



# Intellectual Property

## Part 1, Trademarks

YOU MAY NOT KNOW IT OR EVEN HAVE INTENDED IT, but it is probably true to say that every company owns some Intellectual Property - whether they realize it or not.

The broad term 'Intellectual Property' covers at least four areas of 'intangible' property – that is property that is not physical but is often defined as 'property of the mind.' I'm sure you are familiar with at least three of the four categories – trademarks, copyright and patents. The fourth, trade secret, is also recognized intellectual property but is much less well known. All of these forms of intellectual property (IP) have aspects in common with personal or real property in that they can be bought, sold, traded, licensed and exploited.

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In today's increasingly IP savvy world it is important for everyone to have at least a basic understanding of these four categories and know how to use the appropriate ones in their company to protect ideas and to profit from them. How you do this and the steps you have to take depend on the sort of idea it is and which of the above categories it falls into.

Over the next few issues of Protocol I want to talk about these four types of intellectual property and the ways you might use each of them in your company. Let's start with trademarks.

Pretty much everyone knows something about trademarks and, indeed, thinks they know what they are and what they mean. However pretty much everyone is usually wrong! Trademarks are commonly misunderstood in both their scope and usage and are thus highly vulnerable to misuse.

Many people believe that a trademark is a protected name of a product. That, unfortunately, is exactly what it is not! Yes, a trademark helps to uniquely identify a product but it does so by identifying the *source* of the product not the product itself. For example the familiar use of the 'Swoosh' logo on a pair of training shoes shows them as a product manufactured by Nike. Trademarks are intended to uniquely

identify the maker or supplier of a product or service so that there is no confusion in the mind of a consumer as to who that maker is.

Trademarks do not have to be words – they can be symbols, devices, logos or a specific product design as well as words. In fact there are various categories of trademark including trademark, trade name, service marks, certification marks, collective marks and trade dress. The differences are perhaps too detailed to go into in an article of this kind, but there is likely a trademark available for just about anything you want to protect. One particular form worth mentioning is trade dress. It is not used much in our industry, but probably should be. A trade dress trademark is intended to protect the overall appearance or style of a product and its distinctive design. It is much simpler and cheaper to obtain than a Design Patent which can cover similar areas. In fact, as with many trademarks, you may have to do nothing at all to obtain some protection – just sell the product.

There are various rules concerning the correct use of trademarks and, once you realize that the trademark is supposed to identify the source or manufacturer of the product or goods – not the actual product itself – then these rules make more sense. These rules are important and, if they are not followed, can eventually lose you your trademark.

First, because they identify the source and not the product itself, trademarks are supposed to be used primarily as proper adjectives (i.e. capitalized), and not as nouns or verbs. So, to take some examples from our industry, correct usage would be “The Wholehog console” or “Hog lighting desk” not just a “Wholehog.” The same applies to lighting fixtures: one possible correct usage in text for two products I am sure you know well would be, “The MAC 2000 profile spot” and “Source Four ellipsoidal lighting fixture.” The words “MAC 2000” and ‘Source Four’ in these cases uniquely identify the manufacturers of the specific products as Martin and ETC respectively. That is not to say that you can't use just “Source Four” on its own on a label for example – that's fine as this use can be construed as an adjective – but in body or descriptive text, the use should always be clearly adjectival. ETC, for example, uses the phrase “Source Four products” on its data sheets, clearly and correctly using Source Four as an adjective.

## Out of the Wood

You don't have to be completely anal about this and occasional noun use by others (including journalists!) is probably unavoidable, but if you were to consistently use a trademark as a noun it could be challenged and disallowed. To take a well known example, once "a thermos" became used as a generic term rather than "Thermos insulated container" the company lost its trademark. Other company trademarks that have been lost this way and become familiar generic nouns that anyone can now use include aspirin, hoagie, trampoline, yo-yo and escalator.

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Trademarks must never be pluralized. For example "Fifty VL1000s" is not correct – if you want to talk about more than one of a product then use a construction such as "Fifty VL1000 luminaires."

Trademarks should never be hyphenated (unless the original trademark had a hyphen such as 'Coca-Cola') – it is "Wholehog" never "Whole-hog."

Finally, trademarks should never be made possessive by the addition of an apostrophe. For example saying "The GrandMA's high resolution screen" is incorrect; rather you should say

something like "The GrandMA console's high resolution screen."

By the way – all the manufacturers who I have used as examples above use their trademarks correctly – however there are many who do not. Take a look at a few websites or brochures and you will soon spot incorrect or sloppy usage.

In the USA, you do not necessarily have to apply for a trademark in order to be entitled to trademark rights, as trademark rights automatically accrue when a mark is first publicly used in commercial use, even without federal trademark registration. The 'commercial' aspect is important – this means use in trade, on a product label, tag or manual for example that shows the product is actually being traded. Use of a trademark on business cards, advertising or brochures usually does not count as proof of use. You can identify an unregistered trademark with the <sup>TM</sup> symbol.

Federal registration of your trademark, even though it is not essential, does have advantages, particularly in extending your trademark throughout the whole US rather than it just being a local mark. Registration also means that your trademark cannot be contested once you have held it for five years. And registration gives you the right to take action against others trying to use your trademark themselves or trying to import goods into the US that bear an infringing mark. Once you have achieved federal registration, a fairly simple process, you show this by using the ® mark, or by simply stating in your literature that your mark is a 'registered trademark.'

Trademarks are inherently local (unlike copyright which we will see in a later article is automatically international) and are only issued on the national level. However, like patents, you may be able to use a US registration as an aid to getting registration in other countries.

Finally, remember that trademarks are a 'use them or lose them' protection. You have to be actively trading the product bearing the trademark to both obtain and keep the registration; you cannot just register a name and then sit on it. However, if you follow all the rules, your product is still trading, you renew the registration every ten years, and the mark does not become generic, then a trademark can essentially last forever. This indefinite life is a particular distinction of trademarks over other forms of IP and a well known, strong, trademark can have immense value to a company. The distinctive shape of the Coca-Cola glass bottle is a trademark and they did not lose the protection after 14 years the way they would with a design patent!

Next time we will talk about Copyright – another form of IP that you undoubtedly own whether you want to or not. ■

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*Note:* We have deliberately omitted the ® and <sup>TM</sup> symbols from the trademarks in this article to help clarity. However all trademarks are acknowledged to be the property of their respective owners.

**Mike Wood** is president of Mike Wood Consulting LLC which provides consulting support to companies within the entertainment industry on technology strategy, R&D, standards and Intellectual Property. A 25 year veteran of the entertainment technology industry, Mike is currently the Immediate Past President of ESTA, where he served as President for six years from 1999-2004.