

Making Your Mark—Tips for Identifying, Adopting, and Protecting a Trademark

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For business owners, trademarks can become one of your most valuable intangible assets as they allow consumers to identify your brand of goods or services and distinguish them from those of your competitors. Adopting a proper trademark helps you achieve critical brand recognition, promotion, and significant goodwill. On the other hand, picking the wrong trademark can lead to disputes and/or litigation and also potential losses in market share.

Many people think of trademarks just as their business name or name of their product. However, trademarks now include much more than just names. The term “trademark” is broadly defined by U.S. law as any word, phrase, mark, or symbol used to enable consumers to identify goods and services with their respective source. Trademarks can include words, tag lines, phrases, and logos. Colors, shapes, sounds, and even smells can also function as trademarks.

This article identifies certain steps in identifying, adopting, and protecting a trademark to bring substantial value to your business.

Identifying a Trademark

A good first step is to make sure that your potential trademark is available for use without conflict and is not being used by another entity. Under U.S. law, the first person to “use” a particular trademark for certain goods or services obtains certain rights in that particular mark. It should be noted that a trademark owner generally has rights that go beyond an exact copying of the mark verbatim. In particular, a trademark owner has rights to prevent anyone else from using a similar trademark if it is likely to confuse consumers.

One of the most common ways to see if you can adopt a selected mark is to conduct a trademark search or screening. A trademark search is generally conducted by a trademark attorney who examines federally registered trademarks, state trademarks, and unregistered trademarks used at common law. A trademark search helps ascertain other third party marks and assists your attorney in assessing the risks associated with adopting a particular trademark. Moreover, it is advisable to enlist the services of an experienced trademark attorney early on in the process of selecting a trademark. An experienced trademark lawyer can assist you in analyzing the risk of a proposed mark, how best to adopt it, and best approach to protecting your new mark.

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A complete trademark search does not simply include searching your state's Secretary of State's records. Many companies make the mistake of assuming a trademark is available simply because the Secretary of State deemed a mark or name "available." Generally, the Secretary of State's office only searches their records for exact matches to your proposed trademark. A Secretary of State office employee usually does not search the United States Patent and Trademark Office's records, other state's records, or records for marks that are confusingly similar.

In addition, many people incorrectly assume that if they have the rights to a domain name, they have trademark rights as well. In certain cases, registering a website and developing a website will establish trademark rights. However, merely registering the domain name likely does not give your business trademark rights. In fact, registering a domain name can result in an accusation of "cybersquatting," a type of trademark infringement, if another entity has priority in the underlying trademark and can establish that your domain name registration was obtained in bad faith.

Another consideration in identifying a particular mark is analyzing how "strong" (distinctive or unique) a particular trademark will be. A strong trademark helps provide you with broader rights compared to a weak trademark. Further, stronger trademarks are generally less costly to enforce than weaker marks.

Therefore, what makes a mark "strong" or "weak?" Generally, weak marks are those that are "descriptive." Under U.S. law, marks are deemed descriptive if they describe the goods and services associated with the mark. For example, the mark "cheesy" could be considered descriptive of cheese flavored snack foods. Descriptive marks are also not capable of being federally registered at the U.S. Patent and Trademark Office absent a showing of "secondary meaning." A strong mark, on the other hand is one that is a completely coined or arbitrary term that does not describe the goods or services (such as "XEROX®" for copy machines), or one that is at best suggestive of the goods or services (such as "GREYHOUND®" for bus lines).

Adopting a Trademark

Adopting a trademark can be accomplished by simply using the mark in commerce. You do not need to formally register your trademark with the U.S. Patent and Trademark Office to begin acquiring trademark rights (however, registration has several advantages, as discussed below).

For goods, the trademark should be prominently placed on the goods if possible, or on the packaging or hangtags attached to the goods. Having the trademark near the point of sale/online order form can also suffice. For services, the mark can be used on any advertising or promotional materials, or websites.

It also is advisable to identify what you believe is your trademark by using a "TM" or service mark "SM" symbol next to the mark. This lets consumers know you regard the mark as valuable in distinguishing your brand of goods or services.

Protecting a Trademark

Protecting a trademark typically involves many different steps. One of the best ways to protect your trademark is to formally register the mark with the U.S. Patent and Trademark Office. A federally registered mark is given various legal presumptions of validity, and it gives the owner rights in all fifty states. These nationwide rights are significant because absent a registration, trademark rights only extend to the geographic limits of the use. A formal registration can be particularly advantageous in certain business methods, such as franchising.

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In many instances, you may identify a trademark months or even years before the company is planning to produce a product or provide services. U.S. law provides a mechanism to preserve rights in that trademark without actual use, as long as you have a “bona fide” intent to use the mark.

Specifically, you can file an “intent-to-use” trademark application. The application will be examined and possibly allowed by the U.S. Patent and Trademark Office. However, the trademark will not formally register until you have actually begun to use it, and there is a limited time period for you to commence use of a trademark following formal allowance. Once actual use occurs, your priority for constructive “use” goes back to the date the application was filed.

In addition to seeking formal registration, a trademark should be used consistently and denoted as a trademark to best protect the mark. Further, a trademark owner is generally well advised to police the mark and prosecute infringers.

By ensuring that your proposed trademark is a strong trademark that is available for use, properly adopting and registering that mark, and protecting it to the fullest extent possible, you will maximize your rights in your trademark. Through proper use and protection of the trademark, your trademark could grow in value and become one of your most valuable assets.

About the Author

Damon Ashcraft is an attorney at Snell and Wilmer, L.L.P. He practices intellectual property and trademark law in the firm’s Phoenix office. He is also an active member of the International Trademark Association (“INTA”) and sits on the Internet committee and the Internet Governance sub-committee for INTA. He can be reached at (602) 382-6389 or dashcraft@swlaw.com. His biography can be found at http://www.swlaw.com/damon_ashcraft/.

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