

# *brand*investment

**Taking Care of Business Names and Logos**  
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**W**hether your company sells goods or provides services, chances are you have invested in one or more names and logos that the consuming public associates with your offerings. You spend time and money to differentiate your goods or services from those of your competitors and to generate goodwill in your names and logos (formally called “trademarks,” “service marks,” or just “marks”). Though intangible, this goodwill is a valuable asset of your business that deserves as much protection as any of your other assets. But what have you done to protect your marks from infringement by others? And what have you done to make sure that your own use of these marks does not infringe the rights of others, thereby exposing your company to potential liability?

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## **An ounce of prevention is worth a pound of cure ...**

If you have never analyzed your names and logos and taken steps to protect them, or have not done so within the past few years, you should consider performing a trademark audit and following up as appropriate. Make sure you have protected not only your company’s name, but also any secondary marks that you use in association with your goods or services. Check the status of any trademark registrations and pending applications. Identify any new names or logos that have not been the subject of a prior registration or application, including any that may have been acquired from others. Make sure that any trademark licenses or assignments to or from your company are properly documented and recorded, as appropriate.

Although trademark rights in the United States arise from use, not from registration, federal registration provides significant benefits to companies whose marks are used in interstate or international commerce. For example, in addition to obtaining the right to use the distinctive ® symbol, you can obtain national priority over all but prior local users. While you may comfortably have established your right to use a mark within a particular geographic region as of today, you may wish to ensure that you can expand the reach of your business in the

future without running into problems with other companies’ marks. Further, as your business changes in scope or direction, you need to revisit your trademark situation to make sure that you continue to protect your own rights and avoid violating the rights of others. After all, with the use of the Internet and natural channels of commerce, companies are increasingly national and international in the scope of their businesses.

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## **The early bird gets the worm ...**

You can file a trademark application with the U.S. Patent and Trademark Office (“PTO”) even before you begin using a trademark or service mark. Whenever you reasonably anticipate using a particular mark in the future, consider filing a federal trademark application on an intent-to-use (“ITU”) basis. Doing so will secure an earlier priority date than you would have if you file later based on actual use or if you decide to rely on “common law” trademark rights based on actual use. The filing of ITU applications has become commonplace, as companies seek to establish their exclusive rights as early as possible—sometimes as much as three years before they are able to bring a product or service to market.

It can be far more expensive to determine how to protect a mark that already is in use than to “clear” a mark in advance. If you wait until an idea has fully crystallized, you may discover that someone else has effectively preempted your plans. You may even incur unnecessary costs associated with renaming a product, redesigning a logo, or negotiating accommodations with other trademark owners. Therefore, it is advisable to make sure that all of your administrative and marketing personnel are attuned to the need to clear and protect any names or logos that may be under consideration.

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## **Don’t rest on your laurels ...**

Once you have navigated the lengthy registration process at the PTO and have received a registration certificate, you may be tempted to relax, secure in the knowledge that you have priority over anyone else who might try to use the same mark

or a confusingly similar one. While you may have achieved legal superiority to at least some degree, the trademark protection process does not end with registration. Rather, you have begun a period of maintenance that is just as important as the registration process.

For at least five years, your registration remains subject to challenge by others. Even if you are able to achieve “incontestability” based on five years of continuous use, you must continue to use your mark or else others may have grounds to seek its cancellation. Sometimes a mark evolves gradually over a period of several years to the point where it is no longer protected by the original registration, so it is important to reexamine your marks on a regular basis.

In addition to watching what you are doing, you need to watch what the rest of the world is doing. Another company may start to use a mark that is confusingly similar to yours, either because that company did not realize that you are using and have registered your mark, or because it thought—erroneously in your view, perhaps—that its mark was not likely to be confused with yours. The longer the other company is allowed to continue such an infringing (or arguably infringing) use, the stronger the company’s argument becomes that it has acquired rights in its mark. The company also will have invested more in its mark and be less likely to give the mark up easily.

Therefore, to avoid losing your rights through inattention, you should watch the marketplace to learn about potentially infringing uses. One way to do that is by assigning someone within your organization to monitor the relevant trade press, trade shows, television and print advertising in relevant mar-

kets, the PTO’s website (which is notoriously outdated) and, of course, the Internet. Since it is hard to make time for such monitoring efforts and to keep up with them on a consistent basis for an indefinite period, many trademark registrants rely instead on commercial “watch” services that constantly comb the PTO’s records and numerous other databases and send notices of potential conflicts to the registrants or their advisors. Upon receipt of watch notices or comparable information, a registrant can decide whether any enforcement action is warranted.

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## Conclusion

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Smart brand investment involves clearing names and logos before your company uses them in the marketplace, taking appropriate steps to register your company’s valuable marks, and enforcing the trademark rights in which your company has invested.

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### Did you know...

- **Failure to register a mark federally could result in your company being confined to its present scope of use.**
- **Use of a mark on the Internet does not necessarily establish nationwide, much less worldwide, presence for purposes of geographic priority.**
- **A U.S. registration provides no protection outside the U.S., though it can be the basis for filing for protection in certain countries.**
- **Clearing the name of your business with the Secretary of State in jurisdictions in which you organized and qualified your company to do business did not establish any exclusive trademark rights in that name.**
- **Registering your company’s domain names did not establish any exclusive trademark rights in such names, though domain name registrations are an important consideration in their own right and can have an impact on trademark rights.**