

What are Trademarks and Why You Need to Take Them Seriously

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What is a Trademark?

A trademark can be any word, slogan, design, symbol, or even a color, smell, product configuration or a combination of these, used to identify the source of origin of particular goods and services. The trademark serves as a source identifier of your goods and services, to distinguish it from the goods and services of others. For example, Nike has a registered trademark with the United States Patent and Trademark Office (“USPTO”). Their mark is used to distinguish their goods and services over other shoe companies. Nike actually owns several trademarks, including design marks as well, such as their swoosh symbol.

Here is another example, remember when Paris Hilton was saying “that’s hot” everywhere? She applied for a trademark application with the USPTO. If it ultimately gets issued, it doesn’t mean that no one else can ever say that phrase. Ms. Hilton’s trademark attorney has filed the slogan only in connection with particular specified goods and services. Therefore, if the mark does ultimately issue, she will have federal rights to prevent others from using the mark in connection with the same or similar goods and services she registered the mark with.

Why You Need to Conduct a Trademark Search and File an Application

You are ready to launch a new product, or you are about to start a new business and you have a great name you’ve been wanting to use for years. But can you? Here is a typical scenario: Company A opens its doors (a physical store and online) choosing a name without conducting a trademark search. Company A starts promoting its name by investing in advertisements (print and online such as Google adwords). Months go by and Company A is doing quite well financially, has invested a lot money in advertising and marketing, and its page ranking in Google went up considerable for its desired terms (after spending a ton of money to search engine optimization marketing firms). Then one day, Company A receives a cease and desist letter from Company B’s attorney similar to this:

Company B is the owner of United States Federal Trademark Registration No. XX and other trademark registrations pertaining to this mark. Company B uses this mark in the United States in conjunction with its goods and services. Company B legally owns the trademark upon which your online store, products, and advertisement are infringing.

Company B believes that you are intentionally trading on the goodwill of Company B by using a trademark that is confusingly similar to Company B’s Trademark and that your use of the Trademark does, or is intended to confuse or mislead customers seeking Company B’s products or services. This activity is actionable under federal law and causes you to be liable to Company B in every state in which you have made sales or done business. Your activities are unlawful and constitute unfair competition, intentional trademark infringement and dilution, false designation of origin and/or cybersquatting.

Federal Law provides numerous legal remedies for trademark infringement and dilution,

including, but not limited to, preliminary and permanent injunctive relief, monetary damages, claim to a defendant's profits...

So now what? You are thinking it can only be a bad dream, I can't stop using the name I've been using all this time. Think again. Although you may be able to fight or settle in order to prevent your name from being taken away, it typically takes time and a lot of money. This is the sad scenario many business owners face when they neglect to take into account intellectual property rights of others.

Rather than being a victim to bad business practices, the proper way to proceed is to obtain a trademark search on each and every name you intend to use in connection with the goods and services your business is promoting. A competent trademark attorney can conduct the search and analyze the results to advise you whether or not you should use the name. If the name appears to be clear, then it is advisable to proceed with your own application for a trademark in order to serve as a defense and to be used offensively against would be trademark infringers.

Upon issuance of your federally registered trademark, you have the following significant benefits:

- Nationwide constructive notice of trademark ownership
- Evidence of and a presumption of ownership
- Federal court jurisdiction (should you have to sue to prevent infringement)
- Federal registration can be used to obtain foreign registration
- The registration may also be filed with U.S. Customs Service to prevent importation of foreign goods that infringe on the trademark

Trademark Issues on the Internet

What about domain name disputes; use of trademarks in Google adwords advertising or banner advertisements; cybersquatting; how about parody or criticism websites like www.starbucked.com; trademark issues with pop up ads; etc. These are all issues that occur everyday online and are costing business owners millions. Each issue can be resolved in different ways, either by the use of cease and desist letters; negotiations and settlement; a traditional trademark infringement lawsuit in either federal or state court; an Anticybersquatting Consumer Protection Act (ACPA) lawsuit; or an Uniform Domain Name Dispute Resolution Policy (UDRP) proceeding.

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