CITY OF BEVERLY HILLS
STAFF REPORT

Meeting Date: **July 21, 2009**

To: Honorable Mayor and City Council

From: Roxanne Diaz, Chief Assistant City Attorney

Subject: Trademark Registration of "Smart City"

Attachments: List of International Classifications
Specimen for ONE SMART CITY

Background

At a recent City Council meeting, Vice Mayor Delshad inquired about the City's ability to trademark the phrase "Smart City." This report provides information regarding our research.

Overview of Registering a Trademark

In general, a "trademark" is a word, symbol, phrase or device, which uniquely identifies certain goods or services as those produced or provided by a specific person or enterprise. Trademarks communicate to consumers that the goods or services bearing the mark come from a unique source, distinguishable from all the other sources for those goods or services. In other words, trademarks make it easier for consumers to identify quickly the source of a given good or service. Instead of asking the store clerk who made a particular athletic shoe, the consumer can look for the "swoosh" and know that Nike is the manufacturer of the show. Companies and persons "trademark" in order to prevent others from copying a source-identifying mark. In turn, trademark law works to protect consumers from being mislead about the source of the goods marked.

In order to serve as a trademark, a mark must be distinctive – that is, it must be capable of identifying the source of a particular good. Once it is determined that a mark is distinctive and prior to filing an application, a person must conduct a trademark search for that particular mark. The reason is that trademarks are granted on a first come basis and an application may be denied by the United States Patent and Trademark Office ("PTO") if there are other marks that are the same or are confusingly similar.

If the mark is available, it is not enough to simply request that a certain word, symbol or phrase be trademarked. Trademark rights are acquired from the actual use of the mark in commerce for a specific good or service. This means the mark is being used on goods or services sold or provided across state lines. Accordingly, when registering a trademark, the mark must be registered for specific categories of goods and/or services. These goods and services are called "classifications" and there are 45 different classes of goods and services. The list of classifications is provided at the end of this report for the City Council's information. Registration in one classification will not give the owner the right to the same mark in another classifications. An applicant must register their mark in each distinct classification for which there is use of the mark and for specific goods and/or services.

Registration of Smart City

The City's special counsel for intellectual property matters conducted a preliminary search of the United States Patent and Trademark Office database for the phrase "Smart City." The search revealed a number of trademarks for the phrase "Smart City," many of which relate to telecommunications, computer systems, computer software and even an entertainment radio show. There is one particular registration that may be an obstacle if the City desires to pursue an application. The Kansas City Development Council has registered the mark "ONE SMART CITY" for "promoting the economic development of and attracting tourists to the Greater Kansas City Area of Missouri and Kansas" in International Class 35. A copy of the specimen of use submitted by the applicant is attached to this report.

If Beverly Hills desires to trademark the phase "Smart City" to promote the City, outside counsel informs us that the ONE SMART CITY registration might be an obstacle to the federal registration of "Smart City" for services in Class 35. Class 35 pertains to advertising and business. Typically a mark utilized to promote a city is trademarked in this classification. For example, the BEVELRY HILLS SHIELD DESIGN MARK is trademarked in Class 35.

As stated above, the Trademark Act bars registration of a mark that is likely to create consumer confusion as to the source of the goods or services of the applicant and the owner of a previously registered mark. Trademark Counsel believes that other than the word "one" in ONE SMART CITY, the marks are identical and there is a strong possibility that the PTO will find that the marks make very similar overall commercial impressions if the City were to seek a registration in Class 35.

Trademark Counsel, however, indicated that it is possible that the City can improve its chances of successfully registering "Smart City" by differentiating the mark by adding additional words to the mark or by registering the mark for dissimilar goods and services.

The issues for the City Council to consider are as follows:

1. What is the purpose for seeking trademark registration for the phrase "Smart City?" Does the City Council desire that the phrase be utilized to promote or advertise Beverly Hills? If so, the previous registration may pose an obstacle for the City's application. We could add additional words to the phrase "Smart City" in order to differentiate it from the already registered mark in order to improve the City's ability trademark the name. If so, what would that phrase be?

2. Because a trademark requires the use of the mark in commerce, the City Council should determine whether any of the other classes are appropriate for registration.

Costs for registration would be approximately $3,000 to file an application in one class. If an opposition were filed, there would be additional outside counsel costs. Unknown costs will be incurred (both hard costs and soft costs (i.e. staff time) to develop a program for using the phrase "Smart City" as part of the City's promotion efforts or for developing a program for use of the phrase in the classes desired by the City Council.

Recommendation:

Staff seeks direction from the City Council on this matter.

Attachments

Roxanne Diaz
Approved By

ATTACHMENT

INTERNATIONAL TRADEMARK CLASSES

Goods

Class 1 (Chemicals).
Chemicals used in industry, science and photography, as well as in agriculture, horticulture and forestry; unprocessed artificial resins, unprocessed plastics; manures; fire extinguishing compositions; tempering and soldering preparations; chemical substances for preserving foodstuffs; tanning substances; adhesives used in industry.

Class 2 (Paints).
Paints, varnishes, lacquers; preservatives against rust and against deterioration of wood; colorants; mordants; raw natural resins; metals in foil and powder form for painters, decorators, printers and artists.

Class 3 (Cosmetics and cleaning preparations).
Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.

Class 4 (Lubricants and fuels).
Industrial oils and greases; lubricants; dust absorbing, wetting and binding compositions; fuels (including motor spirit) and illuminants; candles, wicks.

Class 5 (Pharmaceuticals).
Pharmaceutical, veterinary and sanitary preparations; dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides.

Class 6 (Metal goods).
Common metals and their alloys; metal building materials; transportable buildings of metal; materials of metal for railway tracks; non-electric cables and wires of common metal; ironmongery, small items of metal hardware; pipes and tubes of metal; safes; goods of common metal not included in other classes; ores.

Class 7 (Machinery).
Machines and machine tools; motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles); agricultural implements; incubators for eggs.

Class 8 (Hand tools).
Hand tools and implements (hand operated); cutlery; side arms; razors.

Class 9 (Electrical and scientific apparatus).
Scientific, nautical, surveying, electric, photographic, cinematographer, optical, weighing, measuring, signaling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus.

Class 10 (Medical apparatus).
Surgical, medical, dental and veterinary apparatus and instruments, artificial limbs, eyes and teeth; orthopedic articles; suture materials.

Class 11 (Environmental control apparatus).

Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes.

Class 12 (Vehicles).

Vehicles; apparatus for locomotion by land, air or water.

Class 13 (Firearms).

Firearms; ammunition and projectiles; explosives; fireworks.

Class 14 (Jewelry).
Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewelry, precious stones; horological and chronometric instruments.

Class 15 (Musical instruments).
Musical instruments.

Class 16 (Paper goods and printed matter).
Paper, cardboard and goods made from these materials, not included in other classes; printed matter; book binding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic material for packaging (not included in other classes); playing cards; printers' type; printing blocks.

Class 17 (Rubber goods).
Rubber, gutta-percha, gum, asbestos, mica and goods made from these materials and not included in other classes; plastics in extruded form for use in manufacture; packing, stopping and insulating materials; flexible pipes, not of metal.

Class 18 (Leather goods).
Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and traveling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.

Class 19 (Non-metallic building materials).
Building materials (non-metallic); non-metallic rigid pipes for building; asphalt, pitch and bitumen; non-metallic transportable buildings; monuments, not of metal.

Class 20 (Furniture and articles not otherwise classified).
Furniture, mirrors, picture frames; goods (not included in other classes) of wood, cork, reed, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum and substitutes for all these materials, or of plastics.

Class 21 (Housewares and glass).
Household or kitchen utensils and containers (not of precious metal or coated therewith); combs and sponges; brushes (except paint brushes); brush-making materials; articles for cleaning purposes; steelwool; unworked or semi-worked glass (except glass used in building); glass-ware, porcelain and earthenware not included in other classes.

Class 22 (Cordage and fibers).
Ropes, string, nets, tents, awnings, tarpaulins, sails, sacks and bags (not included in other classes); padding and stuffing materials (except of rubber or plastics); raw fibrous textile materials.

Class 23 (Yarns and threads).
Yarns and threads, for textile use.

Class 24 (Fabrics).
Textiles and textile goods, not included in other classes; bed and table covers.

Class 25 (Clothing).
Clothing, footwear, headgear.

Class 26 (Fancy goods).
Lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers.

Class 27 (Floor coverings).
Carpets, rugs, mats and matting, linoleum and other materials for covering existing floors; wall hangings (non-textile).

Class 28 (Toys and sporting goods).
Games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees.

Class 29 (Meats and processed foods).
Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and milk products; edible oils and fats.

Class 30 (Staple foods).
Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder, salt, mustard; vinegar, sauces (condiments); spices; ice.

Class 31 (Natural agricultural products).
Agricultural, horticultural and forestry products and grains not included in other classes; live animals; fresh fruits and vegetables; seeds, natural plants and flowers; foodstuffs for animals, malt.

Class 32 (Light beverages).
Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.

Class 33 (Wines and spirits).
Alcoholic beverages (except beers).

Class 34 (Smokers' articles).
Tobacco; smokers' articles; matches.

Services

Class 35 (Advertising and business services).
Advertising; business management; business administration; office functions.

Class 36 (Insurance and financial services).
Insurance; financial affairs; monetary affairs; real estate affairs.

Class 37 (Construction and repair services).
Building construction; repair; installation services.

Class 38 (Communication services).
Telecommunications.

Class 39 (Transportation and storage services).
Transport; packaging and storage of goods; travel arrangement.

Class 40 (Material treatment services).
Treatment of materials.

Class 41 (Education and entertainment services).
Education; providing of training; entertainment; sporting and cultural activities.

Class 42 (Scientific and technological services).
Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software.

Class 43 (Restaurant and Hospitality services).
Services for providing food and drink; temporary accommodation.

Class 44 (Medical care, hygienic and beauty care).
Medical services; veterinary services; hygienic and beauty care for human beings or animals; agriculture, horticulture and forestry services.

Class 45 (Legal services; Social services; Security services).
Legal services; security services for the protection of property and individuals; personal and social services rendered by others to meet the needs of individuals.