

Trademark Protection: Preserving Your Company's Good Name

"What's in a name? That which we call a rose by any other name would smell as sweet." If Shakespeare only knew what a name could be worth in today's marketplace, he may have given second thought to his lines about the value of a name. For instance, the *Coca-Cola*[®] brand is estimated to be worth over \$70 billion. In today's competitive environment, a company's brand, as encapsulated in its trademarks, may be one of the most valuable assets it owns.

Why Are Trademarks Important to Protect?

- *Trademarks embody the goodwill and reputation of a company or product.* Consumers often do not take time to investigate a company or product's quality, but rely on the goodwill and reputation of a brand as a short cut for purchasing decisions. The goodwill and reputation of a company and its products or services can take years of development and investment to establish. Trademark protection is the means by which a company obtains legal rights in value of the brand.

- *Trademark protection helps prevent copycats.* Once a strong brand is established, would-be competitors may try to palm off of your company's reputation. Federal trademark registration helps ward off potential infringers. Proper trademark enforcement is then necessary to stop infringers from taking advantage of your company's hard earned goodwill.

- *Trademark protection prevents public confusion.* Without strong trademark protection, other organizations may unintentionally use a product or service name similar to your organization's, leading to confusion among the public. This can result in lost sales, misdirected communications, or a damaged reputation.

- *Trademark protection can prevent deliberate tarnishment of an organization's name.* Consider for instance, the People for the Ethical Treatment of Animals' (PETA) trademark battle with a cybersquatter. Using the domain name www.peta.org, a meat lover created a website entitled "People Eating Tasty Animals," a "resource for those who enjoy eating meat, wearing fur and leather, hunting, and the fruits of scientific research." Fortunately for the famous animal-rights group, it had registered its PETA trademark and successfully retrieved the domain name.

What Steps Should You Take To Protect Your Trademarks?

1. *Create a strong mark.* The more "distinctive" the mark, the stronger it is and the more easily it can be protected. Strong marks are "coined" terms that are invented, such as *Kodak*[®] or *Exxon*[®], or "arbitrary" terms used without any tie to their common meaning, such as *Apple*[®] for electronic products. "Suggestive" marks, which hint at an attribute of the products they identify, are protectable but are not as strong as coined or arbitrary marks. "Descriptive" marks, *i.e.*, terms that explicitly describe an attribute of the products they identify, are the weakest marks and are not given legal protection until they are used sufficiently that consumers recognize them as a source-identifier.

2. *Conduct trademark searches.* Prior to adopting a new company or product name, one should conduct a comprehensive trademark search to determine if the proposed name is available as a trademark. No one wants to invest money and time building up goodwill in a new product name, only to discover later that the name conflicts with a prior trademark. Conducting a search of a new mark can alert you to problems before valuable time and money is spent establishing the brand. A comprehensive search should include a search of both registered and unregistered marks at the U.S. Patent & Trademark Office as well as the Internet, trade industry databases, and other sources of brand and name data.

3. *Register your trademarks.* Registration of a mark with the U.S. Patent & Trademark Office entitles the owner to significant legal benefits, including:

- automatic nationwide protection of the mark
- a presumption of validity and ownership of the mark
- the right to use the registered ® trademark notice symbol
- enhanced ability to stop infringers
- greater potential for obtaining monetary damages from infringers

It is important to draft the trademark application carefully, as the description of your goods or services is key to the scope of protection the registration grants to you. Keep in mind that trademarks are not only company names, but also include:

- product names
- service names
- logos and symbols
- acronyms
- slogans
- program names
- certification marks (e.g., the "Good Housekeeping" Seal of Approval)

4. *Use the proper notice symbols.* Prior to registration, a trademark should be tagged with the TM symbol. This symbol alerts the public to your claim to a mark. After registration, a mark should be tagged with the registered ® symbol. This symbol alerts the public to your federally registered trademark rights.

5. *Monitor your marks and pursue infringers.* Once you begin using and register a mark, you should be on the lookout for infringing uses of the mark by others. For key marks, consider subscribing to trademark "watch" services that monitor for confusingly similar marks. Once you are aware of marks that are confusingly similar to your organization's marks, take steps to stop the infringing use. Infringing uses can lead to public confusion and damage to your organization's goodwill and reputation. Failure to stop infringing uses of the mark can result in the weakening, and eventually, the complete loss of rights in the mark.

Much of the commercial value in a product or service is in the goodwill and reputation of the brand. Unfortunately, many companies overlook the importance protecting the brand until a problem arises. Taking steps early in the branding process will minimize the risk of trademark conflicts and help preserve the value of the brand.

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