



Finch in a Pinch



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8 things a small businessperson should know about trademarks

(1) A trademark is just a word, phrase or logo used to identify the source of goods or services.

Our laws recognize a public benefit in encouraging people to rely on recognizable marks to identify the source (and quality) of goods or services. Marks used in this way are called trademarks (if used on goods) and service marks (if used to identify services), although the term “trademark” is sometimes used in a general sense to refer to service marks as well.

(2) You get rights in a trademark by using it.

That’s all. Just start using it to identify your goods or services, and you own it for as long as you continue using it, provided, of course, that no one else already owns it. Registration is not necessary. Now, in a lot of other countries, trademark rights arise only from registration. So in those countries, you don’t own any trademark rights until the local trademark office has charged you a fee and issued you a fancy certificate, all wrapped up with red ribbons and stamped with wax seals. But in America, trademark rights come from the old, organic “common law,” which originated in Merry Old England centuries ago. Back then, there were no registration offices. People acquired rights in a business or product name by just using the name. And that’s the way we still do it here.

(3) The only thing federal registration does is expand rights nationwide.

Although you can get rights in a trademark by just using it, those rights only cover the territory where you’re actually using it, and perhaps some adjacent areas where you might reasonably be expected to expand. So if, for example, you’ve opened a cucumber restaurant in Virginia called “The Duke of Cuke,” you won’t be able to stop someone from later opening another “Duke of Cuke” restaurant in California. But if you get your trademark federally registered, then the territory where your trademark rights are valid expands to cover the whole country. Then, you’d be able to stop that California restaurant from using your name.

(4) Your rights in your trademark cover only the goods and services on which you use it.

Just as your common-law trademark rights only cover the territory where you actually use your mark, your rights also only cover the scope of goods and services on which you use your mark. So if, for example, you’ve opened a cucumber restaurant called “The Duke of Cuke,” you would not be able to stop a polka band from using the same name.

(5) The more distinctive the trademark, the stronger it is.

The strongest trademarks are completely made-up words, like “Exxon,” “Xerox,” or “Skype.” The next-strongest kind of trademark uses an existing word in an unexpected way, like using “Apple” for computers,

“Blackberry” for cellphones, or “Amazon” for books. Next are trademarks that suggest some feature or quality of the good or service without just describing it, like “Greyhound” for a bus service (suggesting speed) or “Coppertone” for suntan lotion (suggesting the color that will result from use of lotion). Weakest are marks that just describe a good or service, like “Lynchburg Heating & Air Conditioning” or “Bose Accounting Services.” Geographical terms and surnames also fall into this category. However, it is possible for a purely descriptive name to become so well-known that

it is protectable—examples include “International Business Machines,” “Frosted Mini-Wheats,” and “Holiday Inn.” When a generic term is used for its generic meaning, then it is not protectable. For example, it would not be possible to protect the word “Apple” as a trademark for apple fruit or to protect the word “Blackberry” as a trademark for blackberry fruit.

(6) Not everyone needs a strong trademark!

Just because made-up words and distinctive phrases make the strongest trademarks doesn’t mean you necessarily should pick one for your business. Descriptive trademarks may be weak, but often they are the easiest to market because they describe the goods and services you’re selling. When people hear of a business called “Bose Accounting Services,” they may easily grasp that it offers accounting services provided by Ms. Bose, who already may be well-known for her reliability and honesty. But if Ms. Bose decides to name her accounting office “Xantha” or “Account-Probe,” potential customers might get confused. A descriptive trademark might work just fine if you are offering personal services, operating only locally, or do not plan to invest a lot of money in your brand.

(7) Anyone can use the ™ symbol.

But only use the ® symbol if you have a federal registration. You are free to stick the ™ symbol on any word, phrase or logo in which you want to claim trademark rights. For a service mark, you would use the SM symbol. But unless you have a federal registration, use the ® symbol at your peril. Intentional misuse of the ® symbol on an unregistered mark can prevent you from enforcing your trademark rights. And even if you do have a federal registration, be sure not to use the ® symbol on goods or services outside the categories for which your trademark is registered.

(8) Thou shalt not send a cease-and-desist letter unless thou art prepared to file suit.

One way to lose your trademark rights is through failure to police your mark. This occurs when you are aware of people who are infringing your mark, but you do nothing to stop them. Now, if you aren’t aware of an infringer, it’s easier to get away with not suing that infringer. But sometimes a trademark owner will send a cease-and-desist letter to an infringer—thus making it clear he or she knew about the infringement—and then, when the infringer carries right on infringing, do nothing else. This can create an open-and-shut case that the trademark owner failed to police his or her mark, since the trademark owner no longer can claim ignorance of the infringement. Therefore, never send that cease-and-desist letter unless you are fully prepared to file suit when the infringer fails to cease and desist. If you don’t sue, that letter may come back to haunt you.