

Trademark Advisory: How Complete Is Your Trademark Portfolio?

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In the midst of strategic planning, it is crucial that companies of every type not overlook the value of their trademark portfolios. The importance of clearing and then protecting trademarks and service marks, preferably at an early stage, cannot be overstated. After all, your trademarks are the brand by which your company is or will be known publicly, and the vehicle through which you will advertise and provide your goods and services worldwide. Your trademark is **the** public face of your company. Thus, the failure to select and protect your trademarks properly can have serious and expensive ramifications.

Trademark Searching: Getting Immediate (and Valuable) Peace of Mind

The first step in organizing and protecting your trademark portfolio is to ensure that whenever a new word mark or slogan is chosen for proposed use on or in connection with any type of goods or services to be provided to the public by your company, you conduct a full U.S. trademark clearance search before spending any further time, money, or effort on the proposed mark. You may not use a mark or name that is “likely to be confused” by the public with a preexisting mark or name owned by a third party. Moreover, adoption and use of a mark or name without knowledge of a third party’s prior rights is no defense to a claim of trademark infringement. Conducting a full U.S. trademark search for corporate or trade names which will be used publicly is also essential. Approval of a corporate or company name by a Secretary of State’s office does not clear the name for unfettered use. In fact, such a clearance is no defense to a claim of trademark infringement by a third party who owned rights in the same or similar name prior to the time the corporation was formed. A full trademark search will search not only for federal applications and registrations, but will also search for state trademark registrations, unregistered common law marks and trade names, Web references, sources and articles, and domain name registrations. An opinion of counsel on the results of the search is also essential to ensure that the mark you select can pass all of the criteria required for a strong, valid, and enforceable trademark.

The Next Step: Filing a Trademark Application

Once the trademark search has been completed, which usually takes a week or less, the next important step in protecting your intellectual property is preparing and filing a federal trademark application for all of the goods and services on which you are currently using the mark, and/or for those for which you intend to use the mark in the future. Even if a mark has been in use for some time, filing a federal application provides valuable benefits. To start, a federal trademark

registration provides the owner with rights on a national level. Although under U.S. law the adoption and actual use of a particular trademark in good faith on a product or to provide a service automatically creates “common law” rights which are fully protected and enforceable, these rights are limited to the geographic area of actual use. Thus, any company with plans for a national presence cannot rely on unregistered common law rights to protect its valuable trademarks.

In the U.S., it is possible to file what is called an “intent to use” application, in advance of the actual commencement of use of a trademark, which preserves your rights in that mark while business strategy and marketing plans may still be in the developmental stage. The filing date of the application provides a constructive “first use” date for purposes of disputes with third parties over who possessed rights first in a mark.

The federal registration which will issue from an application will provide you with exclusive national rights to use the mark on or in connection with the goods or services in your registration, regardless of the geographic area of actual use. Registration also provides many additional benefits, not available under the common law, related to enforcement of your trademark rights against third party infringers and also against domain name cybersquatters. Thus, the benefits of promptly filing intent-to-use applications cannot be overstated.

The United States and Beyond

If your company has plans for expanding into jurisdictions outside the United States, it is also important to consider filing foreign trademark applications for your marks. Trademark rights are geographic in nature, and, with the exception of the European Union, must be obtained and protected on a country-by-country basis. Thus, the clearance and registration of a trademark in the United States provides no rights anywhere else, leaving open the possibility that a third party will develop its own rights in your trademark in another jurisdiction which may be of strategic importance to your business. Unlike in the U.S., most foreign jurisdictions do not recognize common law rights based on use, and allow protection of trademark rights based upon registration only. Accordingly, the first person or entity to file an application in most countries outside the U.S. is the one that will own the rights to that mark in that jurisdiction. Thus, it is not advisable to wait until you actually begin doing business in a particular country before you file an application to register your mark there, since any public knowledge of your proposed plans could result in the filing of an application by an enterprising third party who then may wish to hold you hostage for the rights to the mark in the particular jurisdiction.

In these challenging times, no company wants to waste time, money, and resources on adopting and promoting a name or mark, and developing goodwill therein, only to find that the name or mark must be changed and, under the worst-case scenario, that damages, lost profits, and attorneys fees must be paid to a third party for infringement. It is crucial that trademark rights be considered early and thoroughly, and be dealt with before any company name and/or trademarks are adopted and placed into use.

For more information on or assistance with this or any other trademark matter, please contact one of the trademark attorneys listed below or the Mintz Levin attorney who ordinarily handles your legal affairs.

Susan Neuberger Weller
(202) 585-3510
SNWeller@mintz.com

Geri L. Haight
(617) 348-1675
GLHaight@mintz.com

Carl A. Kukkonen, III
(858) 314-1535
CAKukkonen@mintz.com

Andrew D. Skale
(858) 314-1506
ADSkale@mIntz.com

Cristine M. Baker
(212) 692-6236
CMBaker@mintz.com

Joseph M. DiCioccio
(212) 692-6853
JMDiCioccio@mintz.com

Carol H. Peters
(617) 348-4914
CPeters@mintz.com

Geraldine N. Rochino
(650) 251-7731
GNRochino@mintz.com