

In This Issue

The Dangers of Using
Someone Else's
Trademark ...Page 1-3

8,000,000 and
CountingPage 3

Scam Alert: Unofficial
Patent and Trademark
Solicitations.....Page 4

We're TherePage 4

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THE DANGERS OF USING SOMEONE ELSE'S TRADEMARK

Introduction

Clients frequently ask the following types of questions:

1. My company wants to publish a brochure that points out the differences between our products and our competitors? Can't the brochure name the competitor or its products by trademarked brand name?
2. We make hand soap out of soy beans and it comes out as an ivory-cream color. Can I advertise that "our soap is ivory, just like that more famous soap?"
3. I want to write a book on my opinions or experiences regarding growing up in Iowa. Can I include pictures I took that happen to show trademarks (business names on the front of buildings; signs with trademarks along the highways, trademarked products sitting on a table, etc.)?
4. I am an independent computer repair shop. Can I put on my shop window the words "APPLE," "HEWLETT PACKARD," "DELL," "LENOVO" and the like to let the public know which ones I can fix?
5. Our non-profit soccer club holds a fund-raising event every year. We ask everyone to donate used athletic clothing to sell and call out names like Nike, Adidas, Reebok, etc. Isn't this OK, especially if we are a non-profit?

The answer to every one of those questions is "**it depends.**"

While frustrating to clients, it is the right answer. The reason is that trademark law has to balance competing, sometimes even antagonistic, interests. But trademark law is not alone.

This article does not attempt to give blanket answers. Each situation must be evaluated on its own set of facts and circumstances. Sometimes even slight differences can dramatically change the outcome. But it will hopefully provide some insight into the nature of the law, and the policies behind it, by giving brief, general comments to each question posed above.

Comments re Question 1:

Short answer: You should be able to name a competitor or its product by name in your advertising **so long as:** (a) it is clear you and your products are different (there is no likelihood consumers would be confused or mistaken that you are competitive and not affiliated) and (b) your comments about the other product are accurate (they can be demonstrated to be true). The former legal theory is sometimes called "nominative fair use"—it is commercially fair to use the name of the other product or company because it is clear it is for information or comparison purposes, not to "ride on the coat tails" of the competitor.

Why is it even an issue? You are not in complete control of what consumers may or may not think about affiliation. And you are not in control over whether the competitor might feel your comments about its products are verifiable and accurate. You can be challenged for what you do, even if the challenger has little chance of winning in court. The easy thing to do

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is simply avoid any risk by never mentioning a competitor's trademark or product.

Comments re Question 2:

Short answer: You should be able to use ordinary descriptive terms relative to your products, even if they might also be used by a competitor for its product so long as: (a) it is clear you and your products are different (there is no likelihood consumers would be confused or mistaken that you are competitive and not affiliated) and (b) it is clear you are using the term in its descriptive sense to describe a characteristic or attribute of your product (and it is properly and accurately descriptive).

This fair use differs from "nominative fair use" (discussed above) because it is use of another's trademark term to describe your own product. It is sometimes called "classical trademark fair use." It is also sometimes called "statutory trademark fair use" because it is embodied in the federal trademark law at statute number 1115(b)(4) of Title 15 of the United States Code.

Why is it even an issue? It is a rare defense. For example, even aggressive trademark owners like Apple Computer would not sue a grocery store for advertising "we sell apples." But there are situations where a competitive product can be described by a competitor's trademark (another example is a cereal advertised to be "all bran" when Kellogg's owns an ALL BRAN® trademark). But it is an issue because you cannot control the aggressiveness of a trademark owner. And you cannot control whether or not a court or jury might find your particular use does create a likelihood of confusion of whether there will be confusion or mistake on the part of consumers.

Comments re Question 3:

Short answer: You should be able to publish such a book so long as: (a) it is clear you are not sponsored or approved by any of the brand names you mention (and you point out they are brand names of other companies) and (b) you have written permissions from any individuals that are readily identifiable in your pictures (or in your text). This again involves "nominative fair use." The latter issue, whether you need permission from individuals in pictures, relates to such broader-reaching issues as right of privacy or right of publicity (which, in short, are legal theories related to the ability of individuals to control how their image, name or likeness is used in commercial products, including books.)

Why is it even an issue? You are not in complete control of what consumers may or may not think about approval or sponsorship. You are not in control over whether any individual may feel their rights have been violated by their inclusion in the book.

These types of issues are less risky if your book is in the nature of news reporting, research or scholarship, or clear comment and criticism. In this country, there is a strong tilt towards allowing such things because of the strong concept of "free speech" and "freedom of expression" in our culture. But as many courts have warned, there are limits to any "right" or "freedom"; and such limits are more likely to be imposed if your "product" (e.g. book, advertising, etc.) is for commercial purposes (i.e. for profit), as opposed to pure news reporting or political opinion. Even our quite liberal allowance of parody has limits, especially if the person that claims parody is trying to make money on the work.

Comments re Question 4:

Short answer: You should be able to place the names of computer brands you can repair on your repair shop window, but again so long as: (a) it is clear you are not sponsored, have not been approved by, or are not an authorized or certified repair service for any of the trademark owners (no likelihood of confusion) and (b) you are able to accomplish such repairs (no false advertising). This is again the theory of "nominative fair use"—it is fair to use the name of the other product or company because it is clear it is for information and identification purposes, not to "ride on the coat tails" of the trademark owner.

Why is it even an issue? You are not in complete control of what consumers may or may not think about affiliation. An example of how difficult it is can be shown by the following example. Some courts have held that it is O.K. if the words on the repair shop window essentially read "ACME COMPUTER REPAIR"—we repair all major brands including but not limited to Dell, Lenovo, HP, etc."; but not O.K. if the sign above the window said "ACME COMPUTER REPAIR" and then stenciled on the window are: DELL, LENOVO, HP; each lettered in the computer manufacturer's specific type font, letter style, and/or with the manufacturer's logos. The rationale is that consumers, seeing just the names on the window, would likely assume the repair shop is an authorized service center for each listed manufacturer. Thus, there is risk involved.

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Comments re Question 5:

Short answer: You should be able to do so. A similar “nominative fair use” analysis should apply as with scenarios 1, 3, and 4 above. But it is important to note that the fact the client is a non-profit does not change the analysis.

Why is it even an issue? You are not in complete control of what the public seeing the advertisements may or may not think about sponsorship or affiliation. You are not in control over whether or not the brand owner feels its name should

be associated with the charity or event. For example, if the brand owner is opposed to the mission of the charity, it might be more apt to object.

CONCLUSION

The foregoing attempts to provide insight into why easy answers to the questions are not cut and dried. You should consult with your legal counsel before engaging in the use of another’s trademark, even in cases which seem uncontroversial. One or two specific facts of your situation may turn it from low risk to high risk, or vice versa.

8,000,000 AND COUNTING

The first patent from the U.S. Patent Office was issued on July 31, 1790 to Samuel Hopkins for a Method of Making Potash, which is an ingredient used in fertilizer. That patent was signed by President George Washington. Now, 221 years later, the U.S. Patent Office has issued Patent No. 8,000,000 on August 16, 2011 to three inventors for a visual prosthesis having a camera and a retina stimulation system. As seen in the table below, the rate of patent issuance has increased substantially.

From 1790 to July 2, 1836, 10,000 patents were granted, but were not issued numbers. Patent No. 1 issued on July 13, 1836 to John Ruggles for his invention on traction wheels for locomotive engines. It was then 75 years before patent number 1,000,000 issued. Then it took 25 years until patent number 2,000,000 issued, and another 25 years for patent number 3,000,000 to issue. The clock speeded up to 15 years for patent number 4,000,000, and another 15 years for patent number 5,000,000. Then, it was less than 9 years before patent number 6,000,000 issued, a quick 7 years for patent number 7,000,000, and only 5 ½ years for patent number 8,000,000.

Patent No.	Inventor	Title	Issue Date
1	J. Ruggles	LOCOMOTIVE STEAM-ENGINE FOR RAIL AND OTHER ROADS	July 13, 1836
1,000,000	Holton	VEHICLE TIRE	August 8, 1911
2,000,000	Ledwinka	VEHICLE WHEEL CONSTRUCTION	April 30, 1935
3,000,000	Eldredge	AUTOMATIC READING SYSTEM	September 12, 1961
4,000,000	Mendenhall	PROCESS FOR RECYCLING ASPHALT-AGGREGATE COMPOSITIONS	December 28, 1976
5,000,000	Ingram	ETHANOL PRODUCTION BY ESCHERICHIA COLI STRAINS CO-EXPRESSING ZYMOMONAS PDC AND ADH GENES	March 19, 1991
6,000,000	Hawkins	EXTENDIBLE METHOD AND APPARATUS FOR SYNCHRONIZING MULTIPLE FILES ON TWO DIFFERENT COMPUTER SYSTEMS	December 7, 1999
7,000,000	O'Brien	POLYSACCHARIDE FIBERS	February 14, 2006
8,000,000	Greenberg	VISUAL PROSTHESIS	August 16, 2011

SCAM ALERT: UNOFFICIAL PATENT AND TRADEMARK SOLICITATIONS

We have seen a rise in solicitations from companies with official sounding names to patent and trademark owners requesting payments related to patent or trademark filings. Some of these are clearly fraudulent. Others are more convincing. In some instances, if the fine print is carefully reviewed, there is some form of legitimate (but typically unwanted) service associated with the payment. Oftentimes these solicitations are in the form of invoices that appear to require payment in order to maintain a patent or trademark filing in the U.S. or other countries.

Should you receive an invoice, notice, or solicitation from any entity regarding your patent and trademark filings and have any questions regarding your obligation to pay it and its effect on your patent or trademark rights, please contact your attorney at McKee, Voorhees & Sease, P.L.C.

WE'RE THERE

November 1-2

Kyle Coleman and Luke Holst attended the Enterprise Institute's Innovation Expo in Sioux Falls, SD. Kyle was a presenter on the Intellectual Property Licensing and Patent Reform panel and Luke was a judge for the Whatchamacallit Contest.

November 7-8

Jeff Harty attended the 49th Annual Conference on Intellectual Property in Plano, Texas

November 30 – December 2

Kyle Coleman will attend the Association of University Research Parks (AURP) International Conference in New Orleans, LA.

December 15

Luke Holst will speak on the Patenting of Online Transactions at the Iowa Bar Association eCommerce Seminar while Brad Powers will address Online Criticism Using Strategic Lawsuits Against Public Participation.

February 20, 2012

Ed Sease and Jeff Harty will speak at the Intellectual Property Law Center's 5th Anniversary Gala at Drake University Law School.

February 29, 2012

Heidi Nebel will attend the CSU (Colorado State University) Ventures Technology Transfer Awards Ceremony

Spring 2012

Jeff Harty will be teaching trademark law at the University of Iowa School of Law while Mark Hansing will be teaching a seminar on patent prosecution.

Spring 2012

Ed Sease will be teaching a course on Patent Office Practice at Drake University Law School.

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If you are the addressee of an official copy of MVS BRIEFS, send an email to patatty@ipmvs.com by December 31, 2011 and your name will be entered in a drawing for an AMAZON KINDLE FIRE.