



Trademarks for Nonprofits

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Introduction

A trademark is usually a word, phrase, symbol, or design, or a combination of words and design. It serves to both identify and distinguish the source of a product from others. Typically, trademarks protect brand names and logos.

The owner of a trademark has the exclusive right to use the trademark for goods/services for which it has been registered. If continually used, a trademark can last forever.

Trademarks v. Copyrights v. Patents

A copyright protects an original artistic or literary work and a patent protects an invention, while a trademark protects the words and symbols that are used to identify the source of a good. A trademark would protect Nike's "swoosh" or its tagline. A patent would protect the actual design of a shoe, while copyright would apply to a photograph, book, movie, song, etc. to protect tangible works of authorship.

Benefits of trademarks

- Helps the public identify and remember the nonprofit's products/services
- Prevents public confusion
- Can be associated with quality and credibility
- Can generate revenues through program fees or product sales, licensing, and co-branding
- Can protect the organization's name (e.g. from people who use it to deliberately try to tarnish its reputation)

The Process of Acquiring a Trademark

Select a Mark

Decide on a word, name, symbol, or other device that you want to represent your organization. For more on creating a brand identity, see [this article by DK Holland](#).¹

In order to function as a valid trademark, the mark must be distinctive – it must be capable of identifying your organization. A mark may be inherently distinctive or have acquired distinctiveness. An inherently distinct mark is distinctive due to its nature and context, while acquired distinctiveness is acquired when purchasers have come to perceive the mark as a designation that identifies certain goods. Inherent distinctiveness is preferred; it makes registration much easier.

In order to be *inherently* distinctive, the mark should be (1) fanciful; (2) arbitrary; or (3) suggestive.

¹ <http://foundationcenter.org/pnd/npodesign/npodesign.jhtml?id=114100022>

| | Fanciful | Arbitrary | Suggestive |
|-------------------------------|---|---|--|
| Description | An invented name or mark that has no previous dictionary meaning. | A word or image that is used in a way not related to its dictionary meaning. No logical relationship. | The mark evokes or suggests a characteristic of the product. Some imagination necessary. |
| Examples | Lululemon, Kodak, | Apple (electronics), Camel (cigarettes), Nike “swoosh” | Coppertone (sunscreen) |
| Strength of protection | Strongest | Very strong | Very strong |

The following chart depicts types of marks that are less preferred:

| | Generic | Descriptive without secondary meaning | Descriptive with secondary meaning |
|--------------------|---------------------------|---|--|
| Description | Simply names the good | Directly describes (rather than suggests) a characteristic or quality of the product. | Secondary meaning is when the consuming public primarily associates the mark with the source (your nonprofit) rather than the product. |
| Examples | Lite Beer | Vision Center, an image of a TV for television repair services | Holiday Inn, Yellow Pages |
| Strength | Ineligible for protection | Ineligible for protection | Eligible, but must clear additional hurdles. This category is not <i>inherently</i> distinct but rather has <i>acquired</i> distinctiveness. |

All things being equal, aim to choose a fanciful or arbitrary mark – these marks are strongest and most easily protectable. Be cautious when choosing a mark that indirectly suggests a quality or characteristic of the nonprofit. The line between a suggestive mark and a descriptive one can be murky, and having to prove that your mark is suggestive could be costly.

Relevant Considerations

- Is there a chance your mark will evolve over time?
- Do you need a specific color in your mark?
- Do you seek to use the mark in the US or all over the world?

Search for similar marks

Run a trademark search to see whether another party is using the same mark (or a similar enough mark that creates a likelihood of confusion) for similar goods or services. Make sure that the use of the mark will not infringe on someone else’s mark. Infringement does not have to be intentional, so choosing to avoid searching for – and coming across – the same or similar mark can still form the basis for a cause of action.

Where to look

- USPTO's [Trademark Electronic Search System](#)²
- [California Attorney General's Registry of Charitable Trusts](#)³
- [California Secretary of State's Business Search](#)⁴
- Check domain name availability
 - If the name is not available, it may be a clue that another entity is using the name while also exposing a potential future roadblock (e.g., should the organization decide to have internet presence through its name or phrase)
- General search on Google or other search engine
- Utilize professional search services

How do you tell when a mark is too similar?

The legal standard is “likelihood of confusion” – this is a multi-factor legal analysis. If the company wishes to provide products or services internationally, this analysis must be done in every market where the organization intends to act. However, a mark is more likely to be refused if the mark is similar to another and the goods/services of the parties are related in a way where a consumer may believe they come from the same source.

Example: T.MARKEY for “shoes” and TEE MARQEE for “shirts.” The marks are similar because they sound identical. Although the goods differ, they are considered related for the purposes of a likelihood of confusion analysis.

What if the chosen mark is too similar or the same?

- Move to a new brand
- Pay licensing fees
- Buy the other side out
- Consult an attorney

Registration

If your mark qualifies for protection, you may choose to register the mark with the U.S. Patent and Trademark Office (USPTO). Note that a descriptive mark may only be registered after it acquires secondary meaning, which may require a period of use during which it is not entitled to trademark protection. Rights to a trademark may also be acquired by being the first to use the mark in commerce, but this protection is geographically limited. Registering the mark with the USPTO, however, gives you the right to use the mark nationwide regardless of how large the area in which the product is actually distributed.

² <http://tess2.uspto.gov/bin/gate.exe?f=tess&state=4804:k0jap8.1.1>

³ <http://oag.ca.gov/charities>

⁴ <http://kepler.sos.ca.gov/>

Benefits

- Nationwide protection and a legal presumption of your ownership of the mark
- Enables infringement suits in federal court
- Allows potentially treble damages, attorney fees, and other remedies
- Allows the use of the U.S. registration as a basis to obtain registration in foreign countries
- The right to use the ® symbol (after actual registration; do not use when an application is pending)
- After 5 years, trademarks may become “incontestable”

What is ineligible for registration?

- Generic marks
- Descriptive marks that have no attained secondary meaning
- Immoral or scandalous marks
- Certain geographic marks
- Marks used in a purely ornamental manner
- Marks that are primarily surnames
- Marks that are likely to be confused with existing marks

Registration Process

The trademark application may be filed online [here](#).⁵ This will involve submitting either the regular TEAS form or the TEAS Plus form. The TEAS Plus form has stricter requirements but costs \$50 less per class (at \$275 per class). The applicant must:

- File a “complete” application, making almost all fields on the form mandatory
- Select the listing of goods and/or services directly from the USPTO’s Acceptable Identification of Goods and Services Manual
- Pay the fees for all classes at the time of filing
- File a Response to Office action and possibly other later communications regarding the application
- Receive all communications concerning the application via email

If the USPTO determines that any requirement has been violated, the additional \$50 fee per class will be charged.

A regular TEAS form is \$325 per class.

⁵ http://www.uspto.gov/trademarks/basics/online_filing.jsp

You may not add or subtract words or designs to the mark during the process, with rare exceptions, so have your mark finalized before registering with the USPTO. Double check all your documents before submission.

Basis for filing

If you have used the mark in commerce, file under the “use in commerce” basis. If you intend to use your mark in the future, file under the “intent to use” basis. In order to file under the latter, you must have a bona fide intent to use the mark in commerce and, while not market-ready, have progressed towards that goal (business plan, sample products, etc.).

Check status

The USPTO recommends that filers check on the status of their application every 3-4 months using the [Trademark Status and Document Retrieval \(TSDR\)](#)⁶ system.

The total time for an application to be processed ranges from months to several years, depending on the specifics of the application. [View timelines here.](#)⁷ An application based on “use in commerce” (where you are currently using your trademark) may take slightly less time, because approximately 3 months after the USPTO publishes the mark, the mark may be registered. An application based on “intent to use” must go through an additional step. A Notice of Allowance is issued to the applicant 2 months after publication and the applicant must then file a Statement of Use within 6 months, which is then reviewed and approved. Approximately 2 months after this, the USPTO will issue a registration.

Since any mistake will set back a trademark application several months, an attorney may be helpful in the filing process. To locate a trademark lawyer, check with the local bar association. However, consulting an attorney is not mandatory—any person may file a trademark application.

Costs

The filing fee will depend on (1) the number of classes of goods and (2) whether the regular TEAS form or TEAS Plus form is used. An “intent to use” basis for filing will also require additional fees and filings. Fees are generally not refundable. Only one mark may be filed per application.

Number of classes

If the application is for a single mark that is used in 2 different classes (e.g. computer software in Class 9 and t-shirts in Class 25) then a filing fee for 2 classes is required.

Maintenance

After acquiring a trademark, you will want to maintain its protection. Irrespective of what is written here, adhere to any specific maintenance requirements given to you by the USPTO.

Filings

The first maintenance document ([Declaration of Continued Use or Excusable Nonuse under Section 8](#)⁸ - §8 declaration) must be filed between the 5th and 6th year after the registration date or within the following 6 month grace period. You will not receive a reminder notice from the USPTO. If the documents

⁶ <http://tsdr.uspto.gov/>

⁷ http://www.uspto.gov/trademarks/process/tm_timeline.jsp

⁸ <http://teas.uspto.gov/postreg/sect08>

are not filed on time, your registration will be cancelled and cannot be reinstated – you will need to begin a brand new application.

At the end of every 10 year period, you will need to file a [Combined Declaration of Continued Use and Application for Renewal under Sections 8 and 9](#).⁹

Other maintenance forms may be found [here](#).¹⁰

Monitor Use

A trademark can be lost when it is no longer associated with the original trademark owner. This can happen through the following situations:

- Licensing a trademark without quality control or supervision
- Assigning a trademark to another party in gross without the corresponding sale of any assets
- Allowing the trademark to become a generic name of a type of goods or services (e.g. Aspirin)
- Using the trademark as a noun or verb may risk the trademark becoming a generic term
- The trademark has not been used for 3 consecutive years and is considered abandoned

Stay Consistent

Avoid variations of the trademark. Keep it in the same form and spelling. Do not abbreviate it.

Use Symbols

Include a proper trademark notice - ® for registered trademarks and TM for unregistered trademarks.

Protecting your trademark

To protect your trademark, monitor for impermissible use and use the following steps to prevent future infringement or legal hurdles.

- If textual, consider reserving trademarks as user account names, on online social networks, ad networks, search engines, and other interactive communities.
- Notify search engine operators or advertisers if trademarks are being improperly used.
- Protect your domain name. Consider simultaneously registering for a domain name corresponding to the trademark while applying to the USPTO. Some “cybersquatters” will register names after potential brand owners have filed trademark registration applications with the USPTO, forcing the brand owner to purchase the domain name from the cybersquatter.
- Use trademark notices (® for registered marks and TM for non-registered marks). While not required, this can help protect against future infringement by eliminating an “innocent infringement” defense.

⁹ <http://teas.uspto.gov/postreg/s08n09>

¹⁰ http://www.uspto.gov/trademarks/teas/reg_maintain.jsp

Licensing Trademarks

If you permit others (including members, other affiliated organizations, endorsed vendors, etc.) to use your trademark, it is imperative that you put strict conditions and limitations on its use. If you allow other parties to use your trademarks without sufficient control, it can jeopardize your trademark rights, create potential liability, damage your company's reputation, or any other number of problems.

You may license your trademarks only if you control the nature and quality of the goods or services that bear your mark. As the trademark owner, you should monitor the licensee's use of the marks.

Helpful Resources

- [Model License of Association Logo to Members](#)¹¹
- Example: [Princeton University Trademark License Agreement](#)¹²
- Example: [UC Berkeley's Trademark Guidelines and Requirements](#)¹³
- Example: [Apple's Mac Logo Trademark License Agreement](#)¹⁴

More information

- [USPTO Basic Facts](#)¹⁵
- [WSJ article on a legal battle for "for the cure"](#)¹⁶

¹¹ <http://www.asaecenter.org/Resources/whitepaperdetail.cfm?ItemNumber=12222>

¹² <http://www.princeton.edu/trademark/tlagreement.pdf>

¹³ <http://ombo.berkeley.edu/sites/ombo.berkeley.edu/files/content/TrademarkGuidelinesAndRequirements0102207.pdf>

¹⁴ https://developer.apple.com/softwarelicensing/agreements/pdf/mac_logo_license_agreement.pdf

¹⁵ <http://www.uspto.gov/trademarks/basics/BasicFacts.pdf>

¹⁶ <http://online.wsj.com/article/SB10001424052748703700904575390950178142586.html>