

How To Register A Trademark – Words or Design?

One of the most misunderstood concepts in trademark registration law is the legal difference between a “standard character” trademark registration for words, letters, numbers, and certain symbols (punctuation, etc.) recognized by the USPTO as standard characters, or combinations thereof, and a “special form” trademark registration that includes any of the aforementioned standard characters. Although the USPTO uses the above terminology, I will use, herein, the more common terms “word marks” and “design marks” respectively. “Pure” design marks – those that have no words (i.e. logos) - are not considered herein as they do not present a choice of form when applying for trademark registration. A design mark may comprise only stylized words or may additionally include separate design elements (whether integrated with the words or not). Although I use the term “stylized words”, there is a great variability in the degree of stylization that words can embody in design marks. The mere fact that a mark is a design mark means that any words included in the mark must be stylized, given the many ways a word may be displayed (if only considering the number of fonts in existence!).

The issue analyzed herein is the form in which a design mark (excluding pure design marks, as noted above) should be registered, and the differences in terms of the legal scope of protection afforded each form. Should you register a word mark or a design mark instead? As you might surmise the answer is that it depends on the mark in question and the landscape of “similar” existing trademarks. This question is important when money is an issue. Although it is certainly an option to register a trademark in multiple forms, trademark registration fees are not insignificant, especially when multiple classes of goods and services are involved.

As always, a picture is worth a thousand words:

Design mark comprising stylized words only:



Design mark comprising stylized letters and other integrated design elements:



Design marks comprising stylized words and other separate design elements:



It is well settled that design marks are “limited” (in terms of the subject matter that the registration covers) to the exact manner in which they appear in the registration and thus, when comparing them to other marks in a likelihood of confusion analysis in legal proceedings involving trademark registration, the proper comparison considers only the mark as it appears in the registration. What is not as well settled is how to treat a word mark when comparing it to another mark (whether the other mark be a design mark or another word mark). In *Citigroup v Capital City Bank Group*, a March 2011 case from the Court of Appeals for the Federal Circuit (CAFC), the Court gave some further clarity to this issue but fell short of defining the precise rule. In a subsequent case, exactly one year following *Citigroup*, the CAFC had yet another opportunity to consider this issue and again passed on it, leaving some uncertainty as to the scope of protection to be afforded a word mark registration.

Before *Citigroup*, the TTAB (the court that hears appeals from decisions of the USPTO on trademark registration and also rules on trademark opposition proceedings) applied a “reasonable manners” test to decide the scope of protection to be afforded a word mark. In accordance with this test, when comparing the word mark with another mark in a likelihood of confusion analysis (“likelihood of confusion” being the test for determining whether a trademark can be registered in light of a prior similar mark), the TTAB would consider all “reasonable manners” in which the word mark could be depicted.

For example, in *Citigroup*, Citigroup was opposing the application of Capital City Bank for the word mark “CAPITAL CITY BANK” based on Citigroup’s registration for the word mark “CITIBANK”. In ruling that there was no likelihood of confusion between these two trademarks, the TTAB stated that one possible depiction of CAPITAL CITY BANK, whereby the word “CAPITAL” would be diminished in size, was NOT a reasonable manner of depicting the CAPITAL CITY BANK word mark, and thus it could not consider this possibility as Citigroup had asked the court to do. One of the reasons for this conclusion by the TTAB was that it did not think that Capital City would want to emphasize such a non-distinctive component of its mark (i.e. “CITY BANK”) due to the

large number of other trademarks in the banking industry that contained the words “City Bank”.

In the appeal of this decision by the TTAB, the CAFC took this as an opportunity to strike down the "reasonable manners" test. Even though the CAFC held that the TTAB applied the wrong test and, by doing so, improperly limited the scope of the CAPITAL CITY BANK mark, it nonetheless still agreed with the ultimate conclusion of the TTAB that the marks were dissimilar enough (for other reasons) so that Citigroup's opposition was dismissed.

Without defining a new test, the CAFC did hold that the “reasonable manners” test was overly restrictive, which means that a word mark will now be given an even broader scope of protection against subsequent trademarks in proceedings involving the right to registration. On the flip side it also means that word mark registrations will be more difficult to obtain because they might be deemed to encompass an existing design mark under the new, as of yet undefined, test. All we know about the new test is that it gives more latitude than the “reasonable manners” test in determining how a word mark might be envisioned for comparison purposes (query: would the test include even “unreasonable manners” of depicting the word mark?)

In a case exactly one year after *Citigroup*, the CAFC once again had an opportunity to define the rule that would replace the “reasonable manners” test but failed to do so because it was unnecessary in the context of the case. In the case of In Re Viterra, the applicant’s mark, XCEED, was refused registration based on an existing registration for the design mark shown here:



The TTAB applied the “reasonable manners” test in comparing XCEED to the X-Seed design mark and held that a depiction of the mark XCEED whereby the letter X would be larger than the “CEED” portion of the mark *was* a reasonable manner of depicting the word mark XCEED (the TTAB decided this case before the CAFC’s ruling in *Citigroup* thus it still applied the reasonable manners test). Although not going so far as to say that the *exact registered design mark* was a reasonable depiction of XCEED, the TTAB still held that the reasonable manner of depicting XCEED whereby the X is larger would nonetheless be confusingly similar to the registered design mark, especially when considering the other similarities between the marks.

On appeal, the CAFC said that the TTAB essentially got the final decision of confusing similarity correct notwithstanding that it applied its old reasonable manners test, and so there was no need to define a new test in order to determine the outcome of this case (i.e. a newly defined test would have considered an even more diverse group of visual depictions of XCEED, and so the outcome would not have been different).

What does this all mean for registration strategy? As always, given a mutually exclusive choice, a word mark is preferable to a design mark because it will "cover" (i.e. extend the registration benefits to) future forms of the mark that you may use and thus it has a longer shelf life than a design mark. Due to the abandonment of the "reasonable manners" test, word marks are now even more beneficial as they will be given a broader scope of protection vis-à-vis design marks. As mentioned earlier however, they are going to be more difficult to obtain.

The only downside to a word mark registration is that it will never be deemed to "cover" the non-literal portions of a mark (the stylization of the words) or any separate design elements in a logo, when the mark it is being compared to does not contain any literal elements that are within the scope of the literal elements of the word mark registration. So for example, if Coca Cola only had a word mark registration (assume it is not a famous mark, as that could change the analysis), they would not be able to use the rights in that word mark registration to challenge a mark having very different literal component (e.g. Pepsi) but utilized the exact script form of the Coca Cola design mark as *used* (but not registered in this hypothetical).

Although that has always been the basic rule with regard to word marks, one must now wonder how the new approach that gives wider latitude to word marks would deal with such a situation. Because the CAFC has said it is proper to look at the forms of the marks in actual use to help guide a court in determining what are the possible ways to consider that a word mark might appear, what is to stop a court from considering a word mark registration to cover the stylized form as it is used, and then to compare that stylized form with the other stylized mark? Although literal elements are considered dominant over design elements in comparing two marks, there is no absolute rule that two stylized marks for different words can never be confusingly similar.

The take-aways are as follows. Whenever there is some non-literal aspect of a mark that you want to protect aggressively apart from the words, it's a good idea to get both a word mark *and* a design mark registration for the trademark in order to get the broadest protection (there might even be justification for an additional registration covering just the stylized words). Also, where there is a separate design component (e.g. the Cisco or Sun marks above), the design mark should be registered because that design component

will not likely be considered part of any mark variation that the new test would include in the scope of protection for that mark. This is especially true where the literal component is not highly stylized, in which case a design mark provides sufficient protection for the word as it is actually used (plus other variations). Finally there are some design marks for which certain partial portions of the design may be registered. This comes down to whether the design portion makes a “separate commercial impression”...quite possibly a subject for another paper.