

SELECTING A STRONG TRADEMARK: A Legal Perspective

Not all trademarks are created equal. In addition to ensuring that a business name or trademark is available by conducting appropriate searches, it is important to consider the relative “strength” of the proposed name or mark for legal purposes.

Invented Terms

At one end of the spectrum, invented terms like KODAK, XEROX and EXXON are considered strong trademarks from a legal perspective since they have no other meaning. These marks are imbued with meaning *only* as trademarks. From a marketing perspective, however, such marks will be considered weak when first adopted since they will have *no* meaning at that point. Extensive marketing efforts must be undertaken to imbue invented terms with meaning.

Descriptive and Laudatory Terms

At the other end of the spectrum, largely descriptive or laudatory marks like INTERNATIONAL BUSINESS MACHINES, UNITED PARCEL SERVICE and SUPERSTORE are considered weak trademarks from a legal perspective since they are largely composed of laudatory terms and words common to the market for the related goods and services. Words that are common and descriptive in an industry cannot be monopolized by one business. Similarly, laudatory terms like “super”, “great”, “classic” or “standard” add little of distinctive value to most trademarks.

From a marketing perspective, such marks may be tempting since they will have immediate meaning when adopted. However, their descriptiveness will make it difficult for them to become a distinctive mark in the market. Further, a descriptive mark may not be registrable until it has been extensively used as a trademark and become associated with a specific business. The

business may also be required to explicitly disclaim any monopoly over the descriptive words used in the trademark. For instance, a trademark registration for INTERNATIONAL BUSINESS MACHINES, UNITED PARCEL SERVICE or SUPERSTORE will not likely prevent competitors from using the words “international”, “machines”, “parcel”, “super” or “store”.

As a consequence of all the foregoing limitations, a business with a largely descriptive name will often adopt and register an acronym like IBM and UPS as its primary trademark instead of the full business name. Like any other word, an acronym may serve as an effective trademark if it is not a descriptive term in the related market or industry.

Suggestive Terms

In the middle of the spectrum are known words, syllables and phrases that have a suggestive quality. For instance, NIKE, APPLE and PRESIDENT’S CHOICE, are considered suggestive marks in that they *suggest* a positive association with the products and services. NIKE (a Greek goddess for victory) suggests that the associated sports products will lead the consumer to victory. PRESIDENT’S CHOICE suggests that the associated food products are favoured by an authority figure. Given its association with teachers and great thinkers like Isaac Newton, APPLE suggests that use of the associated computer products will be educational and lead to “bright ideas”. (Note however that APPLE simply could not be adopted as a trademark for apples).

Given that suggestive marks are not descriptive of the related products and services, but do have an immediate and positive meaning, they are often favoured for both marketing and legal reasons. In the long term, the strength of these marks depends greatly on how they are used.

Names & Surnames

Like descriptive terms, names and surnames are considered weak trademarks from a legal perspective as it can be comparatively more difficult to protect a name adopted as a trademark than other trademarks.

When first adopted as a trademark, names and surnames will have little immediate value as trademarks since they have no definite meaning. Indeed, a person's name and common *surnames* are considered descriptive and cannot be registered as trademarks in Canada until they have been extensively used as a trademark and become associated with a specific business. Individuals also have a limited right to use their own surname as a trademark in business making it difficult for any business to assert a complete monopoly over a surname that is adopted as a trademark.

Finally, trademark law prohibits the registration of the name of any person living or dead less than 30 years as a trademark without their permission or the permission of their estate. In addition, the names of well-known public figures, like an entertainer or sports star, are often protected by so-called "publicity rights". These rights prohibit the use of the image of a public figure or their name to promote a product or service without their permission. Accordingly, these names should be used for promotional purposes only with the written permission of the public figure.

Geographic Place Names

Geographic place names are treated much like descriptive terms, names and surnames. When the place name is associated with the location of the business, it will be considered descriptive and, again, will not be registrable as a trademark until it has been extensively used in the market and become associated with a specific business. For instance, THE MAIN STREET BAKERY will have little distinctive value when first adopted as the trademark of a bakery located on Main Street although it may acquire distinctive value over

time as consumers relate the name to a specific business.

Like names and surnames, it can be difficult to assert a complete monopoly over place names since all businesses have a right to identify their location. As a consequence, a second bakery located on Main Street may not call itself THE MAIN STREET BAKERY TOO, but it will still be able to promote itself as being located on Main Street.

There are additional risks when a place name is used as a trademark for wine, spirits or food products. By international treaty, certain place names may only be used in Canada as a trademark for wines and spirits that originate from an identified location such as CHAMPAGNE, NIAGARA and SCOTCH WHISKY. Although there are no similar restrictions yet for food products, international negotiations are ongoing and may eventually restrict the use in Canada of terms such as FETA for cheese, BLACK FOREST for ham and BASMATI for rice. There are already restrictions on the use of FETA as a trademark in Europe.

From a practical perspective, names can also acquire negative associations outside the control of a trademark owner, such as being associated with a public scandal or natural disaster. In the aftermath of Hurricane Katrina or the Columbine Massacre, consider the repercussions for a business with KATRINA or COLUMBINE as a trademark. Although it is common practice, businesses may be well advised to avoid adopting names, surnames or geographic place names as their primary trademarks.

Conclusion

Selecting business names and trademarks are important business decisions that deserve care and attention. Too often, a successful business learns after the fact that it has selected a business name or trademark in which it will be difficult or impossible to assert strong monopoly. In the long term, the assistance of a trade-mark

agent or lawyer in selecting business names and trademarks may prove to be invaluable.

Disclaimer: The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

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