

Trademark Tips

By Panagiota Angelis Tufariello

It always feels good to hear that the underdog scored one against the giant, and it feels even better when it happens in Federal Trademark Law. Such a big win was recently secured by a small



Long Island Company, Big Blue Products, Inc.— its second against International Business Machines Corporation (IBM).¹

Big Blue Products, Inc. was founded in 1984, and while IBM has been around even before that, the conflict between the two began when IBM sought to register the mark BIG BLUE in block letters for typewriter ribbons. *Big Blue Products, Inc. v. IBM*, 19 USPQ2d 1072 (TTAB 1991). IBM claimed in its application for registration that it first used this mark on July 11, 1988. *Id.* Big Blue Products, Inc. opposed the registration, as permitted by the Trademark Rules, by showing that Big Blue Products, Inc. had continuously used the trademark BIG BLUE for a wide variety of office equipment and computers since 1984. *Id.* IBM responded by asserting that since the late 1960's, the nickname BIG BLUE had been used publicly by the trade, the news media and the general public to identify IBM and hence IBM's rights to its mark, BIG BLUE, are superior to any claim by Big Blue Products, Inc. Continuing its opposition, Big Blue Products, Inc. contended that the record showed that not only was this not the case, but that IBM's management considered the term BIG BLUE to be an objectionable reference to IBM.

The case was decided on a motion for summary judgment. The Trademark Trial and Appeal Board (TTAB) ruled against IBM, stating that "a company does not obtain rights to register a term for all goods and services based upon the public's use of the term to refer to particular goods or services emanating from that company, or to refer to the company itself" unless the public's use of the mark originates from the company's own use of the mark. *Id.* at 1074. Thus, it denied IBM the right to register BIG BLUE for typewriter ribbons.

Big Blue Products, Inc.'s second victory against IBM came when the former sought to register BIG BLUE for computer peripherals, computer programs and computer furniture. *In re Big Blue Products, Inc.*, 73/806,601 and 74/094,951 (TTAB 1995). IBM did not oppose the registration. Rather, the Patent and Trademark Office denied the registration, on the basis that the mark suggested a connection with IBM. However, the Patent and Trademark Office was ultimately reversed on the basis that Big Blue Products, Inc. clearly established its own use of the mark independent of, and separate from, IBM. Thus, Big Blue Products, Inc. has shown that with good planning and representation, local businesses can successfully compete in the Trademark Big Leagues. *HOW?*

Understand what trademarks are all about. A trademark or service mark is designed to protect the name under which business persons, manufacturers or retailers place their goods and/or services on the market.² A trademark stands in lieu of the actual name of the company and is intended to be immediately recognized by consumers, so that they are instantly assured that all products sold under that name meet

the minimum requirements consumers have come to expect from the particular vendor concerned.

A trademark is a measure of the vendor's reputation, their good will and the desirability of their goods. Who can deny remembering the extent to which Johnson & Johnson went to restore the public's confidence in TYLENOL? Who can admit, without chagrin, that there has been many a time that they selected TYLENOL over the equivalent generic acetaminophen, marketed for much, much less, only because they associate the mark TYLENOL with quality and maximum efficacy?

Choose a proper trademark. In order for a trademark to have any value, it must be inherently distinctive, *i.e.*, it must be "arbitrary," "fanciful" or "suggestive" such as KODAK, SANKA and PEPSI. Terms that are descriptive or generic cannot become trademarks, since others cannot be denied the use of such general words. Some descriptive terms include THE SODA & CHAIR COMPANY, THE PHONE COMPANY and BEEFLAKES (frozen thinly sliced beef). It should be noted that while descriptive terms can become trademarks, a generic term can never acquire trademark status unless it has acquired secondary meaning, after extensive use without any conflict.

Conduct a trademark search. It is important to know if anyone else is using the proposed name and to clear the availability of the mark. Adopting a mark that is already in use or registered by another can have serious legal consequences. The search will help assess the risks of adopting the new mark and will show if the mark is descriptive or generic of the goods or services.

Use the mark. If the search gives the green light, the trademark must be used in direct connection with the sale of goods and/or services. Until recently, no application for registration was permitted unless accompanied by proof of actual use in commerce. However, Congress has now seen fit to provide for the filing of an application based on an intent to use in the future. This enables a business to, in effect, reserve a trademark while they are establishing and publicizing their business prior to an actual sale. However, the mark will not become registered until use is actually shown and, therefore, a company should begin using the mark as soon as it has been cleared.

Unlike every other intellectual property right, trademark rights arise only from use. To show actual use, the mark should be on the goods or on labels, packaging, advertising and, in the case of services, on any written documentation thereof. Specimens of such documented use will have to be filed with the registration and should also be kept in case of a later conflict.

Register the mark. A federal registration provides a number of legal benefits, such as a presumption of validity, a definition of the scope of coverage, and the right of the owner to stop infringement and unfair competition by competitors. Further, the federal registration gives the owner the key to the federal courthouse, where these issues are determined for the entire country.

Records must be kept. In addition to the specimens noted above, written records should be kept, which are detailed and safe from fire and theft. Record retention should commence right from the start. Labels, brochures, and magazine articles should be saved. Samples of the actual packaged goods

and copies of invoices and purchase orders, which clearly identify the trademark, should also be kept. Unlike any other type of record keeping, trademark records should be kept for as long as the trademark is being used. Business owners must always have, in hand, those records necessary to prove the use of the mark, so as to always be capable of proving validity and/or ownership, in the event of any future conflict.

In this way, even the smallest company or individual, such as Big Blue Products, Inc., can establish their rights against any competitors. However, two points of caution. First, it is a fallacy to believe that the registration of a corporate name with the Secretary of State provides trademark rights. Only proper trademark use and registration does.

Second, trademarks are proprietary property. They have an actual cash value, as well as a business value to the user. Trademarks may be sold, licensed and their rights may be mortgaged. In this regard, it should always be kept in mind that title to the trademark must constantly be held by the user and/or licensor, and can only be transferred to-

gether with the good will of the business. Therefore, the form of the business holding the trademark is important. For example, since each partner in a partnership has equal rights with every other partner, the original partnership agreement, as well as the dissolution, must take into account who will continue both the use and ownership of the mark.

Editor's Note: Panagiota "Betty" Angelis Tufariello holds a JD from Hofstra Law and has a Bachelor's of Science in Chemistry. She has been employed for a number of years by Long Island pharmaceutical companies, and now concentrates in Patent, Trademark and Copyright Law with Bauer & Schaffer in Mineola, NY.

¹ During all proceedings against IBM, Big Blue Products, Inc. was represented by Bauer & Schaffer of Mineola, NY, which concentrates in the practice of Patents, Trademarks and Copyrights.

² While this article is presented in terms of trademarks, the discussion hereinafter also applies to service marks, which are used in connection with the services provided by retail stores, consulting firms, and the like. ♦