



*Trademark Distinctiveness
In the Information Technology Area*

AIPLA/JTA Joint Meeting

Mark Alleman

Alleman Hall McCoy Russell & Tuttle LLP



IT Trademark Distinctiveness

- Outline

- Review of trademark spectrum of distinctiveness
- Litigation examples
 - NETBANK
 - WINDOWS v. LINDOWS
- USPTO Practice examples
 - Top Level Domains/E-/Web
 - INTERNET
 - LINUX
- Conclusions



IT Trademark Distinctiveness

- Traditional spectrum of trademark distinctiveness
 - Generic
 - Generic marks may never be protected.
 - Under the “Primary Significance Test,” a generic mark can be protected if its primary significance in the minds of the consuming public has become a single specific source of goods and/or services, rather than the goods and/or services themselves.
 - Descriptive
 - Protectable upon a showing of acquired distinctiveness (secondary meaning).
 - Suggestive
 - Arbitrary or Fanciful

IT Trademark Distinctiveness



- **Interstate Net Bank v. NetBank, Inc.**, 221 F. Supp. 2d 513 (D.N.J. 2002)
- In 1995, Defendant obtained U.S. Reg. No. 1913750 for NETBANK for “electronic payment services featuring a system of electronic money coupons that are exchanged by means of an on-line computer service.” The mark became incontestable in 2000.
- In 1999 and 2000, Plaintiff filed two ITU trademark applications for INTERSTATE NET BANK.
- Defendant sent cease and desist letter to Plaintiff.
- Plaintiff filed action seeking declaratory judgment of non-infringement and invalidity.



IT Trademark Distinctiveness

- **Interstate Net Bank v. NetBank, Inc.**, 221 F. Supp. 2d 513 (D.N.J. 2002)
- District court noted that there was a strong presumption that the registered mark was not generic. However, the presumption was limited to the services described in registration, namely electronic payment services, and not online banking.
- Court rejected the defendant's argument that the scope of protection should extend to online banking because these services are within a natural zone of expansion.
- Court applied the "primary significance" test to conclude that the NETBANK mark was generic for internet banking services. The Court noted that the term "NETBANK" did not appear in a dictionary, however, it appeared in several trade publications as a generic term for an internet based bank.
- Court held that NETBANK was generic for online banking, but refused to cancel registration for electronic payment services.



IT Trademark Distinctiveness

- **Microsoft Corp. v. Lindows.com**
- Procedural posture
 - In 2002, Microsoft brought action against Lindows.com for trademark infringement alleging that LINDOWS infringed Microsoft's rights in its WINDOWS trademark.
 - In the same year, Microsoft sought a Preliminary Injunction, which was denied by the District Court.
 - In 2004, shortly before trial, the District Court ruled that the jury would be instructed that the relevant period for determining whether a mark is generic is the time of adoption, not present day, and that the jury would not be instructed to apply the "primary significance test."



IT Trademark Distinctiveness

Excerpt from 2002 Order Denying Preliminary Injunction:

3 **3. Lindows.com's Evidence of Genericness**

4 Whether a trademark is generic is a question of fact. Yost, 92 F.3d at 821. A court may rely on
5 a variety of evidence in determining the validity of a mark, including competitors' use, plaintiff's use,
6 dictionary definitions, media usage, testimony of persons in the trade and consumer surveys. See 2
7 McCarthy § 12:13 - 12:14. The evidence may relate to the time period of the alleged infringement or
8 dilution or to the time when the mark's proponent introduced its designation onto the market. *Id.* §
9 12:13. Here, Lindows.com has presented evidence in five of the six categories, omitting only consumer
10 surveys, to support its claim that the Windows trademark is generic.



IT Trademark Distinctiveness

- District Court's Jury Instruction Ruling –
- “Jury hearing action for infringement of plaintiff's “Windows” trademark for computer operating system software and related products will be instructed that proper time period to be considered in determining whether mark is generic is period before first version of plaintiff's product entered marketplace in November 1985, and federal district court will not instruct jury that, even if “Windows” was generic prior to November 1985, mark is nonetheless valid today if primary significance of term at present is not generic; forgoing declaration is certified for interlocutory appeal pursuant to 28 U.S.C. § 1292(b), since it involves controlling question of law as to which there is substantial ground for difference of opinion, and since immediate appeal may materially advance ultimate outcome and/or termination of litigation.”
- The Ninth Circuit Court of Appeals declined to hear the interlocutory appeal.

IT Trademark Distinctiveness

- Result: 20 million dollar settlement



The screenshot shows a ZDNet news article. The ZDNet logo is at the top left with the tagline 'Where Technology Means Business'. Navigation links for NEWS, BLOGS, WHITE PAPERS, DOWNLOADS, REVIEWS, and PRICES are in a red bar. Below that, a search bar and 'GO' button are visible. The main article title is 'SOFTWARE INFRASTRUCTURE' in large blue letters, followed by the headline 'Microsoft pays to end Lindows suits'. The byline is 'By David Becker, CNET News.com' and the publication date is 'Published on ZDNet News: July 19, 2004, 10:02 AM PT'. There is a 'TALKBACK' button and links for 'Forward in EMAIL' and 'Format for PRINT'. The article text discusses a \$20 million settlement between Microsoft and Lindows. To the right, there are sections for 'NEWSMAKERS' and 'TOPICS'. Below that is a 'DATA POINT' section with the subtext 'IT research that matters' and a list of articles including 'England connects for health', 'ISP deliverability report card', 'SODA and SOBA anyone?', 'WhasSAP? With no Retek, next moves critical', and 'DiDio drama underscores difficulty tracking open source'. At the bottom right, there is a '#3 IT Priority in April Software Infrastructure' section with a link to 'See the other IT Priorities'.

ZDNet Where Technology Means Business

NEWS BLOGS WHITE PAPERS DOWNLOADS REVIEWS PRICES

Page One | Datapoint | Water Cooler | All News | All Video | RSS Feeds Search News GO

SOFTWARE INFRASTRUCTURE

Microsoft pays to end Lindows suits

By David Becker, CNET News.com
Published on ZDNet News: July 19, 2004, 10:02 AM PT

TALKBACK ADD YOUR OPINION Forward in EMAIL Format for PRINT

*Microsoft Windows *Linux *Open source *Microsoft Corp

Microsoft will pay upstart Linux seller Lindows \$20 million to settle a long-running trademark dispute, according to a regulatory document filed Monday.

In exchange for the payment, Lindows—which recently renamed most of its products "Linspire" to work around European trademark suits—will give up the Lindows name and assign related Web domains to Microsoft, according to the registration statement Lindows filed with the Securities and Exchange Commission.

"We are pleased to resolve this litigation on terms that make business sense for all parties," Lindows CEO Michael Robertson said in a statement. "Over the next few months, Lindows will

NEWSMAKERS
Companies getting attention

TOPICS
Most-read areas of Software news

DATA POINT
IT research that matters

A new blog from the ZDNet research team

- ▣ **England connects for health**
- ▣ **ISP deliverability report card**
- ▣ **SODA and SOBA anyone?**
- ▣ **WhasSAP? With no Retek, next moves critical**
- ▣ **DiDio drama underscores difficulty tracking open source**

#3 IT Priority in April
Software Infrastructure
See the other IT Priorities ▶

advertisement



IT Trademark Distinctiveness

- **USPTO Practice**

- ***Top level domains (.com, .biz, .edu)***

- Do not indicate source. Addition of TLD such as “.com” to otherwise non-registrable word does not make the combination registrable. TMEP 1209.03(m)
- See *In re CyberFinancial.Net, Inc.*, 65 USPQ2d 1789, 1792 (TTAB 2002) (refusing registration to BONDS.COM; *In re Martin Container*, 65 USPQ2d at 1061 (refusing registration to CONTAINER.COM).

- ***E-***

- *Continental Airlines Inc. v. United Airlines Inc.*, 53 USPQ2d 1385 (TTAB 1999) (E-TICKET generic for computerized reservation and ticketing of transportation services).
- *E*Trade* registered.
- *E-Loan* registered, under 2(f) acquired distinctiveness.

- ***Web***

- *In re Web Communications*, 49 USPQ2d 1478 (TTAB 1998) (WEB COMMUNICATIONS generic for consulting services to businesses seeking to establish sites on a global computer network).



IT Trademark Distinctiveness

INTERNET

- **Word Mark** INTERNET
- **Goods and Services**
- IC 038. US 104. G & S: COMMUNICATION SERVICES, NAMELY, PROVIDING ELECTRONIC DATA TRANSMISSION SERVICES IN THE ELECTRONIC BANKING FIELD AND RETAIL MARKETING FIELD. FIRST USE: 19840723. FIRST USE IN COMMERCE: 19840723
- **Filing Date** May 19, 1989
- **Registration Number** 1576857
- **Registration Date** January 9, 1990
- **Owner** (REGISTRANT) INTERNET, INC. CORPORATION
DELAWARE 11800 SUNRISE VALLEY DRIVE RESTON
VIRGINIA 22090



IT Trademark Distinctiveness

InterNet

- **Word Mark** INTERNET
- **Goods and Services**
- IC 009. US 026. G & S: Hand-Held Computer Terminals. FIRST USE: 19820503. FIRST USE IN COMMERCE: 19820503
- **Registration Number** 1274148
- **Registration Date** April 17, 1984
- **Owner** (REGISTRANT) InterNet Corporation
CORPORATION CALIFORNIA 244 California St. San
Francisco CALIFORNIA 94111 (LAST LISTED OWNER)
BARZOBARZO, PETER INDIVIDUAL ASSIGNEE OF
UNITED STATES

IT Trademark Distinctiveness

- Pending and Registered Marks Containing "INTERNET":

OR to

4151 Records(s) found
(This page: 1 ~ 100)

Refine Search | internet[mp]

Current Search: S3: internet[mp] docs: 4151 occ: 4166

	Serial Number	Reg. Number	Word Mark	Check Status	Live/Dead
1	79007712		VENERE.COM SLEEP WITH US. HOTELS, B&B APARTMENTS. SLEEP WITH US. INTERNET HOTEL RESERVATION	TARR	LIVE
2	79003406		IIP INDUSTRIAL INTERNET PLATFORM	TARR	LIVE
3	78564970		THE POOCH PATIO BEER & WINE BAR DOGGIE DAY CARE SELF-SERVE GROOMING JAVA HAUS IN-OUT PATIO INTERNET BARK BOUTIQUE WWW.THEPOOCHPATIO.COM	TARR	LIVE
4	78179845		TRANSFORM THE INTERNET INTO THE ENTERNET	TARR	LIVE
5	78599204		NEXT GENERATION INTERNET	TARR	LIVE
6	78597871		INTERNET COMMUNICATIONS MADE SIMPLE	TARR	LIVE
7	78274108		THE ULTIMATE LEARNING INTERNET PROGRAM	TARR	LIVE
8	78234609		IC3 INTERNET AND COMPUTING CORE CERTIFICATION	TARR	LIVE
9	78975663		US LEC VOICE / DATA / INTERNET	TARR	LIVE
10	78555483		WORLD INTERNET SUMMIT	TARR	LIVE



IT Trademark Distinctiveness

○ LINUX trademark dispute

- William R. Della Croce, Jr of Massachusetts obtained a U.S. registration for the mark LINUX, claiming he had made the first use of the mark in 1994.
- Manufacturers such as Yggdrasil of San Jose, CA (first maker of a Linux distribution on CD) applied to register LINUX BIBLE in 1995.
- Mr. Della Croce sent demand letters to Yggdrasil and others.
- A petition to cancel Mr. Della Croce's registration was filed, which resulted in the registration being transferred to Linus Torvalds, the inventor of LINUX.

IT Trademark Distinctiveness

Start List
At:

OR Jump to
record:

184 Records(s) found (This
page: 1 ~ 100)

Refine Search | linux[bi]

Submit

Current Search: S4: linux[bi] docs: 184 occ: 246

	Serial Number	Reg. Number	Word Mark	Check Status	Live/Dead
1	78579827		LINUXCBT	TARR	LIVE
2	78343981		Z/LINUX	TARR	DEAD
3	78518511		LINUXWORLD	TARR	LIVE
4	78551585		RADIANT LINUX	TARR	LIVE
5	78271685		FILEENGINE DRIVEN BY LINUX NON-STOP FILE POWER	TARR	LIVE
6	78332071		SECURITY ENHANCED LINUX	TARR	DEAD
7	78319880		LINUX GAZETTE	TARR	DEAD
8	78368363		LINUXPILOT	TARR	LIVE
9	78285556		LINUX BUSINESS PARTNER	TARR	LIVE
10	78285562		LINUX BUSINESS PARTNER	TARR	LIVE
11	78465847		LINXHORN	TARR	LIVE
12	78465797		LINHORN	TARR	LIVE
13	78462951		LINUXPIPELINE	TARR	LIVE



IT Trademark Distinctiveness

:::LINUX MARK INSTITUTE:::

A California Corporation

YOUR SOURCE FOR INFORMATION ON AND LICENSING OF THE **LINUX®** TRADEMARK

WHO NEEDS A LINUX® LICENSE:

To protect a registered trademark, the owner is required to "police" or control the use of the mark by others, under penalty of loss of the mark. Others may use or refer to a registered mark in some circumstances without a license from the owner if it is for a so-called "fair use," or in other cases they may need to obtain a license for the use. Some examples may help to understand the differences. Linus and LMI are not trying to develop a revenue source from licensing, so our interpretation of the trademark laws may be a bit more liberal than other companies or trademark owners.

Examples of Fair Use.

For instance, if all you are doing is printing up pencils, stenciling T-shirts, or distributing coffee cups with a legend on them like "LINUX® is the greatest!" or "Even my Mother uses LINUX®!" this is normally considered "fair use" unless the trademark owner is a content company like Disney who seeks to collect royalties on virtually any mention of its characters and properties. We do not consider this type of activity as requiring a license from LMI, unless you are taking the position that no one else can make similar items and distribute or sell them without your permission. In the latter case, you are wrong and you will have a major hassle with us if we find this out.

MORE INFORMATION:

Please review the following pages to determine if you need a Linux Trademark License and, if so, how to get one:

[Who needs a Linux License](#)

[How does LMI work](#)

[What is required to obtain a License](#)

[What if I do not like the terms of the License](#)

[What about other people using the mark without a license](#)

[Online Application Form](#)

[How do I get rights to the Linux Penguin](#)



IT Trademark Distinctiveness

- Conclusions
 - USPTO and Courts will generally
 - Construe existing registration narrowly to preserve validity (NETBANK, INTERNET)
 - Refuse registration to “genericword.com” applications, without considering evidence of secondary meaning (BONDS.COM, CONTAINER.COM)
 - Treat designations such as E- and WEB as having weak trademark distinctiveness (E-TICKETS, WEB COMMUNICATIONS)
 - Respect licensing efforts such as for LINUX
 - Windows v. Lindows case a fluke?