The History and Purpose of Trademarks

by David Rogers

I. History.

There are two generally accepted origins of trademarks: pottery marks and the branding of livestock, both of which are believed to date to about 6,000 B.C. Marks on pottery or bricks first served the function of identifying the laborer – to prove how many pieces of a sufficient quality were made by a particular person, especially when being paid on a per-piece basis. Egyptian, Greek, Chinese and Roman pottery often bore the mark of the potter who made the piece.

"Brand" is the Latin word for "burn." Cave paintings dating to as early as 6,000 B.C. show symbols on cattle, and are believed to be early brands. The purpose of the brand was to identify the owner in case of theft, loss, or the intermingling of animals on an open range.

The term "logo" means a name or symbol designed for easy recognition, and is believed to have begun as a person's initials (hence, a precursor to today's monogram) or image. Logos were used in ancient Greece on things such as stationary, coins, and livestock brands. Greek and Roman coins often bore the logos of town or state rulers.

The first formal trademark law was Britain's Trade Marks Registration Act of 1875, which also created the world's first trademark registry. A word or "device" (a device is a logo or image) on the British register established that the owner had the exclusive right to use the mark throughout the United Kingdom. The oldest British registration is for the Bass beer "red triangle" logo, which was registered in 1875. Service marks, which differ from trademarks in that they are used in connection with services instead of goods, could first be registered in the United Kingdom in 1938.

The United States

The first federal trademark law in the United States was enacted in 1870 and derived from the Commerce Clause of the Constitution. The Lanham Act, which is the current federal trademark act, went into effect on July 6, 1947. It has been amended several times. The Act is too detailed to explain fully here, but among its main provisions are: (1) the standards to federally register a mark and the rights granted by federal registration; (2) the standards for maintaining and renewing a federal registration; and (3) the definition of, and remedies for, infringement, unfair competition, false advertising, counterfeiting, and cybersquatting.

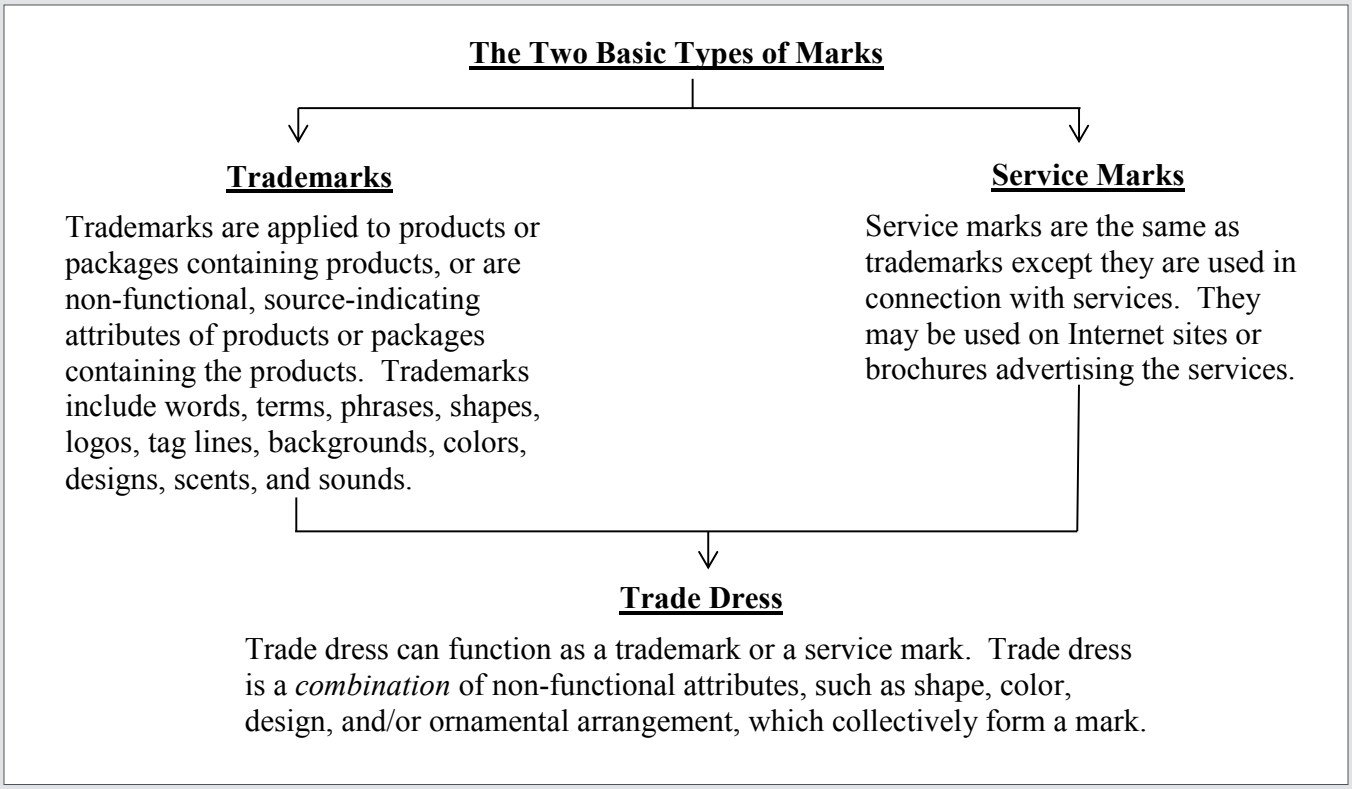
II. Purpose.

The purpose of trademark law is twofold: (1) it aids consumers in differentiating among competing products; and (2) it protects a producer's investment in its reputation (which is also called "good will"). The U.S. Supreme Court explained this purpose in the case of *Qualitex Co. v. Jacobson Products Co.*:

> [T]rademark law, by preventing others from copying a . . . mark, 'reduce[s] the customer's costs of shopping and making purchasing decisions,' for it quickly and easily assures a potential customer that … the item with this mark … is made by the same producer as other similarly marked items that he or she liked (or disliked) in the past. At the same time, the law helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation related rewards associated with a desirable product.

III. The Basic Types of Marks.

There are two basic types of marks: trademarks and service marks. A trademark is any word, name, symbol, or device, or any combination thereof, used, or intended to be used, to identify and distinguish the goods (i.e., products) of one manufacturer or seller from those of others. Trademarks include words, names, logos, taglines, background art, designs, colors, scents, and sounds. A *service mark* is the same as a trademark, but is used in connection with services rather than goods. *Trade dress* is not a separate category – it can function as a trademark or service mark, and consists of a combination of elements, such as letters, words, size, shape, color, arrangement, and texture. Trade dress may be used to protect many things, including the design or configuration of a (1) product, such as a lawn mower or clothing; (2) the labeling or packaging of products; (3) the décor or environment in which services, such as restaurant services or the arrangement of displaying wine bottles in a store, are provided; and (4) website designs.



IV. Use of a Mark Is Required to Confer Trademark Rights in the United States.

All trademark rights in the US require use of the mark in commerce. Use for goods (i.e., products) is usually the date on which the mark was applied to the goods, or packaging containing the goods, and the goods were offered for sale. The date of first use for services is usually the date on which the services were first offered for sale using the mark. Trade dress for things such as packaging, advertising, or a website design, can attain rights immediately when used. Trade dress consisting of a *product design* must have acquired distinctiveness (also called secondary meaning) to be protected. Acquired distinctiveness is usually presumed after five years of continuous and substantially exclusive use.

V. What Does Not Confer Trademark Rights?

A state or local filing without use, such as filing for a fictitious name, dba, architectural plans filed with a building authority, state business incorporation, trade name, state trademark or service mark registration without use of the mark, domain name registration, or registration with a taxi or airport authority, confers no trademark rights.

VI. The Scope of Trademark Rights Is Based on Consumer Perception.

Unlike utility patents, design patents, trade secrets, and copyrights, trademark rights are based on consumers' perception and may change over time. Once well-known brands, such as "Woolworth," "Crazy Eddy," "TWA," "E.F. Hutton," and "Compaq Computer," are now out of business and have little or no consumer recognition. Others are still used, but because of lack of enforcement have entered the public lexicon as referring to a category of products or services, rather than identifying a unique brand or manufacturer. These marks are "generic," unenforceable, and include "aspirin," "cellophane," "thermos," and "escalator."

VII. The Basic U.S. Protection Mechanisms for Marks.

In the U.S., there are three basic protection mechanisms for marks: common-law, state registration, and federal registration. If your mark is valuable, federal registration confers the most protection.

U.S. Protection Mechanisms for Marks

Common Law	State Registration	Federal Registration
Common-law rights begin immediately upon use of the mark in commerce. Common-law rights are coextensive with the owner's (a) geographical use, and (b) the products/services with which the mark is used, plus a zone of natural expansion.	The rights conferred by state registration depend upon the state. Usually, they are either (1) equal to common-law rights, plus a presumptive date of first use of at least as early as the filing date to obtain state registration, or (2) statewide rights effective as of the filing date to obtain state registration, regardless of the area of geographical use in the state. State registration must be based on use of the mark.	Federal registrations are granted by the United States Patents and Trademark Office. Rights are nationwide regardless of the geographical area in which the mark is used and once the registration is granted, its rights are perfected back to the application filing date. Federal registration also confers the following additional rights: (1) presumption of the validity of the mark as shown in the registration, (2) the registration can become incontestable, which means the registration becomes conclusive proof of the validity of the mark shown in the registration, (3) an application for federal registration can be based upon a good faith *intent to use* the mark in U.S. commerce, and (4) a federal registration is required to recover damages for counterfeiting, which include statutory damages of up to $2 million per counterfeited mark, and to register with U.S. Customs to stop infringing imports.

VIII. Conclusion.

A patent is a temporary, government-granted, exclusive right to an invention, and if properly prepared to capture broad scope, can be extremely valuable. Before filing a patent application, keep your invention a secret, and execute an NDA with anyone to whom it is disclosed. And, if practical, file your application before building a prototype.

David E. Rogers
602.382.6225
drogers@swlaw.com

David Rogers practices patent, trademark, trade secret and unfair competition law, including litigation, patent and trademark preparation and prosecution; trademark oppositions, trademark cancellations and domain name disputes; and preparing manufacturing, consulting and technology contracts.