

## DISCUSSION

# Trademark Vigilance in the Twenty-first Century: A Pragmatic Approach

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Panelists: Bret I. Parker\*\*  
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MR. SLOANE: Good evening. I am Peter Sloane, co-chair of The Trademark Law Committee of the New York State Bar Association, and my fellow co-chair is Carol A. Witschel. Carol and I welcome you to our second annual panel discussion on trademark practice,<sup>1</sup> cosponsored by the *Fordham Intellectual Property, Media & Entertainment Law Journal*. I would like to thank the Editor-in-Chief of the *Journal*, Mark McGrath, for his assistance in organizing tonight's event.

Turning to tonight's panel discussion, the Trademark Law Committee and the *Journal* hosted the inaugural panel discussion

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1. This discussion was held on March 8, 1999, in the McNally Amphitheatre at Fordham University School of Law. Footnotes are provided by the *Fordham Intellectual Property, Media & Entertainment Law Journal*.

last year, titled “Trademark Prosecution in the Patent and Trademark Office and Litigation Before the Trademark Trial and Appeal Board.”<sup>2</sup> Tonight’s panel discussion fits somewhere in between.

In the beginning, the trademark owner applies to register a mark in the United States Patent and Trademark Office (“PTO”) to protect its mark.<sup>3</sup> During the lifetime of the mark, if there is an infringement, the trademark owner will sue to enjoin the infringing use or registration.<sup>4</sup> But what happens during the time period in

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2. See Discussion, *Trademark Prosecution in the Patent and Trademark Office and Litigation Before the Trademark Trial and Appeal Board*, 8 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 451 (1998).

3. Technical requirements for filing are set forth in section 1 (a) of the Lanham Act, see 15 U.S.C.A. § 1051 (West 1998), Trademark Rules 2.31 to 2.58, see 37 C.F.R. §§ 2.31-2.58 (1998) (governing application practice and inter partes cases), and Trademark Manual of Examining Procedure (“TMEP”). Section 1 of the Lanham Act provides:

The owner of a trade-mark used in commerce may apply to register his or her trade-mark under this chapter on the principal register established:

(1) By filing in the Patent and Trademark Office—

(A) a written application, in such form as may be prescribed by the Commissioner, verified by the applicant, or by a member of the firm or an officer of the corporation or association applying, specifying applicant’s domicile and citizenship, the date of applicant’s first use of the mark, the date of applicant’s first use of the mark in commerce, the goods in connection with which the mark is used and the mode or manner in which the mark is used in connection with such goods, and including a statement to the effect that the person making the verification believes himself, or the firm, corporation, or association in whose behalf he makes the verification, to be the owner of the mark sought to be registered, that the mark is in use in commerce, and that no other person, firm, corporation, or association, to the best of his knowledge and belief, has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive . . .

(B) a drawing of the mark; and

(C) such number of specimens or facsimiles of the mark as used as may be required by the Commissioner.

15 U.S.C.A. § 1051(a). The TMEP is a current and comprehensive guide to all aspects of filing and prosecuting trademark applications in the Patent and Trademark Office. See 1 JEROME GILSON, TRADEMARK PROTECTION AND PRACTICE § 3.04[1], n.1 (1998).

4. See 15 U.S.C.A. § 1114 (West 1998). Section 114 states:

(2) . . . [T]he remedies given to the owner of a right infringed under this chapter or to a person bringing an action under [15 U.S.C.A. § 1125(a)] shall be limited as follows:

(A) Where an infringer or violator is engaged solely in the business of

between? How does the trademark owner learn about potential infringers?

The passive trademark owner takes action only after learning about actual confusion in the marketplace,<sup>5</sup> or, for example, receiving a blocking mark in the PTO. In the middle, many trademark owners subscribe to a watching service<sup>6</sup> to watch for developments

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printing the mark or violating matter for others and establishes that he or she was an innocent infringer or innocent violator, the owner of the right infringed or person bringing the action under [15 U.S.C.A. § 1125(a)] shall be entitled as against such infringer or violator only to an injunction against future printing.

(B) Where the infringement or violation complained of is contained in or is part of paid advertising matter in a newspaper, magazine, or other similar periodical or in an electronic communication as defined in section 2510(12) of Title 18, the remedies of the owner of the right infringed or person bringing the action under section 1125(a) of this title as against the publisher or distributor of such newspaper, magazine, or other similar periodical or electronic communication shall be limited to an injunction against the presentation such newspapers, magazines, or other similar periodicals or in future transmissions of such electronic communications. The limitations of this subparagraph shall apply only to innocent infringers and innocent violators.

(C) Injunctive relief shall not be available to the owner of the right infringed or person bringing the action under [15 U.S.C.A. § 1125(a)] of this title with respect to an issue of a newspaper, magazine, or other similar periodical or an electronic communication containing infringing matter or violating matter where restraining the dissemination of such infringing matter or violating matter in any particular issue of such periodical or in an electronic communication would delay the delivery of such issue or transmission of such electronic communication after the regular time for such delivery or transmission, and such delay would be due to the method by which publication and distribution of such periodical or transmission of such electronic communication is customarily conducted in accordance with sound business practice, and not due to any method or device adopted to evade this section or to prevent or delay the issuance of an injunction or restraining order with respect to such infringing matter or violating matter.

*Id.*

5. See *id.*; Edwin S. Clark, *Finding Likelihood of Confusion with Actual Confusion: A Critical Analysis of the Federal Courts' Approach*, 22 GOLDEN GATE U.L.REV. 393 (1992) (arguing that actual confusion is the dispositive element federal courts use in deciding such controversies), *but see* *Lexington Management Corp. v. Lexington Capital Partners*, 10 F. Supp. 2d 271, 287 (S.D.N.Y. 1998) (holding that it is not necessary to establish actual confusion as to the source of origin of the goods, to prevail in a Lanham Act case and that it is sufficient to demonstrate merely a likelihood of confusion).

6. As part of an overall policing program, trademark owners often employ watch services as a means of detecting infringements as early as possible. Watching services

in the marketplace and the various trademark registries. Finally, the aggressive trademark owner takes active policing efforts, including, for example, conducting dilution searches, searching the Internet on a periodic basis, and systematically gathering intelligence from customers and employees.<sup>7</sup>

The purpose of tonight's panel discussion is to discuss some of these various approaches to trademark vigilance. We also hope to address some issues along the way, including defining how a trademark owner defines a workable scope of protection, whether the trademark owner has a legal duty to protect, or police its mark, and if trademark vigilance has changed in the age of Internet. We shall address these and other issues from three different, but related, perspectives: the corporate trademark owner, outside legal counsel, and the company that provides the tools to monitor the marketplace and registries.

Here tonight we have Bret Parker of Colgate-Palmolive, an \$8.7 billion company that markets its products in over two hundred countries around the world; Eric Prager of Darby & Darby, a full-service intellectual property law firm based in New York; and Kathleen Donohue of Thomson & Thomson, a world-leading trademark and copyright research firm.

Our first speaker tonight is Bret Parker. Bret graduated from the University of Pennsylvania and Fordham University School of Law, where he was managing editor of the *Fordham International Law Journal*. After graduation, he clerked for Judge K. Michael Moore in the United States District Court for the Southern District of Florida. Following his clerkship, he worked in New York as an associate at Townley and Updike, and then Dorsey & Whitney, until November of 1997. At that time, Bret joined the legal department of the Colgate-Palmolive Company, where he is now senior

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notify trademark counsel when applications to register potentially confusing marks are filed and/or subject to opposition. Watch services typically also offer common law and domain name coverage. Thomson & Thomson is the Leading watch service operating in the North American market.

7. A systematic policing program can provide proof of the strength of a mark. *See* Cullman Ventures Inc. v. Columbian Art Works Inc., 717 F. Supp. 96 (S.D.N.Y. 1989); E.I. Dupont de Nemours & Co. v. Yoshida Int'l, Inc., 393 F. Supp. 502, 512 (E.D.N.Y. 1975).

trademark and copyright attorney. In his current position, Bret is responsible for Colgate's worldwide trademark and copyright litigation, prosecution, clearance, counseling, and transactional matters, such as divestitures and acquisitions. Please help me welcome Bret Parker.

MR. PARKER: Thank you, Peter.

I am happy to report that Colgate-Palmolive would probably be considered an aggressive trademark owner in the categories that Peter mentioned. In 1997, *Financial World* magazine did its annual survey on the value of trademarks.<sup>8</sup> They rank and value famous trademarks.<sup>9</sup> The trademark "Colgate", for example, was worth approximately \$4.4 billion—and that is just the trademark alone.<sup>10</sup> That does not include factories, materials, or employees. So the trademarks of Colgate-Palmolive are very valuable assets, and we take a lot of steps to protect them.

The purpose of vigilance is to detect and fight the infringement of our trademarks. "Vigilance" is a misleading word. You hear "vigilance" and you think of us just sitting there, holding vigil, waiting for something to happen. This is not the case. It is actually a very proactive program, involving a collection of practices that allows us to very aggressively spot infringements and take steps against them.

The first step we take is to place most of our important trademarks on a watching service.<sup>11</sup> Through companies like Thomson & Thomson, anytime anyone in the world—and we watch our trademarks around the world—applies for the same or similar

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8. See Kurt Badenhausen, *Most Valuable Brands: Many of the Newer Brands are also the Fastest-growing*, FINANCIAL WORLD, Sept. 19, 1997 at 62.

9. See *id.* Famous marks are provided protection not only against trademark infringement but also dilution under the Federal Trademark Dilution Act of 1995 ("Dilution Act"). See Pub. L. No. 104-98, 109 Stat. 985 (1996) (codified at 15 U.S.C.A. §§ 1125(c), 1127 (West 1998 & Supp. 1999)). Dilution is the diminishment over time of the capacity of a distinctive trademark to identify the source of goods bearing that mark. See 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:70 (4th ed. 1998) (analyzing trademark dilution). The rationale for granting protection only to "famous" marks is that those marks are most likely to be adversely affected by dilution. See *id.* § 24:95.

10. See *id.*

11. See *supra* note 6 and accompanying text.

trademark, we are notified about it.<sup>12</sup> And that is just one line of defense that we employ to see if someone intends to sell products that would infringe our trademarks.

We get watch notices.<sup>13</sup> We get gazettes from the United States and other countries.<sup>14</sup> A gazette is a public book or publication that lists every time trademarks are applied for and then published for opposition,<sup>15</sup> or just applied for in some countries. That process allows people to have an opportunity to know about trademark applications and oppose them if they want to.<sup>16</sup> Apart from the watch notices that we get, we have subsidiaries in every country that is also watching their local gazettes.<sup>17</sup> So that is our first line of defense. There has been an incredible increase in trademark filings<sup>18</sup> in the United States and around the world, so this is a very busy process for us.

The next step is to keep an eye on the marketplace.<sup>19</sup> It is very

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12. Trademark watch services such as Thomson & Thomson usually offer international in addition to domestic coverage.

13. Trademark watch services issue "watch notices" to the subscribing trademark owner listing valuable information such as the potentially contending mark, the name and address of the applicant, the filing correspondent, the date of the filing, and/or the date of publication.

14. United States Patent and Trademark Office ("PTO") gazette notices are available on the PTO Website. See U.S. Patent and Trademark Office, *Official Gazette Notices* (last modified Jan. 20, 1999) <<http://www.uspto.gov/web/offices/com/sol/og/index.html>>.

15. Generally, if it appears upon examination by the PTO that the trademark applicant is entitled to have his or her mark registered on the Principal Register, the mark is published in the Official Gazette for opposition. See 37 C.F.R. § 2.80 (1999). Anyone that believes that he or she would be damaged by the registration of the mark is entitled to oppose the registration by filing an opposition addressed to the Trademark Trial and Appeal Board. See 37 C.F.R. §2.101(b) (1999).

16. See *supra* note 15.

17. Examples of local gazettes include the *Official Journal of the Trade Marks Office* in Australia, *Le Bulletin Officiel de la Propriete Industrielle (BOPI)* in France, *Markenblatt* in Germany, *Official Trade Mark Gazette* in Japan, *Boletin Oficial de la Propriedad Industrial* in Spain, and *Trade Marks Journal* in the United Kingdom.

18. The volume of United States trademark applications has almost doubled in less than a decade, growing from approximately 112,000 filings in 1990 to more than 200,000 filings in 1998. See Glenn A. Gunderson, *Expansion of Trademark Law Yields Trickier Search: Development of Unusual Marks, Dilution Law and the Internet Complicate Clearance Process*, NAT'L L.J., May 31, 1999, at C9.

19. Trademark rights arise from use and not just registration in the United States. See *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 98 (1918).

important for us, through our employees, our in-house attorneys in the United States and abroad, and through outside law firms to know when people are selling products that are too close to ours. We watch for these trademark infringements.<sup>20</sup> It is true that our employees, approximately 38,000 employees around the world, are a very good source of information for infringements. Thus, they are a very key part of our vigilance program.

In addition to employees and people at the company and our lawyers, we also get a lot of feedback from the public.<sup>21</sup> Our consumer affairs department, which is based in New York, receives hundreds of thousands of contacts from the public on an annual basis—whether it is through telephone calls, e-mails, or letters. I have listened to some of these telephone calls, and they are from very interesting people. They are people who are really very interested in our products. They are very eager to let us know when they are happy or not happy. We get a lot of information about infringements through consumer affairs.

Investigations. When we learn about these infringements and these problems, we spend a lot of time investigating them. We need to know: What kind of a company it is that is engaging in the activity? What kind of product are they selling, if anything at all? Sometimes we learn about infringements, as I said, through watch notices. These are companies that may be thinking of infringing us but perhaps have not yet done so.

The key is really to keep an eye on everything. We need to watch the marketplace, we need to watch filings, and we need to

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20. Trademark infringement is the unauthorized use of a mark or similar mark that is likely to cause confusion, mistake, or deception as to the affiliation, connection, or association of the unauthorized use with the mark of the trademark holder. *See* 3 MCCARTHY ON TRADEMARKS, *supra* note 9, § 23:1.

21. In fact, commentators assert that trademark protection is consumer protection. *See* 1 MCCARTHY ON TRADEMARK, *supra* note 9, § 2:33. The plaintiff in trademark litigation is characterized as the “vicarious avenger” of consumer interests. *Id.* The consumer who is to be protected is not necessarily the sophisticated buyer who makes careful distinctions, but the mythical “average consumer”: “[t]he law is not made for the protection of experts, but for the public—that vast multitude which includes the ignorant, the unthinking, and the credulous, who, in making purchases, do not stop to analyze, but are governed by appearances and general impressions.” *Florence Mfg. Co. v. J. C. Dowd & Co.*, 178 F. 73, 75 (2d Cir. 1910).

constantly speak with our subsidiaries and our business partners around the world. Vigilance is not a sprint, it is a marathon. We need to keep track of these offenders on a long-term basis.<sup>22</sup> Anecdotal, a recent example involved someone in Israel who was knocking off our Palmolive product in a store. Because we track these infringements, and because we keep a computer log of when these come up, we are able to see patterns. We see that the same company has done it twice. Keeping track of the infringements is really very important if you are going to have any kind of organized and effective vigilance process.<sup>23</sup>

You do not need to have a fancy computer to do it. You can do it on paper, an index, or a Microsoft Excel spreadsheet. But it is very important to keep track of the infringements when you find them, so that you can see patterns. And if you need to get more aggressive with someone—if they infringed you once, you wrote them a letter,<sup>24</sup> and they promised to stop, and you have to write to them again—you can ratchet up the kind of pressure that you

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22. A long-term, policing program should be undertaken for a trademark owner's marks regardless if the marks are registered. See Nancy Bellhouse May, *What's in a Name: A Trademark Primer for the General Practitioner*, 28 ARK. LAW. 27 (1994). Such a program need not be expensive, as the trademark owner's employees can police marks informally and often very effectively. See *id.*. Companies such as Mattel Incorporated have undertaken a far-reaching long-term policing program of its many trademarks such as "Barbie" and "Masters of the Universe." See *Mattel, Inc. v. MCA Records, Inc.*, 28 F. Supp. 2d 1120 (C.D. Cal. 1998).

23. See, e.g., *Lexington Management Corp. v. Lexington Capital Partners*, 10 F. Supp. 2d 271, 282 (S.D.N.Y. 1998) (finding that the plaintiff has successfully policed against third-party use of its mark, sending cease and desist letters to unauthorized users of the "Lexington" mark for financial services, and successfully halting all such uses to prevent a holding that their mark is weak); *Nabisco v. Warner-Lambert Co.*, 32 F. Supp. 2d 690 (S.D.N.Y. 1999) (holding that because of extensive third-party use of plaintiff's trademark "Ice Breakers" and failure to police, the plaintiff's mark was weak); but see, *Miss Universe, Inc. v. Little Miss U.S.A., Inc.*, 212 U.S.P.Q. 425 (N.D. Ga. 1981) (noting that contemporaneous use of similar names by a third party can erode a mark's strength, notwithstanding the senior user's vigilance in policing the mark).

24. The cease and desist letter is cost-effective powerful tool for any practitioner involved in trademark protection. See Jill N. Johnston, *Lethal Weapon: The Cease and Desist Letter in Trademark Enforcement*, 14 ACCA DOCKET 46, 46 (Nov./Dec. 1996). A typical cease and desist letter identifies the trademark owner and the marks in question, a notice to the recipient that its activities infringe the stated marks, and a demand that the recipient immediately cease and desist from further infringing activities. See *id.* at 56. The letters should be sent by certified or registered mail, return receipt requested, and also by hand delivery, if possible. See *id.*

would bring against them.

Not only are watching and keeping track of infringements important just in themselves, but they are also very helpful for litigation. Very frequently, we need to provide proof that we have been policing our marks and taking steps against infringements. These efforts also help to build up the strength of the mark.

A very good example is “Murphy” oil soap, which is a Colgate product. We not only use the Murphy trademark, we also use a logo that is a green and red bull’s-eye design.<sup>25</sup> It is a series of circles within each other. When we attempt to get trademark protection for it in the United States and we encounter problems, because, for example, the Trademark Office says that the design does not function as a trademark, we are able to use our database of information and find infringements of the Murphy design. Not the word “Murphy,” but the Murphy design. Proof that people have infringed that logo is very good evidence that it functions as a trademark.<sup>26</sup>

From the in-house perspective, in order to watch over all the different infringements that you might find, you really need to know the business. You need to know the product category. At Colgate-Palmolive, the trademark lawyers are broken down by product categories. Someone handles oral care, someone handles fabric and surface care, and someone handles pet food. And by being familiar with your business, you really know whether an infringement that you see is a threat or not.

I have had examples where we learned of someone applying for a trademark that looks very similar to one of ours. By doing just a little bit of investigation, I was able to find out that what they

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25. Doctrinally, the “Murphy” oil soap logo may be protectable. Background design, when used in connection with word mark in such way as to create in minds of consuming public commercial impression, separate and apart from a word mark itself, may be protected as separate mark. *See* *Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 613 (9th Cir. 1989).

26. *See, e.g., Conagra, Inc. v. Singleton*, 743 F.2d 1508, 1512-13 (11th Cir.1984) (asserting that the use of an unregistered trademark constitutes a Lanham Act violation where the plaintiff’s unregistered trademarks are so associated with its goods that defendant’s use of the same or similar marks constitutes a representation that the defendant’s goods come from the same source); *Boston Professional Hockey Association, Inc. v. Dallas Cap & Emblem Mfg., Inc.*, 510 F.2d 1004, 1010 (5th Cir. 1975) (same).

were doing was an entirely different kind of business. That does not bother us at all. It may be that they are only doing it in a limited geographic area where we are not selling our product and do not have a real interest in protecting the trademark.<sup>27</sup> So it is very important to know the product category and be informed about your business.

Peter mentioned the Internet. The Internet obviously is a very important area for us right now. Unfortunately, we find that it is extremely difficult to track trademark infringement on the Internet.<sup>28</sup> There are a number of companies that provide services that

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27. The territorial scope of trademark rights must be defined in terms of customer perception. 4 MCCARTHY ON TRADEMARK, *supra* note 9, § 26:27. A trade area is the area in which people have associated a service mark with a particular business such that they would likely be confused by another's unauthorized use of the mark. *See id.* The territorial scope of a trademark and its good will be defined in terms of the area from which customers are drawn, the coverage of advertising media, and the nature of the goods or services sold. *See id.*

28. Arguably, the most difficult task facing intellectual property owners is tracking Internet infringement of their works given the vast size of the Internet and the limitations of Internet search engines. *See* Dale M. Cendali & Rebecca L. Weinstein, *Intellectual Property and the Internet* 1998 A.B.A. BUS. L. LITIG. TORT & INS. PRAC. 137. Some entities such as the American Society of Composers, Authors and Producers ("ASCAP") and Broadcast Music, Inc. ("BMI") develop their own procedures for detecting infringement. *See id.* Both ASCAP and BMI employ teams of people to surf the Internet and locate web sites that illegally use or offer downloads of their members' works. *See id.* The first step toward effective Internet trademark enforcement is to identify those marks that warrant protection through such a program. *See* Mark A. Thurmon, *A Pragmatic Approach to Internet Trademark Policing*, 547 PLI/PAT 139, 145 (1999). The next step in developing your enforcement program is to determine the types of situations the trademark owner is likely to face. *See id.* at 146. The next step is to identify the problem, which arguably is the most important and the most daunting task. *See id.* Once the Internet trademark problems are identified, each situation should be categorized and a cease and desist letter should be sent via e-mail and conventional mail. *See id.* at 147. Periodic follow-up checks of the problem sites should be conducted. *See id.* If your first letter did not resolve all the problems, follow-up letters should be sent until the problem is eliminated or there is a necessity for additional action. *See id.* Finally, quarterly, monthly, or other periodic reports should be prepared to demonstrate the status and results of the program. *See id.* The World Intellectual Property Organization ("WIPO") has undertaken an extensive international process of consultations for the purpose of making recommendations to the corporation established to manage the domain name system, the Internet Corporation for Assigned Names and Numbers ("ICANN"), on certain questions arising out of the interface between domain names and intellectual property rights. WIPO's recommendations are embodied in WIPO Final Report: Internet Domain Name Process (visited May 6, 1999) <<http://wipo2.wipo.int/process/eng/processhome.html>>.

will allow you to track infringements in terms of selling diverted product or infringing product.<sup>29</sup> There are companies that claim to give you information on improper uses of your trademark.<sup>30</sup> There are companies that will claim to give you information on “meta-tagging,” which is when someone takes your trademark and hides it in the code of Web site.<sup>31</sup>

When this happens, a consumer searching for Colgate on the Internet finds himself at the site that has Colgate hidden in the metatag. Metatagging usually comes up in the area of pornography.<sup>32</sup> The most important step for a pornographic website is to get eyes to their site. These operations do not care if people get

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29. For example, Thomson & Thomson (“T&T”)’s “SiteComber” service allows for an exact screening search of Web sites for occurrences of the customer’s trademark. See Thomson & Thomson (visited May 6, 1999) <<http://www.thomson-thomson.com>>.

30. For example, beyond Internet searching services, “T&T” purports that their resources consist of millions of computer file records from the United States and nearly 200 other countries, a broad collection of trademark information customized for trademark searching by T&T data managers, as well as common law coverage of unregistered trademarks. See Thomson & Thomson (visited May 6, 1999) <<http://www.thomson-thomson.com>>. Corsearch Inc., the second largest provider of trademark research services in the United States, searches three major categories of trademark information for its customers: all federal trademarks that have been filed with and distributed by the PTO; state trademarks that have been filed with the Secretary of State offices of the fifty states and Puerto Rico; and common law usages by third parties, of company names, product names, trade names, and brand names appearing in magazines, monographs, journals, newspapers, press releases, and periodicals. See Corsearch (last visited May 6, 1999) <<http://www.corsearch.com>>. Other companies include Government Liaison Services, Inc., see <<http://www.TrademarkInfor.com>>; Corporate Intelligence, see <<http://Trademarks.com>>; Trade Marks Directory Service, see <<http://tmds.com>>; OP Solutions, Inc., see <<http://www.opsolutions.com>>.

31. See 3 MCCARTHY ON TRADEMARKS, *supra* note 9, § 25:69. The trademark is used on a web site in a way that is visually invisible to a human reader but is visible to search engines. See *id.* “Metatagging” is also known as “hidden code,” “cyber-stuffing,” “buried code,” or “machine readable code.” *Id.*

32. See Ira S. Nathenson, *Internet Infoglut and Invisible Ink: Spamdexing Search Engines with Meta Tags*, 12 HARV. J.L. & TECH. 43, 44 (1998) (discussing the use of “metatags” by adult-oriented internet sites in hopes of appearing in as many searches, and as highly ranked in those searches, as possible). See also *Playboy Enterprises Inc. v. Calvin Designer Label*, 985 F. Supp. 1220, 1221 (N.D. Cal 1997). In *Playboy*, the first judicial decision enjoining the use of hidden code, the defendant who had used without authorization the domain names “playboyxxx.com” and “playmatelive.com,” was enjoined from using the Playboy trademarks in metatags on its web pages. See *id.* However, the court did not engage in any legal analysis of the issue. See *id.*; Jeffrey R. Kuester & Peter A. Nieves, *Hyperlinks, Frames and Meta-Tags: An Intellectual Property Analysis*, 38 IDEA 243, 274-75 (1998).

there mistakenly or on purpose. What they want is for the viewer to get there and then, hopefully, follow into the site. We have had instances where people have taken our trademarks and hidden them in the code of the text.<sup>33</sup> In theory, if you did a search on the Internet, using some sort of a search engine, you would go to an unrelated Web site. You would type in “Colgate,” and suddenly you would find yourself at a pornographic Web site. These are the kinds of infringements we need to look out for.

As I said, there are a lot of companies that claim to provide these kind of watching services. Just this morning, in the *New York Times*, there was a story about some of these companies.<sup>34</sup> Sometimes people are trying to find gossip about their company on the Internet, but there are companies that search for trademarks. Unfortunately, I have found the bad news that the Internet has really made infringements a lot easier for the infringer. Because searching tools are not quite there yet, it is a lot more difficult for us to spot all the infringers. We also have to prioritize the use of our resources, efforts, and time. We cannot chase everything on the Internet anytime anyone mentions “Colgate” in what may be an infringing fashion.<sup>35</sup>

So that is the bad news about the Internet. The good news is that it really has made some of the work that we do a lot more efficient. Anecdotally, in Australia we had a situation in which we had information that someone was selling a product that infringed one of our trademarks. Our outside trademark lawyer in Australia recommended conducting an investigation for \$400 to determine what this company was doing and what kind of a company it was. Rather than do that, we went on the Internet, and found the company’s Web site. We were able to get all the information we needed about the company right there. They had pictures of their products on the Internet. The Internet really was a very useful tool

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33. See 3 MCCARTHY ON TRADEMARKS, *supra* note 9, § 25:69; *supra* note 32.

34. See James Alexander, *Trolling for Scuttlebut on the Internet*, N.Y. Times, Mar. 8, 1999, at C4.

35. See, e.g., *Engineered Mechanical Serv. v. Applied Mechanical Tech., Inc.*, 584 F. Supp. 1149, 1160 (M.D. La. 1984) (“The owner of a mark is not required to constantly monitor every nook and cranny of the entire nation and to fire both barrels of his shotgun instantly upon spotting a possible infringer.”).

for us. So the pluses and the minuses of the Internet do tend to balance out.

Peter mentioned this kind of vigilance, where we are looking for infringements—detecting and preventing. There are two other kinds of vigilance I wanted to mention briefly. One is vigilance in the middle of a clearance program.<sup>36</sup> Very frequently when we are in the middle of adopting a trademark around the world, or filing for it around the world,<sup>37</sup> there is a gap between when we file for it and when we actually start using it.<sup>38</sup> It is very important for us to keep an eye out to keep a watch for people who adopt the trade-

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36. See, e.g., *International Star Class Yacht Racing Assoc. v. Tommy Hilfiger U.S.A., Inc.*, 146 F.3d 66, 71 (2d Cir. 1998) (discussing current trademark practice in clearing marks). Trademark clearance can be performed at several levels depending on the importance of the mark, the time available, and the client's budget. See Allyn Taylor, *Trademarks and the Multimedia Explosion*, 12 *COMPUTER LAW* 22, 24 (1995). The most comprehensive clearance in the United States includes a review of all federal trademark applications and registrations, state trademark registrations, common law trademark uses, and company names. See *id.* A comprehensive clearance program should include all of the collateral and merchandising areas in which the company anticipates entering. See *id.*

37. Where a trademark owner's business is international in scope, a worldwide filing program is necessary. See Domna L. Candido, *Domestic and International Trademark Protection Programs*, 528 *PLI/PAT* 225, 246 (1998). Choosing the various countries in which applications for the mark will be filed should include:

1. Countries in which the mark is or will be used. The time line for when registrations will be sought in a particular country may be further prioritized according to the client's marketing plans for that particular region. It is always a good idea to have registrations in place before embarking on distribution of the goods into the marketplace.

2. There are certain countries which should be considered for registration purposes regardless of whether the mark is used in the particular jurisdiction. These are:

- a. Countries where the client's goods are being manufactured. Registration in these countries may help in combatting infringements leaving "out the back door" of the manufacturer;
- b. Countries where your client's marks are most likely to be pirated; and
- c. Countries which follow the "first to file/register" priority rule, so that the client does not find itself totally preempted from entering those markets.

*Id.*

38. However, in the United States, filing of an application to register a trademark constitutes constructive use of the mark conferring a right of priority, nationwide in effect, on or in connection with the goods or services specified in the application contingent upon such registration. See 15 U.S.C.A. § 1057(c) (West 1998); see also *Warnervision Ent. v. Empire of Carolina, Inc.*, 101 F.3d 259, 262 (2d Cir. 1996).

mark before we have started to but after we have filed. So that is a very important part of our vigilance.

Another part of our vigilance is watching the competition. We have watch services that watch what some of our competitors do. We like to know what they are doing, and they like to know what we are doing.<sup>39</sup> It is very important for us all to see what products we are launching in different countries. It is a very important part of what we do. It is not the traditional kind of vigilance that Peter mentioned, but it is an important part for inside counsel.

Well, finally, on the international front, we have found that more and more companies like ours are adopting trademarks on an international scope, and that makes it a little bit easier for us.<sup>40</sup> Instead of having to watch to see if a trademark that we use in one region versus another is being infringed, we are able to watch more globally. Increasingly, we are adopting trademarks that are used around the world, rather than a local trademark, and that makes it a little bit easier for us to watch.

But we cannot watch everything, and we cannot take steps against everything. As I said, we do need to prioritize. We do need to balance our resources. Very often, we cannot do it ourselves. When we cannot, we turn to outside counsel, and we turn to firms like Darby & Darby.

MR. SLOANE: Thank you, Bret.

Our next speaker is Eric Prager of Darby & Darby. Eric is a graduate of Columbia College and Fordham University School of Law, where he served as Editor-in-Chief of the *Fordham Intellectual Property, Media & Entertainment Law Journal*. Eric is an as-

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39. For example, T&T provides a "Worldwide Ownership Watch" service whereby the activities of competitors are monitored as well as the publication of customer's marks. See Thomson & Thomson (visited May 6, 1999) <<http://www.thomson-thomson.com>>.

40. The Community Trademark ("CTM") system, enabling to protect a single Trademark in a single country of the European Community started to operate in the European Union on April 1, 1996. See Luis-Alfonso Duran, *Recent Developments in Community Trademark Practice and Procedures*, 536 PLI/PAT 625, 627 (1998). By the end of June 1998, approximately 84,640 applications have been received. See *id.* at 628. Applications originating in the United States represent 28 percent of the total CTM applications. See *id.*

sociate at Darby & Darby in New York, where he specializes in counseling, licensing, and litigation concerning all types of intellectual property rights.

Among his many achievements, Eric served as an aide to the chairman of the WIPO Committee of Experts on Copyright in the Digital Environment in Helsinki in 1996.<sup>41</sup> Eric has also published a substantial number of articles and spoken frequently on a variety of intellectual property issues.<sup>42</sup> Welcome, Eric.

MR. PRAGER: Thank you.

One of the things that Bret has talked about is what companies do to protect their trademarks, what some of the tools are that they use, and what the lines of defense are. What I would like to talk a bit about is what vigilance means, and why it is important to protecting your marks. What is it, exactly, that you are trying to protect? Rudolf Callmann, one of the first treatise writers on trademark law in the United States at least wrote that “trademark law not only encourages but requires one to be vigilant on pain of losing exclusive rights.”<sup>43</sup>

Well, that is sometimes true and sometimes not. In the context of laches, it certainly is true. Laches is prior use by the same infringer of your mark.<sup>44</sup> If you let someone use your mark for too long, eventually you are not going to be able to stop them.<sup>45</sup> But in the broader sense of abandonment, where so many people have

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41. Committee and treaty information regarding the World Intellectual Property Organization (“WIPO”) are available at World Intellectual Property Organization (visited May 6, 1999) <<http://www.wipo.org/eng/main.htm>>.

42. See, e.g., Eric A. Prager, *The Federal Trademark Dilution Act of 1995: Substantial Likelihood of Confusion*, 7 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 121 (1996) (examining the then recently enacted Federal Trademark Dilution Act).

43. See 3 RUDOLPH CALLMANN, THE LAW OF UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES § 19.64 (4th ed. 1998).

44. A Defendant who raises laches as an offense to trademark infringement must show that “plaintiff had knowledge of defendant’s use of its marks, that plaintiff inexcusably delayed in taking action with respect thereto, and that defendant will be prejudiced by permitting plaintiff inequitably to assert its rights at this time.” 5 MCCARTHY ON TRADEMARKS, *supra* note 9, § 31:1.

45. See, e.g., *Amstar Corp. v. Domino’s Pizza, Inc.*, 615 F.2d 252, 265 (5th Cir. 1980) (finding that there is no likelihood of confusion, and noting that plaintiff brought suit after nearly ten years of simultaneous use of the mark “Domino” by plaintiff and defendant).

come into the marketplace that your mark ceases to function as a mark and no longer identifies just you, it is less true.<sup>46</sup> I do not think it is the case, and the case law does not bear it out, that letting one or two infringers slip through the cracks will destroy an otherwise good trademark.<sup>47</sup> However, if you let enough time and enough infringers go through, you certainly will have that happen.<sup>48</sup> That has happened with trademarks that are now generic terms, like aspirin<sup>49</sup> and cellophane,<sup>50</sup> that once were able to function as trademarks but do not any longer.<sup>51</sup>

The question then becomes: What do you need to do in order to preserve your trademarks? Bret spoke a little bit about whether

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46. Abandonment is loss of a legal rights from the lack of actual usage of a symbol as a “trademark.” 2 MCCARTHY ON TRADEMARKS, *supra* note 9, § 17:9. Laches is a personal defense, while abandonment is a loss of rights as against the whole world. *See id.* § 17:17. Some uses of the word “abandonment” in the context of failure to sue appear “merely to be a bit of rhetorical hyperbole when a court is really discussing laches.” *Id.* One line of abandonment cases refer to such when a trademark owner or former owner has failed to sue infringers for so long that the “mark” has been used by competitors and customers as the generic name of an article, no matter who makes it. *See id.* For example, in *Saxlehner v. Eisner & Mendelson Co.*, the Supreme Court held that the word “Hunyadi” had become the generic name in the United States for a type of Hungarian mineral water, and observed that “[s]he [plaintiff] has failed in this particular. By twenty years of inaction she has permitted the use of the word by numerous other importers and it is now too late to resuscitate her original title.” 179 U.S. 19, 37 (1900). For marks and litigation covered by federal law, the Lanham Act defines abandonment and creates a presumption of abandonment:

A mark shall be deemed to be “abandoned” . . . (1) When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Non-use for 3 consecutive years shall be prima facie abandonment. “Use” of a mark means the bona fide use of that mark made in the ordinary course of trade, and not made merely to reserve a right in the mark.

17 U.S.C.A. § 1127 (West 1998).

47. *See Transgo, Inc. v. Ajac Transmission Parts Corp.*, 768 F.2d 1001, 1018 n.1 (9th Cir. 1985) (finding that evidence of Transgo’s policing efforts to stop misuse and unauthorized display of “Shift Kit” in the marketplace was reflected throughout the record).

48. *See King-Seeley Thermos Co. v. Aladdin Industries, Inc.*, 321 F.2d 577 (1963) (finding that the word “thermos” had become part of the public domain because the mark had become generic, and that it would be unfair to unduly restrict the right of a competitor to use the word).

49. *See Bayer Co. v. United Drug Co.*, 272 F. 505 (D.N.Y. 1921).

50. *See DuPont Cellophane Co. v. Waxed Products Co.*, 85 F.2d 75 (2d Cir. 1936).

51. *See King Seeley*, 321 F.2d at 577.

you need to take a proactive or a reactive approach. Certainly you need to take a reactive approach. When you know about infringers, it is generally a good idea to go at least to the extent of investigating them. If they are in your business area, or are relatively close to areas that you think you want to expand into, it is important to try to take steps to stop them.<sup>52</sup>

Proactive searching on the Internet, or with watch services, may not be necessary unless you have a lot of infringers out in the marketplace, but it certainly is a good idea for preserving the strength of your mark—and there are a lot of reasons why you want to preserve the strength of your mark.<sup>53</sup> The extreme is when there are lots of infringers or lots of third-party users that will ultimately dilute<sup>54</sup> the distinctiveness of your mark and lead toward abandonment.<sup>55</sup> However, in the short term, it is important to preserve strength, because it makes cases a lot easier when you do need to enforce.<sup>56</sup> Your ability to show that you have been enforcing your marks, that you have pursued infringers when you have found out about them, is very persuasive to a judge in trying to explain why your mark is strong and worthy of the court's protection.<sup>57</sup>

It also is very helpful in your ability to get preliminary injunc-

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52. The danger of consumer confusion supporting finding of trademark infringement is heightened where goods are related or complementary. *See E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1291 (9th Cir. 1992).

53. Strength of the mark is one of the factors enunciated in the influential case, *Polaroid Corp. v. Polaroid Electronics Corp.* that courts generally consider in determining whether a likelihood of confusion exists. 287 F.2d 492, 495 (2d Cir. 1961). Other factors include (1) the relatedness of the plaintiff's and defendant's services; (2) the similarity of the marks; (3) the usages; (4) the marketing channels used; (5) the evidence of actual confusion; (6) the defendant's good faith; (7) the likelihood of expansion of the product line using the mark; and (8) the sophistication of relevant buyers. *See id.*

54. Dilution is the diminishment over time of the capacity of a distinctive trademark to identify the source of goods bearing that mark. *See* 3 MCCARTHY ON TRADEMARKS, *supra* note 9, § 24:70; 15 U.S.C.A. § 1125(c).

55. *See supra* note 46.

56. *See generally* 2 MCCARTHY ON TRADEMARKS, *supra* note 9, § 17:17 (discussing trademark holder's efforts to prevent "abandonment" by failure to prosecute infringers).

57. *See Private Eyes Sunglass Corp. v. Private Eyes Vision Center of New Milford*, 25 U.S.P.Q.2d 1709, 1714 (D. Conn. 1992) (finding significant the almost 15-year length of plaintiff's use of the mark, which use had been nearly exclusive since shortly after plaintiff engaged in its aggressive strategy of thwarting perceived infringers of the mark).

tions against infringers.<sup>58</sup> To get a preliminary injunction, one of the elements you need to show is irreparable harm, and it is difficult to show irreparable harm from a particular infringer if you have not been terribly concerned about other infringers in the marketplace.<sup>59</sup> This is sort of a sub-issue, but folks who claim families of marks<sup>60</sup>—like the “Mc” marks for McDonald’s, or the “R” Us marks for Toys “R” Us—they have to be particularly vigilant in looking for infringers that even are outside their areas of business operations. Because of the ability of their formative, their “R Us” as the case may be, to signify all “R” Us’s coming from one source, it is necessary to pursue as many of those guys as they can. And certainly, companies like Toys “R” Us and McDonald’s go after everyone they can.<sup>61</sup> Finally, for dilution cases, keeping the strength of your mark is particularly important, since you need to establish that your mark is famous in order even to set forth a

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58. For a preliminary injunction, plaintiff must demonstrate irreparable harm, and either a likelihood of success on the merits, or sufficiently serious questions going to the merits to make them a fair ground for litigation and a balance of hardships tipping decidedly in its favor. *See Coca-Cola Co. v. Tropicana Products, Inc.*, 690 F.2d 312, 314-15 (2d Cir. 1982).

59. *See, e.g., Golden Door, Inc. v. Odisho*, 437 F. Supp. 956 (N.D. Cal. 1977) (noting that defendant did not establish that plaintiff was guilty of laches, as the record established that plaintiff had been vigilant and consistent in preventing the use of its name by others).

60. A trademark owner may use a plurality of marks with a common prefix, suffix or syllable. *See* 3 MCCARTHY ON TRADEMARKS, *supra* note 9, § 23:61. The trademark owner has the opportunity to establish that it has a “family” of marks, all of which have a common “surname.” *Id.* The trademark owner relies on this principal to argue that defendant’s mark, which incorporates the “family surname,” is confusingly similar to the total “family group.” *Id.* The family “surname” is recognized by customers as an identifying trademark in and of itself. *Id.*

61. *See J&J Snack Foods Corp. v. McDonald’s Corp.*, 932 F.2d 1460 (D.C. Cir. 1991) (holding that there was a likelihood of confusion with the family of marks owned by McDonald’s Corporation where snack foods company sought to register the trademarks “McPretzel” and “McDugal McPretzel” for frozen soft pretzels); *but see Toys “R” Us, Inc. v. Feinberg*, 26 F. Supp.2d 639, (S.D.N.Y. 1998) (holding no likelihood of confusion existed between trademark used by Toys “R” Us, Inc. and merchant’s firearm products in use of the trade names “Guns Are Us,” “Guns are We,” and the internet domain name “gunsareus.com”); *Toys “R” Us, Inc. v. Akkaoui*, 40 U.S.P.Q.2d 1836 (N.D. Ca. 1996) (granting plaintiff’s motion for preliminary injunction enjoining defendants from using the name “Adults R Us” or any colorable variation of plaintiff’s Toys “R” Us trademark).

cause of action.<sup>62</sup>

What does it mean if you are not vigilant—if you fail to go after infringers? Generally, a failure of vigilance is not the reason for loss of strength of a mark, but rather, an explanation of why your mark has lost strength.<sup>63</sup> The important question is really not what happened—whether an infringer got through the gates—but what the effect on consumers is. You may need to do a secondary meaning<sup>64</sup> survey to find out whether the public awareness of your mark has diminished over time.

There are a variety of things that you can do in bringing your cases in court to show that your mark is strong.<sup>65</sup> One of them, of course, is showing expenditures you have made for advertising and unsolicited media coverage you have received—those sorts of things. Policing efforts are probative, as well.<sup>66</sup> If you look in the

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62. See 15 U.S.C.A. § 1125(c); *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 452 (4th Cir. 1999) (asserting that in order to prove a Federal dilution claim, Ringling had the burden to prove (1) that its mark was “famous,” (2) that defendant adopted its mark after Ringling’s had become famous; and (3) that the defendant’s mark diluted Ringling’s by “blurring”); *Jet, Inc. v. Sewage Aeration Sys.*, 165 F.3d 419 (6th Cir. 1998) (holding that in order to prevail on a trademark dilution claim, the senior user must demonstrate that it has a famous mark and that the junior user’s conduct damages the senior’s interest in the mark by blurring its product identification or by damaging positive associations that have attached to it, i.e. tarnishing); see also *Prager*, supra note 42, at 125.

63. See *Amstar Corp. v. Domino’s Pizza, Inc.*, 615 F.2d 252, 265 (5th Cir. 1980) (noting that plaintiff had not been vigilant in protecting its rights, and commenting that a trademark owner that strongly believed its customers were being deceived would hardly have remained idle for nearly ten years of simultaneous use of the mark).

64. “Secondary meaning” refers to:

[A] subsequent significance added to the original meaning of the term. Secondary meaning exists only if a significant number of prospective purchasers understand the term, when used in connection with a particular kind of good, service, or business, not merely in its lexicographic sense, but also as an indication of association with a particular, even if anonymous, entity.

RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 cmt. e (1995).

65. See *Time, Inc. v. Petersen Publishing Co.*, 173 F.3d 113, 116 (2d Cir. 1998) (noting that the parties introduced consumer studies, documentary evidence, and witnesses in an effort to prove the presence or lack of good faith, consumer confusion, and similarity between the marks).

66. See, e.g., *Cullman Ventures Inc. v. Columbian Art Works Inc.*, 717 F. Supp. 96, 124 (S.D.N.Y. 1989) (noting that a trademark owner’s efforts at policing its trademarks is further proof of the strength of those marks, and that plaintiff actively, systematically and successfully protected the mark by policing misuse); *E.I. Dupont de Nemours & Co. v.*

opinions at the analysis of the *Polaroid* factors, the first factor—strength of the mark—is usually where courts discuss the policing efforts.<sup>67</sup> So, very clearly, courts think of policing efforts as a strength-of-mark kind of issue.

That is really the legal framework in which the issues get hashed out. As for how exactly you go after that evidence that is where companies like Thomson & Thomson come in.

MR. SLOANE: Thank you, Eric.

Kathleen Donohue, of Thomson & Thomson, is our next speaker. Kathleen is currently a regional manager for Thomson & Thomson in New York. Before joining Thomson & Thomson four years ago, she was a paralegal with the law firm of Kenyon & Kenyon, and corporations including Revlon and Ziff-Davis. In fact, just last month Kathleen spoke at The New York State Bar Association's annual meeting about current developments in trademark searching on the Internet.

MS. DONOHUE: Thank you, Peter.

As Eric and Bret mentioned, it is extremely important to police your marks—just to make sure that there are no infringers. And it is also very important to make sure that your mark remains unique. Thomson & Thomson offers several different kinds of watching services.<sup>68</sup> Probably the most important one is the Worldwide Watch because, as Bret mentioned, trademarks are very global.<sup>69</sup> So we have a worldwide watch that polices marks in over two

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Yoshida Int'l., Inc., 393 F. Supp. 502, 523-24 (E.D.N.Y. 1975) (stating that doubts should be resolved in favor of the trademark owner, especially if he can demonstrate having taken appropriate action to counteract or resist indiscriminate use of the mark by the public).

67. See *supra* note 53.

68. Examples of watching services offered by Thomson & Thomson are: World Ownership Watch (weekly monitoring of the activities of competitors), USPTO Official Gazette Watch (weekly check against newly published U.S. Federal trademark applications), and USPTO Ownership Pending Application Watch (monitoring activities of competitors through notice of new applications or publications filed in all classes).

69. Today, a trademark has the potential to become an international commodity. See Jana Sigars-Malina, *Basic Trademark and Brand Name Creation, Maintenance & Protection*, 790 PLI/COMM 571, 581 (1999). "While national laws still govern procedures and protocols, international business mandates that acquisition of trademark rights transcends national and international country and border considerations." *Id.* at 581-82.

hundred countries.<sup>70</sup> It is computer-generated, and will let you know when a mark has been published in a jurisdiction.

It is also for designs, too. We get Official Gazettes<sup>71</sup> from all over the world, scan them in, scan in the designs, and watch a word or a design, or a composite mark for you. The coverage will cite all marks that have been published that are identical or phonetically identical in all classes,<sup>72</sup> and marks that are confusingly similar in your related classes of interest.

That is the worldwide watch. People also order regional watches. I do not really understand why they do that, because I think it is important to look at the market globally, and not restrict yourself. But people do order the regional watches. These regions could be, for example, Europe, the European Union,<sup>73</sup> or that of the Madrid Arrangement.<sup>74</sup> We also offer a Worldwide Ownership

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70. The total number of world jurisdictions that provide trademark protection is 202. See Robert E. Blankenbaker, *Worldwide Registration of Your Trademarks*, 486 PLI/PAT 349, 355 (1997).

71. See *supra* note 14 and accompanying text.

72. Marks may sound the same to the ear, though they may be easily distinguishable to the eye. 3 MCCARTHY ON TRADEMARKS, *supra* note 9, § 23:22. In deciding the issue of phonetic similarity, the court may use a sophisticated phonetic analysis. See *id.* For example, in *G. D. Searle & Co. v. Chas. Pfizer & Co.*, the Seventh Circuit held that “Bonamine” was phonetically similar to “Dramamine,” which created a likelihood of confusion. 265 F.2d 385 (7th Cir. 1959). The court offered:

Dramamine and Bonamine contain the same number of syllables; they have the same stress pattern, with primary accent on the first syllable and secondary accent on the third; and the last two syllables of Dramamine and Bonamine are identical. The initial sounds of Dramamine and Bonamine (“d” and “b”) are both what are known as “voiced plosives,” and are acoustically similar; the consonants “m” and “n” are nasal sounds and are acoustically similar. The only dissimilar sound in the two trademarks is the “r” in Dramamine. Slight differences in the sound of similar trademarks will not protect the infringer.

*Id.* at 387.

73. By virtue of EC Council Regulation 40/94, a single trademark registration (“CTM”) is effective in all fifteen member countries of the European Union (“E.U.”)—Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom. See 1 PETER D. ROSENBERG, *PATENT LAW FUNDAMENTALS* § 4.07 (2d ed. 1997). A CTM does not supersede the separate national-trademark laws or trademark registrations of the countries comprising the E.U. See *id.* However, a CTM applicant or CTM owner who also owns an identical registered trademark in one or more E.U. countries, will be deemed to have such registration subsist so long as “seniority” has been claimed. See *id.*

74. The purpose of the Madrid Arrangement for the International Registration of

Watch. Either we will do it for you, or you can, if you are interested in watching a company. Bret, for example, could watch marks that P&G is having published throughout the world. It is great for competitive intelligence, and it is interesting just to know what markets your competitor is penetrating.

We also have several different kinds of watch services for the United States. We can monitor a trademark for you. If you give us a mark, we will let you know if a similar mark has been filed. So you really do not have to wait until it has been published. You can send your own cease-and-desist letter, or just monitor it yourself—because you really cannot do anything as far as filing in opposition until the mark has been published. We also have, again, an ownership watch. If you just want us to keep track of what your competitors are doing, we will let you know every time they file an application or if the mark has actually been published. That is our PTO Application Watch.

Getting to the Internet. As Bret mentioned, it is a little chaotic, and I do not really think that there are any companies out there that can really monitor the Internet, as far as metatags.<sup>75</sup> I checked around a few different places, and services claim that they can do it. The only way that I know that you can really watch a metatag is not through a service, but doing it yourself on the Internet.

And there is a product called SiteComber, which Thomson & Thomson offers.<sup>76</sup> You search your market with this product, and since metatags are transparent keywords, it cross-references the

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Marks of Manufacture and Commerce (“Madrid Arrangement”) is to facilitate foreign registrations. *See id.* The United States, United Kingdom, and Japan have never acceded to the Madrid Arrangement. *See id.* Under the Madrid Arrangement, a national of a country that is a member of the Madrid Union after obtaining a national registration may file an international application for registration with the WIPO in Geneva, Switzerland. *See id.* WIPO then publishes the international application and transmits a copy to the trademark office in each member of the E.U. that the trademark registrant designates. *See id.* Each national office has one year in which to reject the application, in which case it does not become effective there until such objection is overcome, otherwise it automatically becomes effective in that country. *See id.*

75. *See supra* note 31.

76. SiteComber is a screening tool that helps trademark professionals search the Web for common law occurrences of your proposed new trademark, available at Thomson & Thomson (visited May 6, 1999) <<http://www.thomson-thomson.com>>.

keyword with the International Classification System.<sup>77</sup> You are not going to get a lot of garbage, but you are not getting really precise information, either. If a mark is being used as a metatag, it will show up on the report, but in a different typeface. That is the only way I know that you can really police metatags, and it is done manually.

With banner ads there is something that you can do. I do not know if people are familiar with banner ads. Recently, Estée Lauder filed suit against Excite for selling the keywords “Estée Lauder” to Fragrance Counter.<sup>78</sup> Metatags are illegal, but, believe it or not, banner ads are not illegal.<sup>79</sup> Excite or Infoseek, or any of the portals can sell your trademarks to a competitor, to put on Web sites as banner ads.

And there is something called BannerStake.<sup>80</sup> You can access it, free of charge, through the Thomson & Thomson Web site. With this service, type in a trademark and it will let you know if a portal has sold those keywords. Right now selling keywords to trigger banner ads is legal. With the different lawsuits popping up, however, I do not know how much longer it will be legal.<sup>81</sup>

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77. The International Classification System was developed by the International Bureau, which was established by the Paris Convention for the Protection of Industrial Property. See Minde Glenn Browning, *International Trademark Law: A Pathfinder and Selected Bibliography*, 4 IND. INT'L & COMP. L. REV. 339, 354 (1994). The purpose of the International Classification System is to facilitate the trademark searching process and the international description of goods and services covered by trademark registrations. See *id.* The classification system of the International Bureau was adopted in June 1957 as The Nice Agreement on the International Classification of Goods and Services for the Purposes of the Registration of Marks. See *id.*

78. *Estee Lauder Inc. v. Fragrance Counter, Inc.*, No. 99-0382 (S.D.N.Y. filed Jan. 19, 1999); see also Robert C. Scheinfeld and Parker H. Bagley, *Using Others' Trademarks to Trigger Internet Advertisements*, 55 N.Y.L.J. 221, 3 (1999); Wendy R. Leibowitz, *Rules of the Domain-Name Game*, NAT'L L.J., Mar. 1, 1999, at A16 (reporting on a hearing held February 17, 1999, at which Fragrances Inc. agreed not to use Estee Lauder trademarks when purchasing ads, and Excite agreed not to sell the Estee Lauder marks to anyone but Estee Lauder).

79. See Scheinfeld and Bagley, *supra* note 55 (cautioning that banner ads may create a likelihood of confusion, and thus give rise to an action in trademark infringement).

80. BannerStake allows trademark owners to find out what banner advertisements appear when a search is run for their product, available at Thomson & Thomson (visited May 6, 1999) <http://bannerstake.thomson-thomson.com>.

81. See, e.g., *Estee Lauder Inc. v. Fragrance Counter, Inc.*, No. 99-0382 (S.D.N.Y. filed Jan. 19, 1999); *Playboy Enterprises v. Excite, Inc.*, No. 99-CV-321 (C.D. Cal. Filed

MR. SLOANE: Thank you, Kathleen.

I would like to open up the panel for questions and answers from the floor. I will take the lead, just to get things moving, by asking a question of Bret. Do you think that companies need to search differently for dilution, as opposed to standard trademark infringement? Do you define the scope of protection differently for a famous mark, like “Colgate,” than you do for a less famous mark, like “Murphy”?

MR. PARKER: From a practical point of view, there may be a difference in how you approach “Colgate” and how you approach “Murphy” Oil. But in reality, I think probably not. We would be just as bothered by a diluting use of something that harms the Murphy trademark as we would the Colgate trademark. They may not come to our attention as frequently, but I think, as Eric said, when you learn about these, you have to go after them. It may be harder for us to watch for them. But when we do hear about them, I think we are just as aggressive with both kinds of marks—famous and not famous.

MR. SLOANE: Are decisions regarding the scope of protection made on an ad hoc basis, or are they more formalized? You can base enforcement on past practice, but do you get a sense of the kinds of marks that you are likely to go after in particular cases? For example, if the infringing mark is very far afield, will you have a standard policy about what kind of action you take?

MR. PARKER: Well, obviously we are very concerned about the ones that are near to our products. As for the ones that are far afield, I think it depends whether it is a tarnishing use of it or a blurring use of it.<sup>82</sup> Or, as Eric said, whether it is an area that we

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Feb. 5, 1999).

82. See *Exxon Corporation v. Oxxford Clothes, Inc.*, 109 F.3d 1070, 1081 (5th Cir 1997) (distinguishing between “blurring,” a diminution in the uniqueness and individuality of the mark, and “tarnishing,” an injury resulting from another’s use of the mark in a manner that tarnishes or appropriates the goodwill and reputation associated with the plaintiff’s mark); *Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc.*, 875 F.2d 1026, 1031 (1989) (defining dilution as either the blurring of a mark’s product identification or the tarnishment of the affirmative associations a mark has come to convey, and finding it unlikely that, even in the market where Mead principally operates, there would be any significant amount of blurring between the LEXIS and LEXUS marks).

might want to expand into.<sup>83</sup> If it is a use that we have no interest in going into, meaning we do not think it casts our mark in a bad light and does not limit our ability to identify the mark as being associated exclusively with us, then I do not think we are as concerned about it. But I think we look at it fairly broadly.

MR. SLOANE: Okay. Is anyone adventurous from the floor? Come on down. Please, we are trademark attorneys and students. We must have questions on trademark vigilance. Yes, Laurie Schulman—a very adventurous person. Welcome.

MS. SCHULMAN: I have a question about developing strategies for smaller companies. I work for a nonprofit organization, and I am building an in-house practice now, which was never done before, although it is a fairly large nonprofit. A huge factor in how I am going to manage our docket is cost. I cannot register everything that I would like on a watch service. I am not even sure that I will get budgeted to buy the Official Gazette, to be honest, so I have to work with very limited resources.

One of the questions that struck me as I was listening to you, in terms of prioritizing which marks I will eventually choose to watch, and where I will watch them and how I will watch them, is weaker marks. We have marks that are somewhat descriptive<sup>84</sup> and have acquired distinctiveness.<sup>85</sup> When I am deciding how to watch them and where to watch them, should I go broad if I think they are weak—so I should be looking at so many classes, and be

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83. The “zone of natural expansion,” for trademark protection purposes, does not necessarily include all areas where senior user has in fact expanded because such uses may infringe upon junior users’ bona fide trade areas. *See Tally-Ho, Inc. v. Coast Community Dist.*, 889 F.2d 1018, 1027 (11th Cir. 1989). Instead, junior users whose uses are in good faith and “remote” are protected, and extent of zone is generally considered as of date of junior user’s first use. *See id.*

84. A mark is “descriptive” if it is descriptive of the intended purpose, function or use of the goods; the size of the goods; the class of users of the goods; a desirable characteristic of the goods; the nature of the goods; or the end effect upon the user. *See* 2 MCCARTHY ON TRADEMARKS, *supra* note 9, § 11:16.

85. An identifying mark is distinctive and capable of being protected if it either (1) is inherently distinctive or (2) has acquired distinctiveness through secondary meaning. *See Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769 (1992). Marks that are fanciful, arbitrary, and suggestive are regarded as “inherently distinctive.” 2 MCCARTHY ON TRADEMARKS, *supra* note 9, § 11:4. A fanciful mark is a word that is coined for the express purpose of functioning as a trademark. *See id.*

extra vigilant? Or should I go narrow and not worry about distant classes? I am really on the fence about it, and I am interested in your opinions.

MR. PARKER: You know, it is interesting. Kathleen mentioned regional watches, and questioned why you would bother with a regional watch. We actually do a few regional watches, and it is for situations where the mark may not be the strongest mark in the world. We do not want to read a stack, about two feet tall, of every mark from around the world that is similar to the one that we are looking for. In addition, the regional watches are sometimes less expensive.

One way you could address this is to decide whether you are only going to watch it in certain areas. If your company is just a United States not-for-profit, I still think, for your weaker marks, maybe you do not sign up for a watch for every one of them. You can get the gazette for free online.<sup>86</sup> If you had the time, you could look at the gazette each week. I know Thomson & Thomson has it on their Web site for free.<sup>87</sup> So if you are willing to spend a little time, you can spend a little less money.

But, to the main point of your question—my opinion is that if you are faced with limited resources, you should spend more money on the marks that are worth more. The marks that are weaker or more descriptive do not need to be watched as closely. But if you learn of infringement, then I think you should take steps.

MS. SCHULMAN: We are using a slogan now. Rather, we just filed for it, and it is one of those things where we may or may not get a descriptiveness refusal.<sup>88</sup> But the point is, we are using it everywhere, and it is one of those things where I have not yet figured out how tough I need to be as the in-house counsel, in terms of going after other people that may be using similar marks.

MR. PARKER: You cannot look at any one mark, because

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86. See U.S. Patent and Trademark Office, *Official Gazette Notices* (last modified Jan. 20, 1999) <<http://www.uspto.gov/web/offices/com/sol/og/index.html>>.

87. See Thomson & Thomson (visited May 6, 1999) <<http://www.thomson-thomson.com>>.

88. Under the Lanham Act, a mark that is merely descriptive cannot be granted trademark protection. See 15 U.S.C.A. § 1052(e).

you will probably drive yourself crazy trying to decide what to spend money watching. I think you need to look at your whole portfolio of trademarks and decide which ones you are going to use broadly. The other thing to keep in mind is which marks you are going to continue using for a long time. You may be using a phrase or a slogan everywhere, but only for a month or two, or even just a year.

If it is a trademark that there is not a long-term interest in, maybe you should not apply for it right away. Maybe you do not watch it right away, either. Especially if you are already using your marks in all fifty states, you are not going to have to worry about being blocked out in one state or another.<sup>89</sup> You just need to look at it overall, and, with that perspective, make decisions about where to spend money.

MS. DONOHUE: Is that slogan your main mark?

MS. SCHULMAN: No. We went through a corporate identification revamp about a year ago. Our house mark is fifty or sixty years old. But we added the slogan and a design element. We have applied for the registrations of the design and the slogan separately, even though many times we do use them together.

MS. DONOHUE: How large is your portfolio?

MS. SCHULMAN: I am conducting a survey right now. It was small, under twenty marks when I got there, and it has been about three months. I have identified at least sixty others. So this is a nascent program and I cannot really tell you right now.

MS. DONOHUE: Give me three of your very important marks, and Thomson & Thomson will do it for you.

MS. SCHULMAN: Oh, you have been doing it—thank you. Judy Bernardi has been really helpful. But thank you.

MS. DONOHUE: Worldwide Watch, though.

MS. SCHULMAN: Really? You do it on the Web?

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89. The Lanham Act confers upon a junior user the rights to continued use of an otherwise infringing mark in a remote geographical area if that use was established before the other party's federal registration. *See* 15 U.S.C.A. § 1115(b)(5). The junior user is permitted to maintain a proprietary interest in the mark although it has no general federal protection through registration. *See id.*

MS. DONOHUE: Absolutely.

MS. SCHULMAN: That I will give you.

MR. PRAGER: A related point on the scope of your policing: Particularly for descriptive marks when you have a limited budget, you may very well want to go narrow on the types of goods and services you go after, and focus on things that are particularly close to your core business. That is one way to control costs.

QUESTIONER: If you are so vigilant that you are constantly out there, and you actually come upon a local mark, and find the local mark has actually been there a little longer than you would like, perhaps longer than your own marks, what is your reaction there? For example, you go down that street, turn left, and there you are at the Murphy Oil and Shoe Shine facility? Has anybody experienced a similar situation?

MR. PRAGER: I have had it happen.

QUESTIONER: What is your response? Should you leave it alone? Do you put the file away? Unroll the bankroll and start paying off? What do you do?

MR. PRAGER: It depends how they respond. If they respond aggressively, you need to contain them to the geographic area that they have been in. If they do not respond aggressively, you may want to let them be.

QUESTIONER: And when you come to the next question about policing, you have to pull that out.

MR. PRAGER: You pull it out, but you have a record in your file that you took a look at it, it was a local use, and it was clear that that was the end of it.

MR. PARKER: But there is such a thing as being too vigilant. I think the Internet raises that issue for us, probably most of all. I do not want to say that you want to have willful blindness, but you do not want to know about every single use of your mark, everywhere in the world. First of all, upon investigation, some of them may not be problematic. Then you have spent a great deal of effort going down that road, and you have spent a lot of time for nothing. At the end of the day, maybe even legally, you are not required to take any action. Or maybe, logistically, you do not want to. So

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there is such a thing as being too vigilant.

MR. SLOANE: Eric, do you ever want to close out a matter by sending what is called a “reservation of rights” letter?

MR. PRAGER: I have done that in some instances. There is a fine line in some of these cases, whether you may provoke it to the next level by doing that. It is a balancing of how serious an infringement it is; how extensive their use is; whether it is clear that they were there before you or whether it is vague. All of those things go into how, exactly, you go about closing the file.

MR. SLOANE: Do you think there is any benefit in sending that kind of a letter down the road?

MR. PRAGER: In some situations, definitely. Where you think you may see them again, it is certainly good to have a clear record of how you left things with that infringer.

QUESTIONER: I do not think you want to have the last letter being their letter. That is bad evidence saying, “We are ahead of you, and you did not do anything.” That is probably not a good letter.

MR. PRAGER: If the infringer is close, that is right.

QUESTIONER: That made me think of a second question. But, I will ask my original question first. Speaking of huge stacks of watch notices, can you expand on how Thomson & Thomson sets up the computer system to give you relevant hits when you place something on watch? I certainly heard things from people objecting to getting huge stacks with two relevant hits in it.

MS. DONOHUE: Right. Well it is computer-generated, so you probably will get more than a person going through Official Gazettes. But I think there is less room for error with a computer-generated search. There are ways to program the computer, where if you are searching for “Jewel of the Nile,” you are not going to get watch notices for “of” or “the.” You would be more concerned with “Jewel” and “Nile.” The bottom line is, when a computer is doing it, you are going to get more information than when a human being goes through it. A human being will go through it and say: There is no way that you would be successful in an opposition. Computers, unfortunately, are not that intelligent, so you are going

to get more paper.

QUESTIONER: So you do not have any system of humans reviewing the results before they go out?

MS. DONOHUE: Yes, there are, but we try to do it as cost-effectively as we can, by having the computer do it. On portfolios you can do that.

QUESTIONER: If you specially request some sort of human intervention, you can arrange for that.

MS. DONOHUE: Exactly, exactly. To pull garbage and toss it.

MR. CORDERO: I am Steven Cordero, Managing Editor of the *Fordham Intellectual Property, Media & Entertainment Law Journal*. On the international scale, trademark vigilance is part your own efforts and part legislation around the world. What does the panel see as the outlook for legislation in different countries or expansion of international agreements that already exist—that will aid American and foreign trademark rights holders to protect their marks in other countries?<sup>90</sup>

MR. PRAGER: I think, generally, countries outside of the United States are getting more protective of trademarks—not just protective of United States trademarks, but all around the world. And you will see, every month there is another country that has opened a trademark office. One example is Andorra, a country that we very recently started filing applications in.<sup>91</sup> So, slowly,

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90. On example of such agreement is the Madrid Protocol, which was created to obviate the shortcomings of the Madrid Arrangement. *See* 1 ROSENBERG, PATENT LAW, *supra* note 73, § 4.07. The Madrid Protocol, like the Madrid Arrangement, is administered by WIPO and provides for registration of a trademark in member countries by filing one international application at WIPO's International Bureau in Geneva, Switzerland. *See id.* The Madrid Protocol exists parallel with the Madrid Arrangement, common regulations applying to both treaties. *See id.* Under the Madrid Protocol, an international application may be based on an application for registration in a member country. *See id.* Under the Protocol, where the national registration on which the international registration is based is under attack, its owner may transform the international registration into a series of national registrations retaining the priority date of the original international registration in each Madrid Protocol signatory country. *See id.*

91. Under the Trademark Law of the Principality of Andorra trademark owners may register "signs made up of words (including personal names, numerals and letters), designs, logos, and/or combinations or shades of colors may be registered." TRADEMARKS

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there are countries that are coming around to a more protectionist system. The watching of that may be more problematic. But, at least, the first step of protection is coming along.

QUESTIONER: A related question, internationally is there an equivalent legal duty to police a mark on the part of the trademark owner? Do other countries have a similar presumption that we have in the United States?

MR. SLOANE: I cannot answer it country by country. But, generally speaking, there is. There are a lot of countries that will have that presumption. They may not have a duty to be vigilant, but when their courts look at infringement situations, they are going to look at how many uses are out there, or how strong the mark is. There are a lot of countries that are adopting the principles that we follow here in the United States. So they may not call it a requirement to be vigilant—but, as Eric said, in a lot of the court decisions it is being factored in.

MR. SLOANE: Did you have a follow-up?

QUESTIONER: Yes. You discussed infringers that are geographically remote, in a small town, for example, far away from where your client or you render your services. They have been around a long time—maybe even possibly preceding you. So you have made a decision, for various reasons, just to leave it alone. How would that strategy be affected if that entity suddenly posted a Web site? Now the fact of their existence and advertising their services is worldwide. How would you change your strategy, if at all? Or what would you advise?

MR. PRAGER: I would have a similar analysis. My inquiry would be whether they have a Web site because they want to reach prospective customers outside of their immediate area, or whether the Web site is really just for local purposes but happens to be available everywhere. While having a Web site in the first instance would raise my concern somewhat, if their business were still really a local business, I think I would probably treat them

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THROUGHOUT THE WORLD A-13 (Jeanine M. Politi ed., 4th ed. 1998). On the filing of an application, the Andorra Trademark Office will cause an examination to be made. *See id.* If it appears the applicant is entitled to registration, the Trademark Office will register the trademark and send a certificate of registration to the owner of the registration. *See id.*

more like a local problem than a national or international problem. What do you think, Bret?

MR. PARKER: No, I think that is fair. We do get more concerned, though, when it is in international use on the Internet—even if it is just a local company. We have had that problem come up with domain names. For example, where someone used one of our trademarks in a domain name, somehow, to me, that ups the ante a little. Maybe use on a Web site is not as bad. But when it is in the domain name itself, which is very similar to the trademark or the address of where to find them, then I am a little more concerned and maybe would be a little more aggressive.

MR. PRAGER: Right. It may also depend on whether they are offering goods or whether they are offering services. And if they are offering services, such that the Web site is the service, that is a bigger problem. If they are offering goods that are delivered locally but not shipped out of state, it is a different kind of problem, and you really need to examine all of the facts.

QUESTIONER: Kathleen, you said that banner advertising is legal.

MS. DONOHUE: Banner ads right now are legal.

QUESTIONER: And when are metatags legal? When are they not legal? And how do you police, or how do you go after, the domain name that uses your name? So why are banner ads legal? And are they really legal, or have they just not been declared illegal?

MR. PARKER: On banner ads, when Kathleen says that they are legal, I think that it is probably just because a court has not yet said otherwise. In my mind it is completely illegal. It is a serious infringement. Whether it is through the company that runs the search engine or someone else, it is still an infringing use of your trademark. So I think that is just a matter of time.

You asked about metatagging. Similarly illegal, but difficult to find.

MR. PRAGER: Metatagging can be legal in some situations.

MR. PARKER: Right.

MR. PRAGER: Particularly if there is a First Amendment de-

fense, or a comparative-advertising type of use.<sup>92</sup> You could have a comparative-advertising description in the visible text of a Web site saying: Our product is better than “Murphy” oil soap—although I cannot imagine that it would be. If you can do that in the visible text, there is probably no reason you cannot do it in the metatags. I suppose you could argue that some search engines give preferential treatment to metatags, or have more focused searching in the metatags, and that there would not really be a good-faith reason for putting the marks in there. You might or might not win with that argument.

MR. PARKER: Yes. If it is in the metatag it pretty much raises the presumption that it is not a fair use of your trademark.<sup>93</sup> If you put it in the visible text of the Web site and it is a comparative statement, that probably is a fair use. But if someone is being deceptive about it, and simply hiding the text, then that is probably an infringement. And, usually, in these situations you will see that it is not one trademark. They will list about a hundred, in the hidden text of the Web site, in the metatag. So if someone is listing Colgate and another hundred products from different companies, just trying to put very popular words in there to get people to visit the site, then I think it is going to be clear that it is not a fair use.

QUESTIONER: Domain names.

MR. PARKER: Domain names? It depends on whether a site is active or not; it depends on what the site is doing. Thomson & Thomson has a domain-name watch, which we subscribe to which will let you know when some of your trademarks are sought to be included in a domain name. So that is one of our main tools that we use to keep track of that. And very often, because Network Solutions<sup>94</sup> has a policy—if it is an identical use of your trademark,

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92. See *Silverman v. CBS Inc.*, 870 F.2d 40, 48 (2d Cir. 1989) (“[First Amendment] values have some bearing upon the extent of protection accorded a trademark proprietor against use of the mark in works of artistic expression.”).

93. Fair Use is a use, otherwise than as a mark, of a term or device that is descriptive of and used fairly and in good faith only to describe the goods or services of a party. See *Cosmetically Sealed Indus. v. Chesebrough-Pound’s USA Co.*, 125 F.3d 28, 29 (2d Cir. 1997).

94. Network Solutions is at the global registrar for the top-level domains of *.com*, *.net*, *.org* and *.edu*, and since 1993, have registered more than five million Web Addresses representing businesses around the globe. See Network Solutions, *About Us* (vis-

usually you do not have to get to litigation. You have to write to the owner of the trademark first, because that is what Network Solutions requires.<sup>95</sup> You tell them that they are infringing on your trademark. And you do not even have to wait for a response. You can write to Network Solutions. If it is an identical use of your trademark, they will suspend the name, unless the person has their own legitimate rights.

MR. PRAGER: Peter alluded to the fact that WIPO is right now working on an analysis of what sorts of trademark-protection frameworks there ought to be for domain name registrations, and whether there ought to be the sort of quasi-administrative proceeding within the domain-name registrar (as there is with Network Solutions) or whether that gives too much of an upper hand to trademark owners, to the detriment of the public.

It is an issue that is being hotly debated, and WIPO put out an initial report on the subject that is available on their Web site <wipo.org>.<sup>96</sup> They are supposed to put out a final report, I believe in April.<sup>97</sup>

QUESTIONER: I had a question for Bret. When you were discussing Colgate's vigilance program, you said that you become aware of some infringement cases through customer service calls. Could you elaborate a little on that?

MR. PARKER: Loyal customers may find a product that they either think may be ours but is not. If it is a defective product, for example, they write to Colgate and say: "I got this tube of toothpaste, and the quality was terrible." They will actually send it in to us. Upon inspection we will find out that either it was a gray-market good<sup>98</sup> that they bought in the United States that came from

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ited May 6, 1999) <<http://www.networksolutions.com>>.

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96. Interim Report is available at World Intellectual Property Organization (visited May 6, 1999) <<http://www.wipo.int/eng/main.htm>>.

97. Final Report of the WIPO Internet Domain Name Process, Apr. 30, 1999, (visited May 20, 1999) <<http://wipo2.wipo.int/process/eng/processhome.html>>.

98. Gray market articles are "foreign-made articles bearing a genuine trademark or trade name identical with or substantially indistinguishable from one owned and recorded by a citizen of the United States or a corporation or association created or organized within the United States and imported without the authorization of the U.S. owner." 19 C.F.R. § 133.23 (1999).

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somewhere else, or they may find that it is not created by us at all. So that is a very typical way that people will find shoddy product and send it in to us.

But, also, there are consumers who know when they see an infringement and want to let us know about it. You know, they think there is something wrong about it, and it offends them, and they will tell us.

QUESTIONER: Do you periodically let employees know that you are on the lookout for infringements? Or do they really do that on their own?

MR. PARKER: Some of it is informal. My business clients in the company will often let me know when there is an infringing product. And we have a formal system, where there is a form for employees to fill out when they find an infringement.<sup>99</sup> They provide basic information about where they found it, and how long they have known about it. So there is both a formal and informal process. And it is very widely promoted in the company that we take trademark infringement seriously, and employees are expected to let us know about it.

MS. DONOHUE: We had a similar situation at Thomson & Thomson. We knew of a search company out there, going by the trademark "Man." Our product, our online service, is trademarked "Scan," and they looked very, very similar. We knew about it, and once it was published we were going to take action. The day that it hit the Official Gazette, I cannot tell you how many telephone calls we got from clients, just saying: "Did you know \_\_\_\_\_?" So people are very, very loyal. Trademark practitioners are especially sensitive to that.

QUESTIONER: Good evening, I do a lot of entertainment law. I am actually very familiar with Thomson & Thomson. In fact, the first time I did a search for Thomson & Thomson I was expecting a two-page reply, and I think I got a novel back.

MS. DONOHUE: Was it a trademark search?

QUESTIONER: A trademark search. Needless to say, my client was not very happy. I have an entertainment question concern-

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99. See *supra* note 22.

ing the name of albums, books, movies. One, are those the type of things that could be trademarked? Second, and conversely, do you run a substantial risk if, for example, you named an album “Coca-Cola,” or “Coke?”—maybe a name of a club, or a name of a movie studio, something to that effect.

MR. SLOANE: The traditional rule is that a title of an album or a book is not entitled to trademark protection, unless it also serves as the title of a series of albums or books, or it’s the name of the publishing house that puts out the book.<sup>100</sup>

MR. PARKER: But, needless to say, if you decided to name a band or a club “Coca-Cola,” without giving you legal advice, I think it would probably be a problem.

QUESTIONER: My second question is: Does incorporating any company, the name of a company, does that give you some kind of common-law presumption? To say: Well, I have incorporated ten years ago, I never trademarked my name.

MR. SLOANE: Well, it is outside the scope of a traditional trademarks-vigilance question, and it is really more of a substantive trademark-law question that you are asking. But, generally speaking, incorporation does not get you anywhere with the courts. That leads to the implication that you are also out there using the mark, and you may have common-law rights that you can rely upon.

QUESTIONER: Hello. Could you touch on the differences in the decision-making process of what strategies you are going to take when you are seeking to dispute a domain name issue, as opposed to a non-Internet-related trademark dispute?

MR. PARKER: Well, in a lot of ways, we treat it the same. I mean, we look at how similar the domain name is to our trademark. We try to determine the nature of the use. The problem with domain names very frequently is that we learn about the domain name before the Web site is even active. So it is very difficult to determine what the scope of the use is going to be—what kind of goods or services it is. In that situation we may or may not write to the domain-name applicant immediately. We may sort of,

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100. See 2 MCCARTHY ON TRADEMARKS, *supra* note 9, § 10:02.

note it in our files to follow up, in several months, to see if the Web site becomes active or not. If the domain name is not identical to one of our trademarks, and the Web site is not up yet, we may not be in a hurry to go after it. There may not be anything that we can do at that point, except for follow Network Solutions' policy. But the analysis is very similar to traditional trademark law whether the use is confusingly similar or not.

QUESTIONER: My question deals more with, I guess, the procedural approach. Once you have decided that you are going to go after them, as far as dealing with the Network Solutions' policy, how do you get the most out of that policy? As far as really going after and policing your mark.

MR. PARKER: If it is an identical use of our trademark, I actually find that it is pretty cost-effective. Using the Network Solutions' policy, we can, in a relatively short period of time, have the name suspended, meaning put on hold, so that no one can use the domain name for a Web site.<sup>101</sup> Usually, that is really all we are interested in. It is not necessarily a domain that we want to own because we own the ones we want to own. It is very frequently enough for us to ensure that no one else can use it.

So, to answer your question, I guess we find that the policy can often work well. And whereas with a non-Internet, non-domain name infringement, we might have to step it up a little bit. It may have to go to litigation more quickly. There are more avenues to stopping a domain name, short of litigation.

MR. PRAGER: One of the big questions is what else they are doing with the site. If they are using your trademark on their site, in addition to using your domain name, it is a different kind of a problem than when they are just using your domain name either with nothing on their site yet, or with something completely unrelated.<sup>102</sup>

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101. See Network Solutions, *Internet Policy* (visited May 6, 1999) <<http://www.netsol.com/nsi/>>.

102. The unauthorized use of a domain name which includes a protected trademark to engage in commercial activity over the internet constitutes use "in commerce" of a registered mark, and such use is in direct conflict with federal trademark law. See *Cardservice Int'l, Inc. v. McGree*, 950 F. Supp. 737, 741 (E.D. Va. 1997), *aff'd*, 129 F.3d 1258 (4th Cir. 1997).

MR. SLOANE: Michael.

QUESTIONER: My question is for Kathleen. I am wondering how Thomson & Thomson searches for and treats foreign-language equivalents?<sup>103</sup>

MS. DONOHUE: As far as translations?

QUESTIONER: Yes.

MS. DONOHUE: Well, we will translate.

QUESTIONER: So does the computer flag a problem, or do humans have to search?

MS. DONOHUE: It can be programmed in. It is a computer—you can program different things. So if you are looking for a translation, you can program it that way—to pick the mark that you are searching or translation up.

QUESTIONER: In every country.

MS. DONOHUE: Yes.

QUESTIONER: Do you have to tell it in advance, though?

MS. DONOHUE: Yes.

QUESTIONER: You cannot just say: My trademark is white, so I want “white \_\_\_\_\_.”

MS. DONOHUE: Across the board? Yes, you can do that.

MR. PARKER: But I do not think, if you wanted to find white—if your trademark is white, and that is the one you use everywhere, it would not pick up “blanco.”

MS. DONOHUE: You mean the translation? No, it would not do that.

QUESTIONER: A while back, Eric, you had mentioned secondary meaning as being a factor and perhaps doing a survey to determine the extent of that secondary meaning.<sup>104</sup> For a lot of cli-

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103. Under “foreign equivalents doctrine,” rule that generic term is not entitled to trademark protection also applies when the word designates the product in a language other than English. *See Otokoyama Co. v. Wine of Japan Import, Inc.* 175 F.3d 266, 269 (2d Cir. 1999).

104. A court in determining whether trademark is protectable, the secondary meaning analysis is primarily a subjective one, looking into the minds of potential customers, and customer survey evidence, while not required, is a valuable method of showing sec-

ents that aren't multinational, P&G for example, a survey can be extraordinarily expensive. Second of all, the results may be disappointing. Can you comment more on whether, and how central that is, to determining and being part of a vigilance program?

MR. PRAGER: Well, every case is going to be different, and may depend on how distinctive your mark is—whether it is in and of itself a very unique mark like a “Kodak.”<sup>105</sup> Again, that is a multinational example, but something that does not have any meaning in and of itself. If you can show that you have a very distinctive mark, it may not be necessary to do a secondary-meaning study because you do not need it to get trademark protection.

If you have a descriptive mark, you are going to have to rely on evidence that your claimed mark functions as a mark, and that evidence may be how much you have spent on advertising, the amount of sales, and the number of years of use.<sup>106</sup> If there is counter-evidence that there are other people in the marketplace, you have to make a judgment call as to who is going to come out ahead in the evidence. It may be that if you have the resources you will want to bolster your case with a secondary-meaning study. If you do not have the money, you do not have the money. Sometimes litigation just works out that way.

QUESTIONER: So it is a rebuttal piece. It might be.

MR. PRAGER: Well, it is seldom required in your affirmative case that you need to put on a secondary-meaning study. It is usually where the alleged infringer is likely to challenge, or already has challenged, the proposition that your claimed mark functions as a mark. If you are anticipating that kind of challenge, or if they have already made it in their answer or counterclaims, you may very well need that kind of evidence, particularly if you do not have substantial sales or a track record of going after other infringers, the traditional things that point to secondary meaning.

QUESTIONER: In that banner-ad case that was mentioned, I think that Lauder's chief complaint was that a search for Origins

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ondary meaning. *See* I.P. Lund Trading v. Kohler Co., 163 F.3d 27, 42 (1st Cir. 1998).

105. “Kodak” is the quintessential fanciful mark and is therefore inherently distinctive. *See* Heartsprings, Inc. v. Heartspring, Inc., 143 F.3d 550, 555 (10th Cir. 1999).

106. *See supra* note 85.

which is one of its trademarks, would take you to the Fragrance Counter. And the Fragrance Counter did not, in fact, offer the Origins product but had some other cosmetics or fragrance products that they had. So my question is: Does that seem like a relatively unique situation? Or do you expect to see a lot of litigation with these search engines? And, if so, what kind of claims do you think will be made in those kind of cases?

MR. PARKER: Well, obviously it is unique right now, because the area is new and people are testing the limits. But I think that, in a matter of time, the courts are going to find that it is either trademark infringement or unfair competition. Depending on where the use of the mark is drawing you to, it may be dilution. But it is certainly a use of the mark, and it is certainly not authorized. So I really do think it is a matter of time before the courts strike down that use. And, you know, once that happens, I think companies will not do that anymore.

QUESTIONER: But how would you view a search for one of your marks that would take you to a whole bunch of sites where your products were actually offered for sale, in electronic commerce? And then your own Web site is about number 250 down on the list.

MR. PARKER: Well, see, that is a little different. You are moving a little bit closer to a fair-use situation. If a company is selling Fab detergent, and they want to make sure that someone looking for where to buy Fab detergent comes upon their site, they can pay the search engine so that their site comes up at the top. We have not made the same payments, so the Colgate-Palmolive Web site comes at the bottom. As I said, that may be more of a fair use issue. If they are actually selling our product and want to let people know: Yes, we sell Fab, and here we are. That is different than the Estée Lauder situation, I think.

MR. SLOANE: Okay. Thank you, everyone, for joining us tonight. And I thank our panel.