

Trademarks and startups: 7 keys for their correct registration

The identity of a company, its image and its "TRADEMARK", are cornerstones for its development and to differentiate itself from the competition. The proper protection of a mark sets that it is registered, in order to preserve and protect the intellectual capital of its creator, an intangible asset, which is precious and, sometimes, invaluable.

Usually, the entrepreneurs or businessmen greatest fear or concern regarding the protection and preservation of their trademarks is that others could "copy" and use signs confusingly similar to theirs, or that potential imitations or forgeries could affect the prestige, reputation and success their trademark has acquired among the public in general and the customers in particular.

In effect, in order to obtain ownership of a trademark, to protected appropriately, to avoid disputes and to have the rights its registration grants, we have to follow seven keys for the correct registration of a trademark in Argentina, emphasizing the creation period in particular.

1) WHY SHOULD A TRADEMARK BE REGISTERED? WHICH ARE THE RIGHTS IT GRANTS?

The proceeding for the registration of a mark in Argentina is not short and, if it encountered any problem, it could last longer. If there are several objections, trademark proceedings usually end in a court action, and this could entail considerable costs. Why doing it then? Like an automobile or an apartment, a trademark is a good to be registered. Ownership over it and exclusiveness over its use are obtained through its registration. Its registration attributes ownership, attests, in principle, about who the trademark's owner is and its validity. From the registration, the following advantages and rights for its owner derive:

- The term of duration of a trademark registration is of ten years and it may be renewed indefinitely for equal periods.
- Its protection is valid throughout the territory of the Nation.

- The symbol ® can be used, which warns third parties that it is a registered trademark and discourages them from an authorized use of the mark.
- The owner may enter into license agreements (thereby collecting royalties), grant franchise, etc. among others.
- The mark can be used as a collateral, entering into pledge agreements, trusts, etc.
- The owner may take the necessary actions aimed at preventing third parties from using the mark without authorization.
- The owner may request the seizure, embargo or inventory of infringing goods.
- The owner may collect compensations for an unauthorized use of the mark.
- The owner may judicially request the discontinuance of use of identical or confusingly similar marks, as well as the use of corporate names, trade names, establishment names or domain names.
- The owner may prevent the import or export of goods using the mark without authorization.
- The owner may file oppositions against other trademark applications that are identical or similar, that can be detected by watching the weekly publication of the Trademarks Bulletin.

A mark that is used by its owner without having registered it, on the contrary, is more difficult to defend, it would take more time and be more expensive. Its owner would have no certainty about his/her ownership nor about its scope and would not be able to say "without a doubt" that the mark in question is part of its net worth. For these reasons, it is necessary to register a trademark that is used or will be used to distinguish goods commercialized or services rendered by its owner.

The selection of the sign that will be used and protect will depend not only upon commercial and marketing factors, as well as the public to which the good or service will be addressed, but also upon its registrability.

2) YOU SHOULD KNOW WHICH SIGNS MAY BE REGISTERED

It is essential to know and take into consideration which signs are the one that can actually be registered and which cannot. ***In Argentina, any sign with distinguishing capability can be registered as a trademarks, unless its registration is forbidden by law.*** Not knowing the scope of the national law on this matter could leave in the inkwell of ideas or the project dustbin registrable signs that were the fruit of the imagination and creativity.

It is usually thought that trademarks are ***only words*** (one or more words with or

without meaning, combination of letters and/or numbers, monograms), **figurative** (drawings, emblems, stamps, images) **or composite**, a mixture of the former two. But they are much more than that.

Thus, **it** may protect or register **three-dimensional trademars, containers or packaging of a products, even its wrapping. The shape of a products** -when it is not the necessary or usual one or determined by its function (e.g. a soap with the shape of a bear or a house, the shape of an electronic device, etc.).

The **combination of colors** applied to the products of any type, even over facades or the exterior of buildings, as well as over the product's wrapping. Moreover, **sound, touch and scent** marks are registrable, as well as the combination of several **signs in motion, sequential or mobile**.

Prohibitions are set forth, for example, to prevent the registration of identical or similar marks, either already registered or pending; generic, descriptive or deceiving marks, signs contrary to moral and good customs; domestic or foreign designations of origin; letters, words, badges, symbols used or that should be used by the Nation, provinces, cities, religious and health organizations, either domestic or foreign; the name, pseudonym or portrait of a person, without his/her authorization or the authorization of his/her heirs down to the forth degree, etc.

The spectrum of registrable signs is wide but it is always advisable to start the protection with word marks.

3) IDENTIFYING THE GOODS AND SERVICES TO BE DISTINGUISHED

Trademarks can be registered in 45 different classes according to the International Trademark Nomenclature: the first 34 classes describe goods, while the remaining 11 classes belong to services.

At the time of filing a trademark application, the class to be covered has to be specified; the application should also specify whether the mark should cover all the goods/services falling in the class or it should be limited to some of them.

Several of the nomenclature's classes are related, either because the goods are similar (e.g.: beverages and food) or because goods belonging to different classes can be commercialized in the same store (e.g.: clothes, bags, perfume, watches, sunglasses, etc.). Some goods can also be directly related to a specific service; For instance, cars belong to class 12, and their repair is a service that belongs to class 37. Another example would be the manufacture of footwear, which belongs to class 25, and its commercialization (class 35).

Identifying the class to which the goods/services to be commercialized belong is an essential aspect in the application process, and identifying those classes that are intrinsically related to it is crucial as well, since they may include goods or services that could be necessary for the future growth of the mark.

4) DEFENSE MARKS (marks used as a defense method)

In relation to the above and contrary to other systems which require the registration of the mark only for the goods/services distinguished, it should be noted that the Argentinian system allows the registration of the so called "defense marks".

In this way, trademarks can be registered in classes that include goods or services that, despite not being related to the use of the mark, may be used directly or through a license in the future. Alternatively, these classes may be covered simply to prevent third parties from using the same mark or a similar one.

These marks in these classes belong to the owner of the mark, and add value to the whole trademark package, complementing the main mark.

5) REGISTRATION VIABILITY - CLEARANCE SEARCH OF PRIOR REGISTRATIONS

A clearance search is a process in which the trademarks registered at the National Institute of Industrial Property are reviewed to check whether there are prior registrations of marks that are similar to the mark to be applied for. From the result of this search, it can be learnt whether a prior trademark registration would prevent the registration of an eventual trademark application. According to statistics, 35% of the trademark applications filed do not mature into registration. This happens mainly due to objections raised (either oppositions or legal objections) against the application during the registration proceeding. These objections basically result from the application for a mark that is similar (i.e., a mark containing either graphic, phonetic or ideological similarities) to a prior registration. The objections can also arise from the application for a mark identical to a mark of renown in other countries without authorization of the owner of the latter, who most probably will oppose to the registration of the mark.

Even when applying for a mark covering only those classes that include the goods/services that will be used in connection with said mark, and there is no intention of covering other classes as a defense method, conducting a clearance search in those classes directly related to the mark in question is a useful process that allows learning of the existence of prior trademark registrations similar or identical to the mark to be registered. Knowing this in advance allows to foresee eventual oppositions that may arise during the registration proceeding, or even anticipates the impossibility of broadening the mark's protection in the future.

Making a mistake in this stage could delay the launching of the product/service, or even abort the project. Moreover, prior registrations of other marks and coexistent marks should be evaluated, and risks and possible conflicts with third parties should be identified in order to prevent them or find solutions.

6) PLAN FOR THE PROTECTION OF THE MARK

It will depend on each case, on the owner's interest, on the result which has been planned about the exploitation of the mark and its terms and the available budget.

Should the trademark which will be launched to the market is destined to distinguish only one good or service, its plan of protection is more simple. It may not be necessary to register more than one class and to register it as a word or composite mark.

When the project that the mark's owner has for it includes goods and/or services of current or future use that comprise different classes, it is compulsory to plan the scope of protection and the terms in which it will be tried.

One basic rule to follow is that the trademark should be able to register to distinguish the exploited activity or the one to be exploited in a short term.

It is highly important to cover goods and services which are connected to the main mark. If these consist on "clothing and footwear", it should be considered to use or prevent third parties from using said mark in goods such as, "sunglasses", "bijouterie, watches and jewelry", for example, which are related to them, they can be sold in the same stores, they can be licenses for a third party and they are included in other classes.

At the same time of filing the application, it is recommended to cover goods falling in those classes that contain the main goods, as well as in classes where additional goods are included. The existence of citations arisen from trademark search in any of the main classes can imply the abandonment of this application, but if it happens in any additional class and of future use, another trademark should be searched to distinguish said good. In both cases, after reviewing the possibility of opposing to the citation concerned, for instance, due to the lack of use or in case negotiations with its owners to acquire those trademarks have failed.

Word marks, design marks or composite marks? How to register them and which should I register first?

Trademarks are compared jointly, without dismemberments. Therefore, a word and a logo will be protected, initially it is convenient to apply for their registration separately.

Each trademark is independent and each one's registration is not connected to the other's problems. They can be used separately or jointly depending on the owner's interest.

From another point of view, if the word mark has been represented with a special type of letter and a combination of colors, if possible, the trademark to be

registered should be the denomination itself without any other addition. In this way, due to the change of representation, the trademark will be always updated.

Having the word mark registered, the registration of the type of representation (type of letter and colors) is compulsory and it is not an option anymore, when it will not be modified in the near future and its use is imposed in the market or it will be the reason for important advertising inversions (yellow and black for Kodak, the combination of colors for UPS, the black oval and the type of letter for Freddo, etc.)

7) ADMINISTRATIVE PROCEEDING

Having taken the decision of which trademark will be registered and which classes will be covered, it is also important to take into account that the registration is not immediate. In Argentina, the administrative proceeding lasts approximately from 12 to 14 months if the application did not encounter opposition from third parties nor official actions from INPI (National Board of Industrial Property) in such case the term is extended. Since the filing of the application, its owner has the possibility to oppose to subsequent applications (priority rights and defense rights).

Approximately after six months, it will be known if the application encounters opposition from third parties and its essence. Trademark search would have given a first estimation. However, its conclusion is not definite.

Although trademarks are compared graphically, phonetically and ideologically with criteria already set by our administrative and judicial practice, a subjective criteria is still important. This element cause that the owner of a trademark confusingly similar would not file an opposition to our application because he is not interested in his trademark anymore. If he does it when the trademarks would coexist, but he has the maximum interest in its defense.

All these steps lead to the impossibility to estimate the exact terms that the proceeding will take and the necessity to plan in advance the protection of the trademark in order to launch the good/service to the market without having problems.

Forgery, illegal exploitation, piracy, expensive and endless legal actions, investments of time, money and appeals to defend something that, according to the creative right, belongs to the creator. Is there a better strategy than being prepared? A registered trademark belongs to the owner's property and it has the necessary weapons for the defense.

It is essential to anticipate as much as possible for the launching for the protection of the mark.

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