

Common Law Trademark Rights

Trademark rights arise in the United States from the actual use of the mark. Thus, if a product is sold under a brand name, common law trademark rights have been created. This is especially true once consumers view the brand name as an indicator the product's source. Common law marks are marks protected because they have been adopted and used, and the public recognizes the products or services identified by the mark as coming from a particular source. The term "common law" indicates that the trademark rights that are developed through use are not governed by statute. Instead, common law trademark rights have been developed under a judicially created scheme of rights governed by state law.

Coexistence of Federal, State, and Common Law Trademark Rights

Federal trademark law coexists with state and common-law trademark rights. Originally, state common law provided the main source of protection for trademarks. However, in the late 1800s, the U.S. Congress enacted the first federal trademark law. Since then, federal trademark law has consistently expanded, taking over much of the ground initially covered by state common law.

Federal trademark law is embodied in the Lanham Act, which was enacted in 1946 and most recently amended in 1996. The Lanham Act is based upon the Commerce Clause of the Constitution. Congress enacted the Lanham Act under its Constitutional grant of authority to regulate interstate and foreign commerce. Therefore, to obtain a federal trademark registration, in most cases the owner of a mark must demonstrate that the mark is used in a type of commerce that may be regulated by Congress. The Trademark Law Reform Act of 1988 amended the Lanham Act to establish trademark rights, which vest upon registration following use of the mark in commerce, as of the filing date of a trademark application indicating a bona fide intent to use the mark in commerce. For trademarks used in commerce, federal trademark protection is available under the Lanham Act.

Many states have trademark registration statutes that resemble the Lanham Act, and all states protect unregistered trademarks under the common law of trademarks. A trademark registered under the Lanham Act has nationwide protection. Today federal law provides the main and the most extensive source of trademark protection, although state common law actions are still available.

State and Federal Registration Systems

Registration at either the federal or state level is not necessary to create or maintain ownership rights in a mark. State registration systems exist throughout the country to allow the owners of common law marks to register them if they are used within a particular state. As commerce between the various states evolved, the federal system of registration emerged to provide protection for marks in interstate commerce. Federal protection may be available for the name of a product and/or service, a logo, or any other mark that identifies the source of a product or service. Common law and state registration rights are enhanced by the benefits associated with federal registration.

Federal registration, a system created by federal statute, is not required to establish common law rights in a mark, nor is it required to begin use of a mark. However, federal registration, if available, is almost always recommended and gives a trademark owner substantial additional rights not available under common law. Federal registration rights can be renewed and can last forever.

Limited to Geographic Area of Mark

Common law trademark rights are limited to the geographic area in which the mark is used. It can be difficult to discover whether anyone has trademark rights in a particular mark because no registration is required in order to establish common law rights to a trademark.

First-in-Time Rule

The general rule is often referred to as “first-in-time,” which states that the first person or entity to use a trademark in commerce receives common law protection for the use of that trademark. Thus, this “first person” can prevent others from using that same trademark even if this “first person” never registered the mark. Therefore, conducting a comprehensive trademark search is vital in helping make the determination of whether to proceed forward with a trademark registration even if the mark is not registered with the United States Patent and Trademark Office (USPTO) by another person or company. The first business to use a trademark generally obtains certain common law rights to it, whether or not it is registered. The owners of unregistered trademarks may indicate their claim to common law rights to the trademark by using “TM” with it. Priority of trademark rights between owners of confusingly similar marks, regardless of whether the marks are federally registered, is based upon first use of the mark.

Common Law Rights Arise from Actual Use

Federal registration is not required to establish rights in a trademark. Common law rights arise from actual use of a mark. Generally, the first to

either use a mark in commerce or file an intent-to-use application with the USPTO has the ultimate right to use and registration.

Common Law Search

A common law search involves searching records other than the federal register and pending application records. It may involve checking phone directories, yellow pages, industrial directories, state trademark registers, databases, and other sources to determine whether a given trademark has been used already. A common law trademark search is generally done after searching the USPTO database of registered trademarks. In order to register a trademark, the federal trademark application requires a signed declaration from the applicant that states, "to the best of his/her knowledge no other person, firm, corporation, or association has the right to use the above identified mark."

Ms. Harper registers and defends intellectual property rights. If you have received a cease and desist letter or believe that someone is using your trademark without your permission, please contact Tamara Harper, Esquire at tamara@tamaraharper.com to discuss with her prior to doing such on your own. Ms. Harper has written the article, "Copyright Infringement and Fair Use Defense" which provides further information on the subject of copyright infringement. Please contact Ms. Harper if you would like to read this article as well.