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Don't Paint Yourself into a Corner

By: Jim Astrachan

I would not have wanted to be a fly on the wall in the client's office when the lawyer called to deliver the really bad news. This general practitioner had been representing his client, a paint manufacturer, for decades doing all sorts of interesting legal work as the need arose. One day an employment case, the next day a little tax planning, then some litigation. Whatever came up.

And one day this lawyer did some trademark work. Over a round of golf his friend, the client's president, asked the lawyer whether he knew anything about trademark law. "Certainly", replied the lawyer. "You search, determine whether the mark is in use, and file an application with the Patent and Trademark Office. Very little to it. In fact, you can even skip the search stage if you want to save a few bucks. Sort of like throw some mud against the wall and see what sticks."

The client told the lawyer that it had been selling some of its paint under the COVERIT and the PRIME brands for several years, and that it might be a good idea for the paint company to register these brands so that no one else could use them. "This is really important now that we plan to sell our paints through HOME DEPOT stores around the country", said the president addressing his ball on the tee box.

And that's what the lawyer did. He skipped the search and filed his two registrations with the PTO. In the normal course of time the registrations issued. And that's where the matter stood for the next fifteen years during which the client continued to sell COVERIT and PRIME, developing a reputation for good paints at a fair price, reinforced by a co-op advertising campaign. People began to ask for the paints by name, and all was well.

Then, another competitor decided to market paints under the COVERALL and PRIME-O brands. When the client learned of this he couldn't believe what he was told

and demanded that samples be brought to his office. Sure enough, there on his desk soon sat the two cans of the competitor's paint with his almost identical brands. Angry and a little frightened, for the client had spent a great deal of time and money to develop its name recognition and good reputation, he called his lawyer who also could not believe what he was told.

Soon the two cans of the competitor's paint sat on the lawyer's desk. He was dumbfounded for the competitor was an industrial giant, surely represented mightily by scores of in-house lawyers. A flash of fear passed through the lawyers' body. "Have I failed to do something to keep the registrations up to date?", he questioned. Fumbling with his keyboard he managed to type UNITED STATES PATENT AND TRADEMARK OFFICE into his search engine. When he arrived at the PTO site he typed in the first trademark; there it appeared still registered. Ditto the second trademark.

Not believing his good fortune, a smirk began at the corner of his mouth, and spread across his face. An opportunity to demand that the national competitor cease and desist the sale of these two products under these brands. "How dumb or careless of them", he thought. "Don't those big companies do it right?" The lawyer placed a call to his client and told him the good news. "It should be a piece of cake", the lawyer told the anxious client. "We'll send a cease and desist letter. I am certain that will be the end of this matter. Somehow this must have slipped below their radar."

The first cease and desist was sent and ignored. So was the second. The anxious client reminded the lawyer weekly that it was losing sales to the competitor. "Our customers are buying their products thinking they are ours", bemoaned the president. "Do something and do it now!"

After two letters there was very little else to be done save filing suit, so a complaint for trademark infringement was drafted and copies of the two registrations issued by the PTO were attached as exhibits. Each registration showed the mark, date of first use the goods on which the mark was used and was signed by the director of the PTO. The exhibits were made more formidable by the law that states that the registration is prima facie evidence of the validity of the registration, the registrant's ownership of the mark and the registrant's exclusive right to use the mark in commerce in connection with paint. "Very formidable indeed", thought the lawyer as he delivered his pleadings to the clerk for filing.

After the papers were served on its competitor, the client could not understand why the competitor did not immediately call to settle the suit. He grew nervous. And nervous he should have been for in response to the suit came a motion to dismiss, on the grounds that the marks COVERIT and PRIME are each what is called a "generic" mark, meaning that they can never achieve protectable trademark status. Never.

The lawyer did not realize that the federal registrations of the two marks were not controlling. All the registrations did was create a rebuttable presumption that the marks, registered by the PTO, were not generic. The PTO had gotten it wrong and so had the lawyer. Once the mark is registered the burden is the defendant's to show that the mark is generic. The competitor produced evidence that "cover it" is a common term in paint branding and that no fewer than 37 other products had the words "cover it" in their names. Even if not generic, the fact that there were 37 other products with "cover it" in their names created clutter and the inability of the defendant's use to cause any confusion as is required to make a case for infringement. As to PRIME the court held that this term was in very common usage in the trade, was generic and was not protectable.

And the lawyer? He still plays golf, but not with the company president. And often when he stands over a putt he thinks that he should have done things a little differently. Maybe if he had, he wouldn't have helped cost his former client the ability to protect two of its most valuable assets.

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