



Trademark and Trade Dress

by
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What is a trademark?

A trademark is any name, phrase or symbol that functions as a brand, that is, it tells the public that there is a particular source or manufacturer for products or services. The scope of what can be a trademark is very broad—words, images, sounds and colors can all function as trademarks. Even packaging and promotional concepts for products or services can be protected as “trade dress,” which is another form of trademark rights (*see below*).

What are the legal requirements for trademark protection?

To legally qualify as a trademark, the material must be “distinctive.” Distinctive means consumers recognize the mark as a designation of source, rather than just a phrase or decoration. Examples of distinctive word marks include Apple for computers and Xerox for copier machines. Logos can also be trademarks, whether or not they include words. For example, Apple’s graphic apple design is a trademark for the technology company, the Nike swoosh is a trademark for Nike, the purple bell image is a trademark for Taco Bell. These are known as “design marks.” Typographical logos, comprised of words in a particular font or unique letter forms, are known as “stylized marks.” Slogans can also function as trademarks, such as Nike’s “Just Do It” or the California Milk Processor Board’s popular slogan “Got Milk?” In some cases, colors or sounds can also be legally recognized as trademarks, if consumers perceive them as indicating one particular company. For example, the “Intel Inside” jingle functions as a trademark for Intel, and the specific pink color of insulation functions as a trademark for Owens Corning. Audio-visual works can also function as trademarks, such as MGM’s roaring lion, and other animated production studio logos shown at the beginning of movies.

What makes a strong trademark?

The relative distinctiveness (or “strength”) of a mark determines how much protection it gets. What makes a mark “strong” from a legal standpoint may be the opposite of what designers and their clients might think of as a strong mark. Conventional wisdom holds that the most effective trademarks convey to consumers something about the product. However, under trademark law, marks that immediately convey something about the goods or services (“descriptive marks”) or suggest some feature of the goods or services (“suggestive marks”) are considered “weak.”

Descriptive marks can indicate some characteristic of the goods or services, the geographic location where they are made or offered, or the surname of someone associated with the company. Descriptive marks don’t even qualify for trademark protection unless the owner can show that consumers have learned to associate it with one source. Descriptive marks can become distinctive through many years of exclusive use, extensive advertising, and very high sales. Examples of descriptive marks that have become distinctive and thus

recognized trademarks include American Airlines, University of California, and McDonald's.

Suggestive marks gives consumers a clue about the products or services, but require some imagination to make the connection. For example, the name Microsoft suggests that brand has something to do with software. The Puma logo might also be considered a suggestive mark, because a puma suggests something about the speed and agility of athletes, and thus suggests that the brand is for athletic shoes and other athletic wear. Suggestive marks qualify as trademarks, but upon their adoption their scope of protection is relatively weak. However, they can become stronger over time if they become very famous brands. Both Microsoft and the Puma logo would be considered famous marks.

The strongest trademarks are made-up marks ("fanciful marks"), or words or images that don't suggest the goods or services ("arbitrary marks"). Xerox is a classic example of a made-up fanciful mark. Google could be considered a made-up term, although online sources say it is a creative spelling of googol, a term coined in the 1930's by an American mathematician named Edward Kasner, to mean a number equal to 10 to the 100th power, or more colloquially, an unfathomable number. "Amazon" is an example of an arbitrary mark — the term is not made-up, but it doesn't describe or suggest anything about online sales. All of these marks were quite strong as soon as they were adopted, even before the public became familiar with them.

Owners of strong marks can stop businesses in a wider range of goods and services from using similar marks. For example, at this writing, Puma is trying to stop a distillery business from registering a leaping cat design on wines and spirits.

What is genericide?

On the scale of distinctiveness, the lowest level is a generic term, which can never qualify as a trademark for the same goods or services that the words designate. Examples would be "apple" for packaged apple snacks, or "taco" for a Mexican restaurant. Sometimes what starts out as a trademark can become generic because consumers have adopted it as the common term for that product. This is commonly called "genericide." Examples of words that once were trademarks but have legally lost their trademark status are aspirin and cellophane. As these examples illustrate, fanciful trademarks for new products, even though they start out as very strong marks, can be most vulnerable to genericide, because consumers don't already have another word to describe them. Recently, Google had to defend a claim that its trademark had become generic for online searching. Happily for Google, the court held that the brand had not become generic merely because people use the term as a verb, as in "I googled that." This is also good news for Xerox, which has been fighting off potential genericide since it introduced the first photocopiers in 1959. That

brand was consistently used as a verb—“please xerox this”—prompting Xerox to launch an extensive campaign to teach people to use the term “photocopy” instead.

What is trade dress?

“Trade dress” is a subset of trademark law. References to a “mark” can also refer to trade dress, and the law treats them essentially the same. Trade dress encompasses a wider scope of branding materials for goods or services, rather than a single symbol. Trade dress can be product packaging, ad campaigns, the appearance of websites, the overall interior design of a restaurant or retail store, or even the configuration of a product itself. To qualify for trademark protection, the trade dress must be unique enough in the marketplace that consumers will perceive it as branding.

Like singular trademarks, trade dress is evaluated on a scale from strong protection to relatively weak protection. For trade dress, the analogy to “descriptive” would be “decorative.” Trade dress that is typical or commonplace will be seen as merely decorative rather than branding. For example, websites which utilize a simple grid, packaging which primarily features photographs of the product, or Mexican restaurants which employ common Mexican motifs, would all be considered merely decorative, or, at best, relatively weak trade dress. In some cases, companies must offer proof that such trade dress has become “distinctive” in the trademark sense with the same types of evidence that are necessary for singular marks—many years of exclusive use, extensive advertising, and very high sales. The design of a product itself (as opposed to its packaging) is never considered “distinctive” and thus does not qualify for trademark protection unless the owner can establish that it has become distinctive through the same types of evidence.

Examples of strong trade dress include Apple’s “Think Different” or iPod ad campaigns, and the unique Coke bottle design (the bottle is considered the “packaging” for the product; the product is the soda itself). These materials were so unique upon their introduction that they immediately qualified as strong brands.

Who owns a trademark?

Unlike copyright, ownership of a trademark is not about who created the mark. While copyright is about protecting a person’s rights in what they create, trademark law is about protecting consumers from confusion in the commercial marketplace. Trademark rights are created by using the trademark as a brand for goods or services in commerce, so that potential consumers can learn which brands they prefer (or dislike) and can accurately choose (or avoid) goods or services from a particular source.

Thus, as the designer, you don't own trademark or trade dress rights in logos, brand identity systems, or distinctive trade dress that you create for your clients. Rather, once your clients implement your designs, your clients will own trademark rights in those things, because the designs will be functioning as branding for their businesses. For example, when the client begins using a logo that you've created on its goods or services (including advertising and other promotional materials), such use will start establishing trademark rights for the client.

The exception is if you are doing your own self-branding, for example, naming your own design studio, and creating your own logo and other promotional materials for your design business. In that case, you will own trademark rights when you start using those branding materials.

Does copyright protect trademarks?

Under a longstanding doctrine in U.S. copyright law, copyright does not protect words, letter forms, or simple designs. The rule against protecting letter forms is particularly out of sync with the design world, which recognizes the creativity involved in typeface design. According to most historians, the rule against protecting letter forms stems from legislators' fears that if typefaces were protected, printing presses would be able to establish monopolies over publishing literary works. Today, however, type fonts are protected under the separate rule that copyright does protect software. Because fonts are created and distributed in digital form, the protection for the software effectively protects the letter forms themselves from being copied. That is why type font companies can control use of their fonts through licensing.

Unfortunately, however, under the rule that letter forms are not protected, copyright will not protect purely typographical logos, even if a unique type treatment has been created for that specific logo. For example, the Coca-Cola script logotype is not a copyrighted work, even though it includes uniquely embellished letterforms. However, if a logo includes visual imagery, it may qualify as a visual artwork that is legally protected by copyright. An example would be the original Starbucks logo, which incorporated the mermaid graphic with the Starbucks name.

Trade dress, such as packaging, advertising and website designs, may also be protected by copyright, under a concept called "compilation authorship." Compilation authorship refers to the creativity involved in selecting and arranging several individual elements into an overall design. Designers creating websites, product packaging, brochures, etc. are engaged in compilation authorship. If you have also created some of the individual elements included in the compilation, they will also be protected by your compilation authorship if they are separately copyrightable. For example, if you create a new website for a client that includes a new logo, your compilation copyright will include the

logo to the extent it includes visual imagery. If the logo is purely typographical, however, your compilation copyright will not protect it.

What if the same work qualifies as a copyrighted work and a trademark?

Technically, if you are a freelance designer you own copyright in works that qualify for copyright protection, unless you give your client copyright ownership in your design services contract. (Under some situations employers or clients may own the copyright as work-made-for-hire. See [Copyright Basics for Graphic Designers](#).) However, when you are creating branding materials, as a practical matter the copyright is not particularly valuable to you. Because these kinds of works function as your client's trademarks, you cannot safely re-license them to other clients. That could put your new clients at risk for trademark infringement (more on this below). Moreover, if you have a legal dispute over ownership with your client, a court is likely to determine that your client's trademark rights override your copyright, such that you would not be able to claim exclusive rights in the designs or use them in any way that could harm your client's exclusive trademark rights.

Because trademark rights are so important to clients, most clients will insist on contract terms that give them all rights in such works. The best way to deal with this is to grant to your client an "assignment of all rights, including copyright," in final designs for corporate identity packages, logos, websites, or any other works that are intended to have an ongoing, exclusive marketing presence for your client. You need not assign rights in alternative designs or directions that the client did not approve—industry standard is for designers to retain their copyrights in such alternate preliminary works. The alternate designs can then be reworked for future clients. Because your original client will not be using the alternates, there would not be a conflict with their trademark rights.

But what if your client cannot afford the higher fee for all rights? You can establish a fee for certain levels of usage now, with additional fees for expanded use later, as the company grows. The future fees could be flat fees based on usage, or they might be a percentage of the company's income. In this way, you can accommodate a small budget now but still share in future success. This is a fair way to ensure that you will be compensated for the value you add to the company through its visual branding. For example, such an arrangement would have ensured that Carolyn Davidson, the student who created the Nike swoosh logo, would receive more than her initial \$35 fee. (In that case, Nike elected to give Ms. Davidson some Nike stock as further appreciation for the value of its swoosh logo, but Nike was not legally obligated to do so.)

Who owns student work?

Some design schools believe that they own student work, but legally this is not correct. Schools may own creative works that their professors have developed

in connection with the courses they teach or school-sponsored research they do, but in that case it's because the professors are employees of the school, which means the school would own the works as work-made-for-hire. Most students, however, are not employees of their school. So unless a student has signed a contract to the contrary, students retain rights in their schoolwork. This is pretty straightforward when students are working on hypothetical design projects.

The situation can get complicated, however, when schools collaborate with actual businesses to have students do design work for real commercial projects. Sometimes these assignments are styled as "contests" in which the prize is to have your work chosen for implementation by the company. In such cases, the students may be receiving a valuable experience of working with a real client, but the business is also receiving valuable design work, usually without paying the student. (In some cases, the school receives compensation or other things of value, such as complimentary licenses to design products or equipment.)

Generally, if you do design work without getting paid, your client will require a contract to establish that it has rights to use the work. That is because you can revoke permission to use the work if the client has not given you something of value in exchange (in legalese, this is called "consideration"). The concept of consideration isn't limited to money – it can be something else of value to you. Many contracts recite that your consideration is the ability to show the work in your portfolio and to be credited as the artist. Companies working with schools will also put something like this in their contracts with the schools. Students (and sometimes, their professors) are not always told about these contracts, and may not understand that they will not have the opportunity to negotiate monetary compensation if their work is selected. When the student work involves trademarks or trade dress, the company may claim legal ownership of the student's work through its subsequent use of it on their products.

Students given an assignment to work on an actual company's design project should ask for a copy of the school's contract with that company and be sure that they are agreeable to its terms.

What is trademark infringement?

The standard for trademark infringement is "likelihood of consumer confusion." This is a very different standard from "substantial similarity" under copyright law. Trademark law is not concerned about whether artistic expression has been copied. Rather, trademark law protects how a design functions as a brand. As noted above, trademark law is meant to protect consumers against market confusion. So a new trademark is "confusingly similar" to the original mark if consumers are likely to think that both trademarks represent the same company. This is generally analyzed by looking at the similarity of the trademarks, the similarity of the parties' respective goods and services, and several other factors,

such as the strength of the original trademark, and the relative sophistication of each party's customers.

Unlike copyrights, trademarks can be infringed even if you created the new mark without copying the other mark. Designers can, and sometimes do, unintentionally create a trademark that will infringe an existing trademark. A famous example of this happened in 1974, when NBC commissioned a large design firm to create a new logo. NBC reportedly paid close to \$1 million for the new logo. Soon after the new logo was launched with much fanfare, the network was sued by a Nebraska PBS station, which had a logo that was essentially identical. NBC ended up spending \$855,000 to resolve the claim.

As the NBC example illustrates, it is very important to conduct a trademark clearance search before a new mark is adopted. Clearance searches can be done through intellectual property law firms or professional search companies. Generally, designers will want to ensure that the client is responsible for searching and clearing the new mark. The client's responsibility to do so should be spelled out in your contract. If your contract has an indemnity clause (where the designer promises to pay the client's costs in the event of an infringement claim), any liability for trademark infringement should be excluded from the indemnification. AIGA also recommends that any warranties by the designer that the work does not infringe the intellectual property of third parties should be limited "to the best of designer's knowledge." That way, an unknowing infringement of someone else's trademark will not be a breach of your warranty. (For more information about these contract issues, please see the [AIGA Standard Form of Agreement for Design Services](#).)

What is trademark dilution?

Dilution is a legal concept that protects famous trademarks from being "diluted" by the presence of similar trademarks in the marketplace. Trademark dilution claims are only available to famous brands, and it can be difficult to establish legally that a mark is sufficiently famous to qualify. Dilution can happen even if there is no confusing similarity. Rather, dilution occurs when consumers no longer associate the famous trademark with just one source. For example, if someone started selling "Xerox" apple pies, that would cause dilution of the famous Xerox trademark. Even though consumers would know that Xerox pies are not related to the famous Xerox photocopiers, they would now be associating "Xerox" with another product, and the value of the Xerox mark would be diminished.

Logo designs can also be the subject of a dilution claim. For example, at this writing, Puma (the sportswear company mentioned earlier) has filed claims in the U.S. Trademark Office against two other leaping panther logos, claiming both trademark infringement and trademark dilution in both cases. One is against a British sporting goods company that wants to register a leaping

panther logo for tennis rackets. Puma has a credible trademark infringement claim based on the argument that tennis rackets are related to Puma's athletic gear, and thus consumers will think they might come from the same source. The second claim challenges another leaping panther logo used by a distillery for wine and spirits. Wine and spirits are not related to athletic gear, so in this case dilution is the more viable claim. It will be evaluated on whether the Puma logo is legally famous, and whether the distillery's logo is so similar that when consumers see it, they will think of Puma's logo. The court will have to decide if Puma's logo is so strong that even different renderings of a leaping panther for quite different products can be stopped.

Cases like this are hard to predict. The outcome can depend on the subjective perception of the court. The general lesson for designers is not to create logos that resemble famous trademarks, even if they are for completely different industries.

What is fair use of a trademark?

"Fair use" will excuse unauthorized reproduction of a trademark under certain limited circumstances. This is not the same doctrine as "fair use" under copyright law. Generally, for trademarks, "fair use" means use of the mark in a way that doesn't confuse consumers regarding source or endorsement by the trademark owner. Fair use can include using the mark to identify the company in news or comparative advertising, or an obvious parody of the mark. Political use of a trademark is more likely to be considered fair use than pure commercial use. For example, a court held that fair use protected t-shirts that displayed modified Walmart logos which expressed the designer's criticisms of that company.

Parodies are also more likely to qualify as trademark fair use. But even if you have a good fair use defense, be cautious about copying other trademarks. For example, Lois Vuitton litigated infringement claims against "Chewy Vuitton" dog products all the way through trial and appeal. The appellate court finally held there was no infringement because of the obvious parody. Meanwhile, however, the maker of Chewy Vuitton products incurred hundreds of thousands of dollars in legal fees to defend the lawsuit. If you designed that identity and your client contract had an indemnity clause, you could end up paying such litigation costs even if you win.

Is portfolio use fair use?

Portfolio use of trademarks is a gray area. We used to be confident that showing your work in your portfolio is a fair use. Recently, however, some courts have held that portfolio use may not be fair use, even though a designer's portfolio generally is not a market threat to the client and there is no likelihood of consumer confusion. Some clients do not want designers to show their logos because it could be perceived as an endorsement by the client. Clients may not

want you to show alternate designs or earlier versions of the logo you created for them because they don't want the public to know about them.

Because of these uncertainties, it is important to have clear language in your client contract saying you have the right to show the work in your print and online portfolios. You may need to agree to show only the final designs adopted by the client, and only after the client has publicly disclosed them itself.

Protecting your own trademarks

As a designer, you have your own trademark rights in your company name and logo. There are three steps you should take to protect your marks. First, do appropriate clearance searches to make sure your marks do not infringe other trademarks. You can do an internet search yourself. Back that up with a more comprehensive search done by a lawyer or professional search service (lawyers and search companies have extensive databases and searching skills beyond what's available to the public). This is an important step that can save you considerable time and expense later. If it turns out your marks are too close to another designer's, you will have to change your name or mark, then redesign and republish your marketing materials. You will also lose the goodwill and reputation you had built up under the mark.

Second, consider applying for trademark registration. Marks are eligible for U.S. federal registration if you provide services to clients from other states. Federal registration can be expensive and time-consuming, but it is worthwhile. Federal registration gives you enhanced trademark protection, including the presumption of exclusive national rights (rather than just rights in the geographic areas where you provide services). Unfortunately, the registration process is difficult and the Trademark Office is unforgiving of mistakes. It is best to hire an intellectual property attorney to prepare the application for you. If you don't qualify or can't afford federal registration, consider state trademark registration. State registrations are generally faster and less expensive, and they give you the presumption of statewide rights.

Finally, use the TM or ® symbol. TM means you claim trademark rights in the name or symbol. TM should be used for any mark, whether or not you've applied for registration. ® means that the mark is federally registered, and thus it should be used only after a federal registration has been granted. Many designers consider these symbols unsightly and resist using them. However, it is important legally to use the symbols. Infringers who can claim they were unaware of your trademark rights because no TM or ® symbols were on your design can get reduced remedies (a remedy is the way a court enforces a right, often by imposing a financial penalty). The symbols need not be used with every appearance of the mark. Once per publication is sufficient, and it can be incorporated in mouse type.

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ABOUT THE AUTHOR: *Linda Joy Kattwinkel, Esq.*, has been a visual artist for over 50 years and an attorney for over 20 years. She received her BFA cum laude in Communication Arts from Virginia Commonwealth University, where she studied with Phil Meggs. She was a graphic designer, illustrator, and typographer for 13 years before receiving her law degree cum laude from Hastings College of the Law in 1991. As a member of the law firm Owen, Wickersham & Erickson, Linda Joy represents clients and serves as a mediator/arbitrator in matters of intellectual property and arts law. Her particular focus is copyright, trademark and arts law on behalf of designers and visual artists. She is the author of “Legalities,” an online column on legal issues for designers (currently hosted by AIGA|SF, <http://aigasf.org/community>, and archived on her firm website www.owe.com/legalities.htm), as well as articles for *STEP magazine*, *Communication Arts*, and AIGA. She speaks frequently to lawyers and designers on arts law, including several AIGA national conferences. Linda Joy continues to paint in plein air and at her studio in San Francisco.