

Trademark Monitor – Are You a Good Player in This Game?

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If you are in-house counsel for a company, have you ever experienced one or more of the following feelings during trademark management work?

- 1) **Surprised** – one day, without any expectation, you are informed that someone has successfully registered a trademark that is identical or similar to your company's major brand;
- 2) **Angry** – then you begin to wonder what exactly the people in the Trademark Office are doing. How those who have given your own trademark quite a long and difficult time from filing to registration let this obvious bad-faith filing pass so easily, simply because your own trademark fails to cover that specific subclass of goods, of which you have never thought of before?
- 3) **Confused** – you know you must take actions against it, as well as all future possible cases alike, but how? Is full-class filing necessary or helpful? Is there a perfect way to solve the problem once and for all?
- 4) **Annoyed and Tired** – you start receiving more and more reports from different trademark agents, trademark search companies, etc., which present you many similar trademarks newly published on the official Gazette and have advised you to file oppositions against them. The next thing you realize is that you are out of time and lack the necessary budget to deal with the seemingly endless array of similar trademarks;
- 5) **Confused again** – you are now in a dilemma: whether you should or can neglect all those monitor reports which seems promotion-oriented rather than offering serious legal advice; if not, then it seems necessary for you to obtain more resources (human and financial) from the company to deal with this endless game...

Reasons and Background

You may ask yourself, what is the original root of the entire problem? Looking

closely at the relevant trademark legislations and administrative practice over trademark prosecution and protection, you may actually find the answers right in front of you:

1. Limitation in Examination of Trademark Similarity

The judgment over whether two marks are similar or not is by nature highly subjective and personal. There is no mathematic methodology to calculate the precise degree of similarity, e.g. 50% similar or 75% similar; nor is there general rule applicable to every case. Though there are many precedents for the examiner to catch the sense in order to maintain the same standard, the final judgment may still not be perfect.

2. Limitation in Examination of Goods and or Services Similarity

The limitation regarding goods and or services relative similarity is even more serious and common than the limitation on trademark similarity.

When determining whether the designated goods of the present application are similar to those of a previous application or registration, the examiner of Trademark Office highly depends on the official guidebook, "Classifications of Similar Goods/Services." To be more specific, if the two goods fall into the same subclass or subclasses with cross-similar notes, then they are considered similar goods; whereas those in different subclasses even in same class are considered different goods. For example, a sport shirt (subclass 2501) is deemed different from sport shoes (subclass 2507), though often both are sold together in shops; fast food restaurants (subclass 4301) is deemed different from hamburger (subclass 3006), although consumers generally believe that the restaurant and the food provided by such restaurant are represented by the same brand; beer (subclass 3201) is deemed different from wine (subclass 3301), though they can be produced by the same manufacturer of alcoholic drinks.

Thus, in summary, using similar trademarks on those goods and or services that are considered "different" under the examination standard of the Trademark Office may cause confusion and misrepresentation in the market, and may be intolerable by both the prior trademark owner and the consumers.

3. Development of Market and Industries

Another reason for the situation is that the market itself is rapidly changing and developing, and industries are evolving from one mode to another, for example, clothes stores that used to sell only shirts now may sell not only shirts, but also trousers, caps, scarves, belts, virtually dressing an individual from head to toe, so that the consumers can enjoy the one-stop shopping service.

Therefore, those “different” goods and or services under the examination standard of the Trademark Office may become closely related as manufacturing and sales process gradually.

Problems and Risks

Because of the above reasons, trademark owners cannot totally rely on the Trademark Office to reject all identical or similar trademarks filed by others on identical or similar goods/services under the official examination standard, instead they must make their own efforts to monitor the newly published trademarks; otherwise, trademark owners may face the following risks: infringement, dilution and devaluation of trademark.

How to Conduct Trademark Monitor

There are three major principles to be followed when conducting trademark monitoring:

- 1) **Broad coverage:** it is highly recommended to cover a comparatively broader scope of monitoring instead of limiting to only the classes of goods and or services which concerns your business, because such classes are usually already covered by your own trademark applications or registrations, and thus the chance of similar trademarks published in such classes would be lower. On the contrary, some other classes or subclasses for directly or indirectly relevant fields of goods and or services may be the most fragile and weak areas to monitor, which are most likely to attract bad-faith applicants to file similar trademarks. It is important to note that they may cause conflict with your earlier trademark in the actual market but the Trademark Office will not reject such

similar trademarks since their designated goods and or services fall in different classes or subclasses. It may be quite complicated and difficult to ascertain to what extent the monitor covers, thus it may be simpler to start from full-class monitor, which means monitoring all newly published trademarks in all 45 classes; then as time goes on and experience is accumulated, you may delete some classes which are too remote or which cause little conflict with your interest. Of course, for some core trademarks which are of high value to your company, you may continue to conduct the full-class monitor without deleting any class because similar trademarks on even the most irrelevant goods and or services may be intolerable to your company. Therefore, broad coverage is a very important basis for all further steps in trademark monitoring.

- 2) **Fine selection:** once the monitor results are reached, i.e. similar trademarks are discovered in the newly published Trademark Gazette, further work is needed: Selection. Selection the act of looking at each finding closely and determining whether it needs to be opposed. Because in every company, the budget granted to the legal department or trademark group is limited, or even if the budget is sufficient, it is still not necessary and worthwhile to file oppositions against every finding in the trademark monitor. Thus at the stage of selection, we need to be more cautious and thoughtful to keep the balance of benefit and expense. The following are some skills helpful in the selection process: (1) assumption and imagination: assume that this trademark is successfully registered, and it is used remarkably on the package of the designated goods or on the building where the designated services are provided, can you tolerate it? Will ordinary consumers or relevant public guess there is a connection between that manufacturer or service provider and your company? Or will they feel such use is a humorous at your company's brand's expenses? Again, your feeling and degree of tolerance would be a key factor in selection; (2) communications: it is also very necessary to communicate with other departments in the company, such as the marketing, sales, advertisement, and public relation departments, so as to obtain relevant information regarding the use, prospect and importance of the trademark, the trademark is not just a legal concept, but is closely related to the market and strategy of the company,

while as an in-house counsel, you may not have all the updated information from other departments, especially if it is a large company with a big system of management, thus active communications would be the only effective way to obtain all useful information you need before making the decision; (3) the other party: knowing who the other party you are going to deal with is also a vital step. In some cases, you may know immediately that the other party, i.e. the applicant, is in bad faith, because for example, the same applicant has filed several other trademarks similar to other famous trademarks, or the applicant's name and address seems suspicious and may be related to one of your previous business partners or retailers; while in some other cases, you may find upon preliminary investigation that the applicant did create this trademark according to the initial letters of the company's name or founder's name, which is coincidentally similar to your trademark, and the applicant has been using the trademark in good faith for a long time. Knowing further information about the other party may give you a good reason to oppose or not to oppose this trademark.

- 3) **Different levels of attention:** usually there is more than one trademark owned by one company, among which there are core trademarks (or A-class trademarks, life trademarks) and side trademarks (or B/C-class trademarks, temporary trademarks) according to their use, value and strategic significance. The monitor over different trademarks is naturally different, in the extent of attention, efforts and resources given, which is also the result of different degrees of tolerance of co-existence. Having this in mind can prevent you from wasting time on C-class trademarks in tolerable situations.
- 4) **Based on need:** during the decision making process of whether or not to file an opposition against certain trademark, some people may take into account or even base their decision on whether it is easy or difficult to win the opposition, which is a common error in practice. In fact the decision should be based on need instead of chance of success, which means that if it is indeed necessary to oppose the trademark, even if the chance of success is estimated to be low, the decision shall still be to oppose the trademark, at least to postpone its

registration; on the other hand, if you do not need to oppose the trademark, even if the chance of success is comparatively higher, it is still not recommended to waste such effort and expenses on opposition.

The above is a brief introduction on trademark monitor based on my experience of helping my clients managing their trademark portfolio. In summary, the key matters of trademark monitor are: 1) no missing ever, and 2) always balance between cost and benefit.