

Using Trademarks to Protect Your Product and Business Names

A trademark is usually a brand name for a product. It can be a word, phrase, logo, design, or virtually anything that can be used to identify the source of a product and distinguish it from other competitor's products. If consumers are pleased with a product, they are likely to purchase it again and again, relying upon the trademark to know that they are getting the same product. Thus, a trademark represents the goodwill and reputation of a product and its source. Its owner has the right to prevent others from using the same or similar trademark on their own products in a way that is likely to cause confusion as to the source, origin or sponsorship of the products.

Trademarks must be used properly to maintain their value. Marks should be used as adjectives and not as nouns or verbs. The generic name for the product should appear after the mark, and the mark should be distinct from the surrounding text. Using capitalization, or a different type size or style is common, as is the use of the symbol "TM" to indicate a trademark or "®" to indicate a federally registered trademark. If a mark is not used correctly, the exclusive right to use it may be lost.

Foreign trademark registrations are helpful in preventing others from registering or using a U.S. trademark. Unfortunately, it is common for "pirates" to file applications to register U.S. trademarks in other countries as a means to coerce an assignment fee or license from the U.S. trademark owner. Also, the pirate may prevent the rightful U.S. owner from using or registering the mark in the foreign country. Thus, there may be a race between a U.S. trademark owner and a foreign pirate to file an application to register a mark in one or more foreign countries. Obtaining an early filing date in other countries is a way to prevent such piracy.

Before adopting a mark, it is important to determine the availability of the mark for use and federal registration. There are a number of professional search services that can be used to help ensure that your mark does not conflict with other existing marks. The goal of such searches is to help avoid spending time, effort and money promoting a product or business name, only to find out that it conflicts with another's mark. It is advisable to perform such a search through a trademark attorney, who can evaluate the search results to determine the risk of conflict and the likelihood of obtaining a federal registration. This evaluation is based upon numerous legal factors and

court decisions.

Companies may wish to consider having periodic trademark audits performed to ensure that their trademark rights are protected. The benefits of a trademark audit include the identification of new brands and the maximum exploitation of existing brands. Thus, a bare bones trademark audit includes a survey of what marks are currently used by a company, whether proper trademark use and notice are being made, what federal applications and registrations exist, and a review of the chain of title for its trademark assets.

A trademark audit will identify trademark assets that have not been protected. A review of product lines, marketing materials, and web sites, for example, will often reveal trademarks that have not been identified, including in many cases, non-traditional marks such as colors, sounds, smells, and product shape or packaging. In addition, an audit can determine whether use of a company's marks has expanded into product lines or geographic markets that were not initially contemplated and therefore not initially protected. Any trademark registrations should be broad enough to cover the goods and/or services provided under the mark in the geographic regions of interest.

In addition, one of the best reasons to perform a trademark audit is that it may identify opportunities to increase revenue through exploitation of existing or newly identified brands. One of the primary paths to increase revenues, other than direct sales under a mark, is licensing.

A company must also have a program in place to effectively monitor potential infringements and enforce its trademarks. Failure to police and enforce trademark rights can weaken or even completely destroy the value of a brand. Thus, an audit of policing activities and monitoring programs should be conducted. For example, trademark watching services can be instituted to watch for potential infringements of a mark, so that action can be taken to stop the infringement and prevent the possible loss of trademark rights.

Certain events, such as a desire to enforce, sell or license a trademark, often highlight deficiencies in a company's trademark program. In many cases, it is too late to cure any deficiencies. Consequently, valuable trademark rights can be lost or weakened, or a company may not be able to fully exploit its trademarks. Regular trademark audits will help optimize the business benefits that a company derives from its valuable trademark rights and ensure that the integrity of a company's trademarks is maintained.



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