

Trademark Clearance and Protection

ANSWERS TO THE QUESTIONS BUSINESSES KEEP ASKING



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In the practice of trademark law, there are certain questions that business executives and corporate counsel continually ask. The theme is often whether they can avoid the need for a trademark attorney. Here are answers to some of the most common questions about clearing and protecting trademarks in the United States:

(1) What is the worst thing that can happen if we commit trademark infringement and how likely is this to occur? The real owner could haul you into federal court and obtain an injunction to immediately stop you from using the mark. If they own a federal trademark registration and can show you acted in bad faith (e.g., you intentionally tried to confuse consumers), they could obtain treble damages (e.g., three times your profits). They could also obtain attorney's fees plus a permanent injunction that would forever enjoin you from using the mark. And you would face the cost required to re-brand your goods or services. In practice, most trademark disputes settle before a lawsuit is filed. The owner typically sends the infringer a cease-and-desist letter. If the infringer agrees to stop (either immediately or during a short phase-out period), the owner may release the infringing party and hold it harmless. Still, one can

never predict how aggressive an owner might be in the case of infringement.

- (2) We just searched the free trademark database on the Trademark Office website; our proposed trademark looks available, so can we start using it? The answer is no. A basic search using the Trademark Electronic Search System (TESS)—the database the Trademark Office provides for public searching—does not provide the tailored results you need to make this decision. You can study how to perform an advanced or Boolean search on TESS. For the results to be complete and meaningful, however, the searcher must have experience creating trademark search logic and applying the multi-factor test for trademark infringement: that is, whether there is a likelihood of confusion as to the source of goods or services connected with two marks. Moreover, trademark attorneys often use proprietary databases for serious trademark searching, since those databases tend to be cleansed to remove errors and enhanced to add useful history. Even this level of searching is preliminary, though. A full search is often needed to take a closer look at federal applications/registrations. It also adds coverage for state trademark applications/registrations, common-law marks (i.e., marks that are not the subject of an application/registration, but can still be protected based on actual use), and domain name registrations (which can reveal additional common-law marks).
- (3) We just searched the GoogleSM search engine and it looks like there are no common-law uses of our proposed trademark; can we rely on this as our common-law search? The answer is no. The Google "Advanced Search" is a good place to start, especially if you perform an exact-phrase search. Whether this is reliable, though, still depends on the search logic employed and the ability of the searcher to analyze the results. And remember that search engines are limited to searching only the Internet. A full common law search, by contrast, looks at hundreds

of newspapers, magazines, telephone directories and other resources that may not be available online. Remember that U.S. law provides that common-law trademarks—that is, marks that are used in commerce but not the subject of applications or registrations—can be protected in their geographic areas of use and sometimes beyond.

- (4) We just searched for the domain name we wanted and found it available, so we registered it; are we now safe to use it as a trademark? The answer is no. If you want to register ANVIL.COM as a domain name and others just own ANVILLE.COM and ANVIL.ORG, you can obtain the registration you want. Still, there could be another party who already owns a federal trademark application/registration for ANVIL, or common-law rights in the mark, for identical goods or services. That party might send you a cease-and-desist letter alleging trademark infringement. It might also claim that it is entitled to own the domain name registration. You will not have to surrender the domain name registration unless you obtained it in bad faith (e.g., you knew about their trademark rights and sought to confuse consumers). As a practical matter, however, the domain name will be of limited value if you cannot use the trademark that corresponds with it.
- (5) The secretary of state where our corporation is located just granted us our trade name; are we now safe to use it as a trademark? The answer is no. Secretaries of state do not evaluate trade names using the same test or information applied to trademarks. Instead, they generally consider only whether there is another identical trade name or "D.B.A." (i.e., doing-business-as designation) already registered in that state. If not, they will grant your trade name; for example, they may allow "Anvil Corp." and "Anville Ltd." to coexist. Secretaries of state will not look at the goods or services connected with your name/mark. And they will not look at state or federal trademark applications/registrations, or common-law trademarks.
- (6) We discovered that another party owns the trademark we want for the same goods or services; can we make some small change to our mark to avoid problems? The answer is probably not. The

similarity of two marks is a key factor in the test for trademark infringement. Similarity depends on whether two marks are too close in appearance, sound, connotation, and commercial impression. The following changes are generally insufficient: making the mark plural (e.g., ANVIL to ANVILS); changing spelling but not phonetics (e.g., from ANVIL to ANVILLE); conjoining two words (e.g., from ANN VILLE to ANNVILLE); adding stylization; or adding a slogan or design element. Since parties pick trademarks because they like the appearance, sound, connotation, and impression, they are generally unwilling to alter these features in a material way.

- (7) We discovered that another party already owns the trademark we want; can we call them and get their permission to use it? The answer is yes, but it rarely works and you must be willing to live by their decision. Most trademark owners view their rights broadly, especially owners represented by trademark counsel. Since a trademark is not presumed abandoned until the owner fails to use it for three years, they will generally resist stating in writing that it has abandoned a mark. Moreover, since the strength of a mark is much determined by how many similar marks are registered or being used, owners are generally reluctant to allow others to coexist. Unless you have some leverage (e.g., prior rights in a geographic area of interest), owners are unlikely to accede. If they do not accede, you must pick

another mark; otherwise, they could point to your communications as evidence that you acted in bad faith.

- (8) What are the major advantages of a federal trademark registration? They are a presumption that you are the exclusive owner of a mark and the ability to use the registration symbol (“®”). An important part of this presumption is that it extends nationwide from the filing date of your application. The filing date could be years earlier than the date on which you first use the mark. And the nationwide scope could be much broader than your initial geographic use of the mark. When third parties perform trademark searches and see that you own a registration or application—or observe you using the registration symbol—it should deter them from trademark infringement. If a party commits infringement, the registration allows you to send a persuasive cease-and-desist letter. This gives you the best chance to resolve the dispute favorably without the need for costly litigation.
- (9) Should we simply file the trademark application ourselves? The answer is probably not. There are great advantages to having an attorney file the application. First, the attorney will craft an identification of goods or services that is sufficiently broad to be valuable—it cannot be broadened after the application is filed. Second, if the mark is weak, the attorney will avoid an identification that reinforces that weakness—it is difficult to rehabilitate a

mark whose weakness has already been acknowledged. Third, the attorney will help you present the mark in the way that provides the broadest protection—you cannot alter a mark in a material way after an application is filed. Fourth, the attorney will guide you regarding possible conflicting marks and help tailor your application and use of the mark to minimize the chance of conflict. Fifth, the attorney can help you minimize initial government fees. Sixth, the attorney will enter the application and any resulting registration in an electronic docketing system—this helps avoid abandonment due to a missed deadline. Finally, the attorney will help you understand (and give you the best chance at overcoming) any substantive or procedural issues raised by the Examining Attorney at the U.S. Patent and Trademark Office.

In sum, the most commonly asked trademark questions tend to be variations on a theme, namely, “Can we go it alone?” The answer is maybe; but consider this question: Can you really afford a misstep regarding the name that consumers will equate with your company—and the assets and goodwill that trademark could represent? If not, a trademark attorney can help. **IPT**