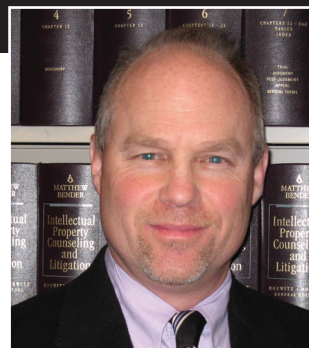


Trademark Searches and Availability Opinions



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Branding of products and services is the key to success for almost any medical device company. For example, the NexGen® Knee by Zimmer, Rapid Recovery® Services offered by Biomet and the X-Stop® IPD® System owned by Kyphon are all well-recognized brand names in the orthopaedic marketplace. If the brand name is used in connection with the sale of products or other goods, it is called a trademark. If the brand name is used for identifying the sale of services, then it would be called a service mark. For the purpose of this article, I will refer collectively to these two types of marks as a “trademark.”

Trademarks are defined as a word, phrase, symbol, color or design that is used to identify the source of certain products or services and distinguish them from similar kinds of products or services sold by other companies. The main purpose of trademarks is to provide consumers with identifying information as to the source of the products or services that they are purchasing. Most people will attach various degrees of expectations as to quality and price of the products or services depending upon the trademark that is associated with that product or service. As an example, think BMW brand cars compared to Hyundai brand cars; which cost more and are of a perceived higher quality? Because of this association, brand names play a key role in people’s purchasing decision. Thus, it is critical that the trademarks for one company are not confusingly similar to those of another company, especially if they are competitors in the same marketplace.

To avoid falling into the “confusing similar” trap and jeopardizing investments made in building brand recognition, a company should always investigate the proposed trademark to determine if it is available for use and ultimately, if it can be registered with the U.S. Patent and Trademark Office (USPTO). How does one actually “investigate” possible trademark candidates? The best way is to first perform a search on the mark. Such searches vary depending upon the allocated budget and desired scope.

The degree of risk tolerance of a company will determine the extensiveness of the search that will be conducted on the proposed trademark. If the company has a high tolerance, then a low cost, commonly called “knock-out” search may be conducted. This is usually done by using the USPTO’s free searchable TESS (Trademark Electronic Search System) database. The TESS system allows the user free access to

the records of Federally-registered trademarks or pending trademark applications. The user typically will search the exact words or designs that comprise the proposed trademark, including similar-sounding words. The knockout search will usually identify identical marks that are used for the same or highly-related products or services that would ban the use or registration of the proposed mark. Importantly, the scope of this preliminary search is limited *only* to marks that have been Federally registered or have a pending application that is making its way through the USPTO registration process.

Again, depending upon internal risk tolerance and budget considerations, companies may run their own in-house knockout search first and commission a second, more extensive search. Alternatively, a company may skip the knock-out search and move directly to the costly comprehensive trademark search. A comprehensive or full trademark search is usually conducted by specialized third party trademark search companies. These companies typically have access to proprietary databases that allow them to search a wide variety of public domain areas. This expansive search is necessary, as trademark rights in the U.S. are granted on *use* because Federal registration is not required for common law rights to exist in a trademark.

The scope of a full search will likely include all Federal and state trademark registration databases. Even though pending registration applications and abandoned registrations provide no Federal rights to the owner of these trademarks, if the mark is still in use, it may not be available to others. Additionally, it is very important to search for common law (non-registered) trademarks, because of the prior use obstacle. Databases that list product names, press releases, internet domain name registrations, phone books, corporate information and web search results must be reviewed. It is important to remember that even full or comprehensive trademark searches are not perfect due to reliance upon constantly changing databases. It is very possible that trademark rights may have been established between the last time the database was updated and the time the company waiting to use the trademark either starts using it or applies for registration.

Before a company orders a full search, it must provide the searcher with a clear understanding as to the scope and use of the proposed trademark. For example, will the trademark only include letters or words, or will it also contain a logo or design

Gel Could Repair Cartilage Following Debilitating Sports Injuries

Researchers at the University of Sydney are developing an injectable hybrid hydrogel that mimics the behavior of chondrocytes, and could have application in the repair of damaged cartilage, particularly in the knee.

Chief investigator on the project, Associate Professor Fariba Dehghani, has stated an intention to “generate a new family of hybrid biomaterials constructed by precisely blending natural and synthetic components. The novel biomaterials that we are developing will establish a foundation for manufactured prefabrication and *in situ* injections which will promote rapid and targeted healing to the affected region.” With refinement, the biomaterial might hold potential in many healing applications throughout the body.

The cross-disciplinary research team includes tissue engineers, biochemists, etc., and the team’s work has been supported by a 2012 Australian Research Council grant.

REFERENCE

Cartilage repair gel gives injuries a sporting chance. The University of Sydney, March 8, 2012.

element? If a design element is included, the searcher will need to evaluate whether the design is unique or not, and therefore should be searched. Further, the searcher will need to know the scope of the products or services that will be sold in connection with the trademark. As trademarks are registered with regard to specific classifications of goods or services, the searcher will need to understand what these goods or services are, so that particular class may be searched. Additionally, when crafting the search strategy for the proposed trademark, the searcher will also need to know the geographic scope of protection that the company will seek. Federal registration gives the broadest degree of protection for a trademark, because it evidences the mark’s validity for the entire U.S. However, a mark is only eligible for Federal registration for goods and services that are sold in interstate commerce, or alternatively, commerce between the U.S. and a foreign country. Therefore, if a company plans to sell products only within a limited geographic area, like for example a single state, the proposed mark may be best protected by a state registration only.

No matter if the company never intends to apply for a Federal or state registration, it is still critical, before any money is invested in establishing the brand, that a search be conducted to determine the existence of any confusingly similar mark in the U.S. If such a mark is found, then that may act to bar the company from using the proposed trademark.

The results of a full search can be overwhelming due in part to the fact that the searcher is attempting to find any other similar mark seen in the public domain that could be confused with the company’s proposed trademark. The search report resulting from the comprehensive investigation will usually range between 200 to 600 pages in length. An experienced trademark attorney must look at each and every result and determine, as best they can, whether the found mark is confusingly similar to the proposed trademark and thus, is available for use.

Several factors used by the trademark attorney when reviewing the results help to identify the potential risks. These include:

- the similarity of the two marks in their entireties in appearance, sound, connotation and commercial impressions
- the similarity of the products with which the marks are used
- the strength of the conflicting mark
- the similarity of the channels of trade in which the products or services are sold
- the similarity and type of customers to whom the products or services are sold
- the sophistication of the customers purchasing the respective products
- the cost of the respective products or services
- any other factors that would tend to indicate a finding of a likelihood of customer confusion between the marks

It’s important to recognize that the assessments made using these multiple factors are highly subjective, as there exists no hard and fast formula for providing a definitive yes or no when it comes to whether trademarks may be confusingly similar. Typically, the trademark attorney will compile the most relevant search results and provide the company with an opinion regarding the availability of the proposed trademark for use and registerability with the USPTO. A company that receives a favorable outcome should act quickly to apply for registration if they determine that they will use the trademark for their branding purposes.

In the event the search results lead the trademark attorney to conclude that significant risks exist, then the company has some choices to make. The easiest one is, abandon the proposed trademark and find an alternative mark. If this occurs, then the search process should be initiated again once the alternative mark is identified. However, if a significant investment has been made in the proposed trademark (e.g., the mark is already being used in advertisements, packaging, etc.), then the company may want to investigate the status of the trademark further and possibly initiate cancellation proceedings, if the facts warrant such action. Such cancellation proceedings may be successful if a company is out of business or the mark is no longer being used in commerce. These proceedings are commenced before the Trademark Trial and Appeal Board

(TTAB) and can be brought by any third party who believes that it would be damaged by the continued registration of the existing mark. The filed cancellation petition may seek to cancel a mark in its entirety or only partially with respect to the goods or services that are no longer sold or offered for sale by the owner but are covered by the registration. It should be understood that pursuit of cancellation proceedings in front of the TTAB can take a fair amount of time to resolve and cost a significant amount of money.

To avoid jeopardizing investments made in building brand recognition, always investigate a proposed trademark to determine if it is available for use and can be registered with the USPTO.

A different approach for a company that wants to pursue using their proposed mark is to reach out to the owner of the conflicting mark and negotiate a Consent Agreement. This is a contract between the owner of the existing mark and the company wanting to use or register a potentially confusing mark. The terms of the Consent Agreement should provide reasons why there would be no likelihood of confusion between the two marks (e.g. different channels of trade, sophistication of the consumer) and ways the two parties will ensure that no confusion will occur by buying consumers. The Consent Agreement may be used as evidence to the USPTO that the two marks are not likely to cause confusion in the marketplace. These agreements carry significant weight with the USPTO when reviewing the registration application of the proposed mark.

In conclusion, performing a trademark search before time and money are spent on branding activities is a prudent business practice. The results of these searches provide useful information as to the ability to use or register the trademark, but also may reveal other marks that could impact one's owned branding strategy. Although full searches can be costly, this expense pales in comparison to the dollars that may be lost if one is later barred from using the mark or is denied registration, after the brand has been launched into the marketplace.

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