvious from the search record. The trademark lawyer must read between the lines to detect situations in which a mark was registered after an examining attorney's refusal of registration was reversed, or after a potential opposition was defused. Here are some telltale signs of such activity:

- An unduly long period of examination may signal that the Trademark Office initially refused registration but then reversed its position. The basis for the refusal, and the arguments that the registrant used in convincing the examining attorney to withdraw the refusal, can be instructive to counsel in gauging the registrability of the client's proposed mark.
- An unduly long period of time between the date of publication and the next event in prosecution may signal that a potential opposer filed one or more extensions of time to oppose and then either reached a settlement with the applicant or decided not to oppose.¹⁵ This may suggest that the client's proposed mark could also face the same potential opposer.

¹⁵There are two possible scenarios here. If an applicant filed on the basis of use, or filed an intent-to-use application followed by an Amendment to Allege Use, counsel should look at the period of time between publication and registration. If an applicant filed on an intent-to-use basis without filing an Amendment to Allege Use, counsel should look at the period of time between publication and Notice of Allowance, if given. While search records from all of the major databases and vendors customarily include both the date of publication and the date of registration, not all of them provide the date of the Notice of Allowance.

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Unfortunately, there is no easy yardstick for gauging what constitutes an "unduly long" examination period or post-publication period. The normal Trademark Office turnaround time for examination has varied considerably over the years.¹⁶ Experienced trademark lawyers will have the edge in recognizing those periods of time when applications moved particularly slowly through the examination or post-publication stage of the examination process. In the absence of a reliable measure, the best rule of thumb may be that a period in excess of two years between filing and publication could signal a refusal to register, and that more than 9 months between publication and registration/notice of allowance could signal an extension of time to oppose.

In all of these situations, of course, the trademark search record only provides the barest of information about the problems that a mark may have encountered in the registration process. To really understand what those problems were, counsel must order the application file and the file on any Trademark Trial and Appeal Board proceeding (see Chapter Nine, Trademark Office Records). In many instances, the file will reveal useful information about potential opposers or grounds for refusing registration. Of course, in some instances, the file will reveal that the delay occurred simply because the Trademark Office lost the application file.

State Registrations

Three kinds of registrations are available in most states. Each has a distinctly different purpose, and should be analyzed according to its purpose:

1. State trademark registrations generally do not grant preemptive rights throughout the state, even as against other common law users. See *Restatement (Third) of Unfair Competition*, §9 cmt. e (1995). State registrations may not even reflect common law trademark rights, since the requirements for state registration are often minimal, and applications often receive little or no examination. State registrations should therefore be scrutinized carefully to determine whether they represent substantive common law rights.

¹⁶For example, at one point in the 1980's, many applications waited as long as a year for initial examination; at other times, initial examination has taken only a few months, but the period between the examining attorney's approval and the actual date of publication has been much longer.

2. Most states require an individual or corporation doing business under a name other than its actual name, or a partnership doing business under a name other than its partners' names, to register the assumed name with the Secretary of State or with the county in which it does business. Fictitious name registrations are designed to allow the public—including creditors and potential plaintiffs—to discover the identity of the owner of a business operating under a fictitious name. In some states, compliance with the fictitious name statute is a prerequisite to bringing suit in state court. In addition, failure to register may constitute a misdemeanor. (See *State Trademark and Unfair Competition Law*, published by International Trademark Association, for a summary of all current state fictitious name statutes.) Compliance with fictitious name statutes does not convey any substantive rights, but fictitious names are a useful source of common law marks. Unfortunately, only certain states' fictitious name registrations are included in state trademark registration databases.
3. Most states allow persons to reserve a corporate name prior to incorporation with the Secretary of State or corporation bureau. (See Chapter Two, Corporate Name Clearance.) Reservation of a corporate name, however, does not create any substantive trademark rights, and corporate name reservations are not included in full search reports, although the major search firms can produce a search of these records.

Common Law Marks

Common law trademarks should not be treated as an afterthought. A party, having established common law rights by being the first to use a mark in a given field and geographical area, can stop others from using confusingly similar marks in the area in which its mark is known. Thus, even a relatively small, local business can prevent use of a confusingly similar mark in its territory and can successfully oppose federal registration of that mark.

IS THE MARK IN USE? IF NOT, HAS IT BEEN ABANDONED?

If a trademark has been abandoned, a newcomer is free to use it. It is often difficult, however, to determine that a mark has been abandoned. The information in search reports and databases provides clues, but further in-