

# PROTECTION OF YOUR BUSINESS' NAME AND LOGO

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## REPORT FROM COUNSEL

### HOW A TRADEMARK PROTECTS YOUR BUSINESS' REPUTATION AND GOOD WILL

#### **What is a trademark?**

When your business creates or uses a distinctive name or logo, what can you do to ensure others will not use it for their own benefit or even worse to the detriment of your business? Congress and state legislatures have provided business owners with the ability to assert exclusive rights in the use of such “marks” to help ensure distinctive names and logos are not misused and if they are, have provided a clear system of redress for the unauthorized or improper use. The exclusive rights in such distinctive names and logos are more formally recognized as a “trademark” defined as “words, names, symbols, sounds, or colors that distinguish goods and services from those manufactured or sold by others and to indicate the source of the goods.” <http://www.uspto.gov/main/glossary>.

Trademark protections include: (i) preventing third parties from trading on the reputation and goodwill of your distinctive name or logo; (ii) eliminating confusion between your goods or services and those offered by your competitors; and, (iii) preventing third parties from tarnishing the reputation of your goods or services. Trademarks are a substantial business asset because

they are the hidden or subconscious driver of sales. Customers are drawn to products and services with familiar and trusted trademarks they have known.

A trademark needs to be sufficiently unique or distinctive that it would indicate the source of a product or service. For instance, McDonalds has a trademark right in: (i) the words “Big Mac”, but not “hamburger”; (ii) the design of the golden arches symbol, but not the letter “M”; and (iii) the sound bite of “I’m lovin’ it” but not each and every use of the words “I’m loving it.” Each of these are uniquely associated with McDonalds, and legally protected by our Federal Government whereas the more generic words and terms such as “hamburger”, “M” and other uses of “I’m loving it” are not. Other examples of different types of trademarks are:

### Examples

**Words:** iPod, Apple, Exxon, Microsoft,...

**Non Generic Names:** Big Mac vs. hamburger, iPod vs. MP3 player, Pepsi vs. cola or soda

**Symbols:**



**Sounds:** NBC 3 sound chime, MGM’s lion roar, McDonald’s “I’m lovin’ it.”

**Colors:** Shade of pink from home insulation

**Shapes:** Coke bottle



Also, it is possible to obtain a trademark for a certain class of goods and services, but not in another class of goods and services. For example, “Apple” is an appropriate trademark as to its association with computers and electronics but it is not an appropriate trademark for an apple wholesaler. An apple is a common generic term. Thus, Apple would not have an infringement case against a mackintosh “apple” wholesaler as “mackintosh” is a generic name in its relation to apples, but it would have a cause of action against a computer and electronics manufacturer and/or wholesalers for the same. In other words, the trademark needs to be some sort of mark that is not generic and provides a unique association to a particular product or service.

**Different types of trademark protection:**

Trademarks are important because redress for infringement of a trademark is one of the bundle of rights provided to owners for the damages sustained. Trademark rights can be enforced if the trademark has been registered with the federal or state government, or has been continuously used in connection with the sale of goods or services in a manner that will afford common law trademark protection

Federal trademark registration generally entitles a mark owner to force a cessation of the unauthorized use (an injunction), damages or lost profits, attorneys' fees and punitive/treble damages. Federal registration of the trademark carries the additional benefits of a presumption that the registrant has exclusive rights to use the mark in commerce and a presumption that the registered mark is not confusingly similar to other registered marks. These presumptions place the burden on an "infringing" mark owner to prove otherwise. This is an invaluable advantage in the prosecution and litigation of an infringement claim. Most importantly, the threat of possible infringement litigation will keep others from trying to misuse your trademark. As a result of its broad scope, stringent documents are necessary to obtain a federally registered trademark. It requires submitting the mark to the United States Patent and Trademark Office (USPTO) and allowing them to evaluate whether the mark is sufficiently unique and distinctive as to warrant federal trademark registration.

Once federally registered, it is important and strongly recommended that proper notice of registration be given through the use of the ® or other special designation as required under 15 U.S.C. § 1111. Without this actual notice, an owner may not be able to obtain profits or other damages resulting from the infringement. Thus, it is good practice to actively ensure every mark contains the notice designation or else monetary damages may be denied. Only active federal trademarks may use the "®" designation. Improper use of the "®" or other special designation may constitute misuse of trademark designations and may open a trademark owner up to liability. Further, "TM" is used for non-federally registered marks and can be used during a federal registration application process. Use of the "TM" places third parties on notice that someone is asserting rights in the mark, and that the mark may be protected under state or common law.

State law registration protection differs from state to state. Generally, if a mark is registered for state protection, the mark is protected within the borders of that state, but not beyond. State remedies may include an injunction against unauthorized use, damages from lost profits, and attorney' fees. Some states require the use of the letters "TM" or other designated marks to place third parties on notice that the mark is protected or claimed to be protected

Lastly, federal or state registration is not necessarily required as common law trademark rights attach where there is continuous use of a mark in commerce, but, as previously discussed, formal federal or state registration provides significant advantages for successfully prosecuting an infringement claim and strongly recommended by this office.

### **Conclusion:**

Anytime a business has a distinctive name or logo that its customers associate, or will associate, with the business' products or services, the name or logo should be registered as a federal trademark with the USPTO to ensure that no one profits from the reputation and goodwill behind the mark. Enforcement of the exclusive rights provided through a federal trademark registration will ensure a consistent message of quality to your business' customers and that the brand and/or services can be trusted. If not, the

business owner runs the risk that third parties will exploit your goodwill by trading on the reputation of your distinctive name or logo, cause confusion with your products or services, or even damage your business' reputation through sales of inferior products or services, all of which will diminish profitability in the short and long-term.

If anyone has any questions or inquiries concerning this subject matter, do not hesitate to contact us. Feel free to email us your questions or comments concerning this newsletter.

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***“CURRENT TRENDS IN EMPLOYMENT LAW: DISCRIMINATION THROUGH THE FAMILY MEDICAL LEAVE ACT”*** presented by ***JUDITH P. RODDEN, ESQUIRE AND LESLEY M. IBANEZ, ESQUIRE*** on ***FRIDAY, MAY 13, 2010 AT NEUMANN UNIVERSITY.***

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