



International Trademark Association

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INTA Educational Brief:

The Negative Impact of Trademark Misuse
in Official Standards and Regulations

INTA Regulatory Analysis Committee
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Businesses around the world use trademarks to identify the sources of products and services, providing an assurance of quality and helping consumers distinguish among competitors. Trademarks help consumers understand who makes the products they buy and prevent them from being misled as to product source, enabling them to make informed purchases. Thus trademarks play a vital role in consumer protection and the health of the world economy. But there is a problem.

Misuse of trademarks in official standards and regulations hurts trademark owners. Such misuse, which equates trademarks with generic terms for various types of products, undermines the trademark's source-identifying function as a badge of quality assurance for consumers. As a result, an otherwise valid and valuable trademark may lose its distinctiveness, reducing it to a mere generic term. *This can also inadvertently encourage trademark infringement.* In a world plagued by epidemic counterfeiting and other forms of trademark infringement, it is crucial to avoid impairing trademarks in this way.

With these concerns in mind, the International Trademark Association (INTA) has prepared this paper to provide an overview of the public benefits of trademarks and some basic principles of trademark law, and to recommend how to refer correctly to trademarks, when necessary, in official standards and regulations.

INTA is the world's largest organization of legal professionals and other specialists dedicated to the protection and advancement of trademarks and the interests of trademark owners on a global basis. Among other activities, INTA advises and consults with regulators and policymakers worldwide to address emerging issues, assess the impact of proposed new laws and regulations on trademark rights, and foster the beneficial functioning of trademarks internationally.

Why Trademarks are so Important

Trademarks benefit consumers and the public at large by:

- ◆ promoting fair and open competition and economic efficiency in the marketplace;
- ◆ spurring businesses to create better and safer consumer products and services;
- ◆ encouraging international direct investment in the manufacturing, wholesale, retail, and service sectors; and
- ◆ fostering corporate responsibility and compliance with labor, environmental, and other standards.

In contrast, counterfeiting and other forms of trademark infringement harm consumers and the public at large by:

- ◆ proliferating defective, shoddy, unwholesome and unsafe products;
- ◆ fostering bribery, corruption, and tax and customs evasion;

- ◆ stimulating organized economic crime; and
- ◆ impairing healthy economic development.

An Overview of Trademark Basics

A "trademark" is any word, name, symbol, design, or combination of these, used to identify products or services as coming from a specific source. In some countries, trademarks identifying services are known as "service marks." A trademark or service mark must be distinctive enough, in its visual appearance, sound and/or meaning, to enable consumers to distinguish the products and services it stands for from those offered by competitors.

Trademarks are protected in each country under national law and by international treaties, including the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which sets minimum standards for trademark protection in member countries. Trademarks can be publicly registered to evidence the owner's exclusive right to use the mark, and to license its use, for one or more particular classes of products or services.

Trademark laws enable mark owners to protect against "trademark infringement," which occurs when:

1. another party makes unauthorized commercial use of the same or similar mark or for related types of products or services;
2. such use causes a likelihood of confusion among actual or potential customers for the trademark owner's products or services; or
3. consumers are likely to be deceived as to the source of the products or services.

Trademark law imposes responsibilities on trademark owners and their licensees with regard to how their marks are used. In order to preserve its trademark rights, the owner must properly use a trademark to maintain a relationship with consumers, and prevent the trademark from becoming "generic," or regarded as a common name for the type of product covered by the trademark. Just as importantly, the owner must not acquiesce in unauthorized use by the public of its trademark, which might result in the mark becoming generic. Examples of trademarks that have lost their status and became generic in some countries through such misuse include: *escalator*, *thermos*, *cellophane*, *kerosene*, *formica*, *linoleum*, and *nylon*. Similar misuse in official standards and regulations is of special concern because of the inherent weight and authority official pronouncements carry and the widespread impact of their influence.

Proper Trademark Use in Official Standards and Regulations

Official standards and regulations should never use a trademark as a synonym for a generic product name, or use a trademark alongside generic product names in any way that may imply the trademark is synonymous with a generic name. This may lead consumers and traders to regard

the trademark as merely generic, or encourage competing producers to make unauthorized use of the trademark, as if it were generic, on their products, labels, packaging, or in advertising or promotional materials. This can dilute and critically impair the affected trademark's source-identifying role, and inadvertently create a perception in an industry that the affected trademark is "fair game" for counterfeiters and other imitators to infringe upon.

Moreover, bilateral and multilateral treaty obligations bind the governments of the contracting states to respect private trademark rights, and the misuse of trademarks in official standards and regulations may in some instances violate those treaty obligations.

Rarely if ever should a trademark be specifically cited in official standards and regulations. However, in official orders and correspondence, and in the rare instance where a specific reference to a trademark in standards or regulations is justified, you should follow this checklist:

<p>✓ Take care to spell the trademark properly, with attention to upper and lower case lettering and typographical detail. Example. USE: Coca-Cola® – NOT: coca-cola®</p>
<p>✓ Distinguish the trademark from surrounding text, by using initial capital or all-capital letters, bold-face or italic type fonts, placing the trademark within "quotes" and/or using (if appropriate to the trademark and countries involved) the ™ symbol (standing for an unregistered trademark) or the ® symbol (standing for a registered trademark). Example. USE: <i>Coca-Cola</i>® is a trademark. – NOT: Coca-cola is a trademark.</p>
<p>✓ Use the trademark not as a noun, but as an adjective modifying a noun descriptive of the type of product or service. Example. USE: make a Xerox® copy. – NOT: make a Xerox.</p>
<p>✓ Do not pluralize a grammatically singular trademark, but instead modify the descriptive noun from singular to plural. Example. USE: three Xerox® copies – NOT: three xeroxes</p>
<p>✓ Do not use a trademark as a verb. Example. USE: Make one Xerox® copy. – NOT: Xerox one copy.¹</p>

For further recommendations on trademark usage and additional information about trademark law, please visit our website at www.inta.org, or contact Ms. Caren Fitzgerald, INTA's Government Relations Coordinator, by e-mail (cfitzgerald@inta.org) or fax (212) 768-7796.

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