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TRADEMARKS • COPYRIGHTS • LICENSING



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INTRODUCTION

U2, AFI, ARCADE FIRE, COLDPLAY and LINKIN PARK. These are just a few examples of entertainment service marks in the nature of musical bands. When these marks are applied to goods such as t-shirts, records, cd's and audio tapes, they become trademarks. With respect to such music related marks, this article will briefly introduce the readers to the fundamental aspects of trademark law.

SELECTION AND CLEARANCE

The selection of a service mark is the first step that a band and/or its manager and/or the record label undertakes to create an identity for the band. The clearance of a service mark or trademark (collectively, the mark) is the process of determining whether or not the mark is available and is not being used by someone else as a mark. This clearance process cannot be overemphasized in its importance. Ignoring this vital step can lead to a multitude of problems and expense. In the clearance of a mark, a two-step process is suggested. The first step is to conduct an on-line computer trademark search of the mark. This on-line search is further clarified by identifying the goods sought to be used or sold as trademarks are categorized by classification. In the United States, the federal government has adopted the International Classification system. Entertainment services in the nature of a musical band, including live performances are in Intl. Class #41. Toys, dolls and sporting goods are in Class #28. Shirts and related apparel and clothing are in Class #25. Backpacks, fanny packs and gear bags are in Class #18. Posters, magazines, books, trading cards, and other printed matter and publications are in Class #16. Jewelry is in Class #14; Videotapes, audiotapes, compact discs, cd-rom's, vinyl records, videogames, software (including downloadable software over a global computer network) are in Class #9. Therefore, if you are planning to sell audio tapes, cd's, apparel, fanny packs and posters, then you will want to conduct an on-line search of Classes # 9, 25, 18 and 16. The on-line search is often called a "knock-out" search. This is because the on-line search is a quick and relatively inexpensive way to determine if the mark is already being used. These on-line searches are often available at public libraries, commercial search firms and law firms.

If your mark appears free of conflicts after conducting an on-line search, the next level of search is the full search. The full search will search the federal database of trademarks at the Patent and Trademark Office, State trademark registrations, common law sources such as phone directories and Dun & Bradstreet listings, plus internet domain names.

If your mark still appears clear of conflicts after a full search, then you can be fairly certain that you can adopt and start using your mark. CAVEAT: These searches are not guarantees of the absence of conflicting marks, but they do allow you to make a more informed decision in the clearance of a mark.



TRADEMARKS DEFINED

A trademark is defined as any word, symbol, slogan, or device (such as a design), or a combination of them, used by a manufacturer or merchant to identify his goods or services and to distinguish them from those manufactured, sold or serviced by others. BILLBOARD magazine or a SEAL compact disc are excellent examples of trademarks. An example of a service mark is U2 for entertainment services in the nature of a musical band. Such a mark as U2 can also be exploited and serve as a trademark (i.e., for clothes (t-shirts, hats, sweatshirts); records, compact discs, audiotapes, and videotapes; backpacks, fanny packs; jewelry). In the U.S., trademark rights are acquired through use (e.g., by selling your product in commerce with the mark attached or on a label). Service marks, on the other hand, are used in advertising and promotional materials. For instance, a band can show use of its entertainment service mark by featuring the band's mark prominently on its own website or MySpace.com webpage.

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While it is not the focus of this article, the proliferation of P2P music sharing websites and/or the digital distribution of music on the internet, raises numerous issues concerning trademarks and service marks, as well as copyright that cannot be ignored or avoided. In today's global marketplace, anyone interested in exploiting Rock 'n Roll Trademarks is wise to seek counsel in connection therewith. Just a few examples of service marks now prominent in the digital distribution of music include iTunes, MySpace, eMusic, and many others.

FEDERAL TRADEMARK REGISTRATION

To obtain maximum protection, it is best to register your trademark or service mark. In the U.S., your greatest rights can be obtained with a federal trademark registration. If you are only conducting business within one state, e.g., California, it is possible to register your mark with the California Secretary of State. However, if it is your intent to do business across state lines or in foreign commerce (or if you are already doing business across state lines or in foreign commerce), then the prudent thing to do is to file for a federal trademark and/or service mark application with the U.S. Patent and Trademark Office (USPTO) located in Alexandria, Virginia. As discussed below in more detail, among the chief advantages of a federal registration are the presumption of validity throughout the United States and the exclusive right to use the mark.

An application for registration of a trademark must be filed in the name of the owner of the mark. The applicant must submit: (a) a written application; (b) a drawing of the mark; (c) the required filing fee (which is \$325 per mark per class at this time if filed online at www.uspto.gov; or \$375 if filed in the traditional paper application format). The applicant will also incur attorneys fees, typically a fixed fee, should an attorney be hired to file the application(s). As previously discussed, trademarks registered with the Federal Government are categorized by a classification system which correspond to the type of goods sought

to be registered. The U.S., as with many other countries, uses the International Classification (hereinafter, "Class") system. For instance, the U2® service mark falls within Class #41; RED HOT CHILI PEPPERS® and ARCADE FIRE™ for clothing are in Class #25; THE GRATEFUL DEAD™ fanny packs are in Class #18; FENDER® and DUO SONIC® for guitars are in Class #15; ATLANTIC®, INTERSCOPE®, STREET LIFE® records and BASF® audio tapes are in Class #9; and BILLBOARD®, ROCK-IT COMIX® and ROLLING STONE® are in Class #16 for publications.

After the mark is registered in the U.S., it is important to give notice of this fact by placing the registered trademark symbol, "®", adjacent to the mark. Prior to registration, it is also advisable to use the symbols, "TM" (for trademarks) and "SM" (for service marks).

The chief advantages of a federal registration include:

"Constructive Notice" nationwide of the registrant's claim to ownership of the mark. This basically eliminates the good faith defense of an infringer who claims to have lacked actual knowledge of the registered mark.

Registration is also evidence of (a) the validity of the registration; (b) the registrant's ownership of the mark; and (c) the registrant's exclusive right to use the mark in commerce in connection with the goods or services.

Registration also entitles the registrant to (a) file a lawsuit for infringement of the mark in Federal Court; (b) prevent importation of goods bearing an infringing mark; and (c) use the registration as a basis for registering the same mark in certain foreign countries.

Trademark registrations are valid for 10 years, subject to certain use and filing requirements, and are renewable every 10 years, also subject to continued use and renewal filing requirements. Therefore, theoretically speaking, as long as a trademark or service mark continues to be used and registration filing requirements are followed, the rights therein will not expire and the mark can be used and kept registered indefinitely.

FOREIGN TRADEMARK REGISTRATION

If your product is distributed internationally, then you must, by and large, register your mark(s) in each country where you plan to do business or are doing business. Is this expensive? Yes! On the other hand, the alternative is the potential loss of the ability to sell your product in those countries where a third party has filed a prior application for your mark(s). Therefore, foreign trademark protection is typically obtained on a country-by-country basis. Unlike the U.S., however, trademark rights in many foreign countries are obtained by registration rather than use. This further necessitates the importance of filing for marks in foreign countries as soon as possible.

Two notable alternatives to the typical practice of registering trademarks on a county-by-county basis are (1) the (European) Community Trade Mark Application which has been available since January 1, 1996 for the filing of applications. By obtaining a Community wide trademark registration, an owner of a U.S. registered trademark, for example, can potentially save both time and money otherwise invested in registering a mark in each separate European country and can thus hopefully attain maximum protection for its trademarks in overseas markets at a minimum of cost. And (2) more recently, since November 2, 2003, with the U.S. accession to the Madrid Protocol, U.S. Federal trademark applicants or registrants can potentially extend their trademark protection to additional Protocol member countries.

CONCLUSION

Whether you are selling products or services, it is very important to be aware of your trademark and/or service mark and their value. In a competitive business environment, the potential for economic loss is tremendous if trademark rights are not acquired, evaluated, protected and maximized. While this article does not portend to cover all the intricacies of trademark law, hopefully it has helped to shed some light on this area of the law which should be of paramount importance to managers, bands and record labels.

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