



# Insights

## Trademarks for Business Owners: 5 Things Every Trademark Owner Should Know

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June 22, 2020

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### Choosing and Protecting a Trademark

#### 1. What is a trademark?

A trademark can be "any word, name, symbol, or device" (alone or in combination) used to identify and differentiate goods or services from competitors and to indicate the source of the goods or services, even if the source is unknown.<sup>1</sup> Trademarks can take a number of forms, but the most common types of trademarks are business, product, and service names, slogans, and logos. Trademarks allow for the creation of brand value (a/k/a "consumer goodwill") and for consumers to rely upon and to expect a certain level of quality when purchasing goods and services under a given mark. Even if consumers do not know who specifically makes a particular product, as long as the consumer recognizes the trademark, they can assume that the product originates from the same source and will be of the same quality as other products sold under that same trademark.

#### 2. How do I choose a strong trademark?

To choose a "strong" trademark, select a mark not already in use by others and that is not descriptive of (or generic for) the relevant goods or services. Try to select a mark which is either made up (a/k/a "fanciful" – like Exxon) or which is arbitrary to the goods or services (like Apple is for computers). Generally speaking, if a particular mark is used by multiple parties to sell the same, similar, or related (like peanut butter and jelly) goods or services, then that mark is considered "weak" and may not be available to register.<sup>2</sup> Even if a weak mark is registered, the mark is in a "crowded market," meaning it offers less protection as compared to a unique mark.

For example, if you want to use the mark STAR to sell peanut butter, you would risk receiving a Cease and Desist Letter or even a lawsuit if another company is already selling STAR brand jelly, since peanut butter and jelly are "related" goods from a trademark standpoint; consumers might be confused into thinking that the company selling STAR brand jelly has started selling peanut butter. Conversely, the scope of protection of a strong trademark not already in use by third parties is more likely to extend beyond its own goods or services to similar and related



products and services, as well as to non-identical trademarks that look or sound similar.

### **3. Can I protect my own name or my company's name as a trademark?**

You can usually protect your own name or your company's name as a trademark so long as you prominently use the name to identify your goods and services and other companies have not been using the same or a similar mark before you for similar goods or services.<sup>3</sup> Since each trademark must be evaluated on a case-by-case basis to determine both availability and strength of the mark, you should speak with a trademark attorney to determine both before investing substantial amounts of time and money pursuing a mark.

### **4. If I organize my business (and business name) with the Secretary of State, do I have the right to use it in connection with my business?**

Maybe, as long as others are not using the same (or a similar) name as a trademark to sell similar, or related goods or services in your state or registered the mark with the United States Patent and Trademark Office ("USPTO").<sup>4</sup> Registering a business in your home state does not necessarily give you the right to do business under that name. The reason is that Secretary of State Offices usually only check their own state's list of business names for exact matches only, and do not check for similar names or with other states or with the USPTO to see if a name is taken or is a registered trademark.

### **5. How do I protect a trademark?**

There are three main methods of protecting a trademark in the U.S.: unregistered use, state registration, and federal registration. First, the first ("senior") user of a mark will automatically have "common law" trademark protection under state law even though the mark is unregistered, but only in the geographic area(s) where they sell and render goods or services under the mark.<sup>5</sup> Second, the senior user of the mark can register the mark with their state.<sup>6</sup> State trademark registrations can offer additional protection, like state-wide protection for the mark, but both registered state trademarks and unregistered, common law trademarks offer less protection than a federal registration.<sup>7</sup> Third, a federal registration with the USPTO can provide nation-wide protection for the mark, subject to certain exceptions and limitations. Federal registrations offer the most protection but have certain requirements not applicable to common law marks or state trademark registrations.

In addition to the three methods discussed above, there are certain best practices for using your mark which will be discussed in future articles. Please contact **Robert J. Goode** if you have questions or wish to discuss protecting and registering a trademark.

[1] See 15 U.S.C. 51127.



[2] See 15 U.S.C. §1052(d); see also TMEP §§1207.01 et seq.

[3] See TMEP §§1207.01 et seq.

[4] See *Id.*

[5] See e.g., McCarthy on Trademarks §§ 16:22.50 and § 26:1 et seq.

[6] See, e.g., I.C. 24-2-1.

[7] Compare *Id.* with 15 U.S.C. §§1125 et seq.