

Trademarks Protect Your Company's Good Name

by Diana Hanson

What is a trademark? It's a branding tool, usually your company name and maybe a logo or tag line, that you use to promote your services as a deck builder.

Trademarks date back to preliterate times, when they were developed to identify the makers of objects. By the 12th century, trademarks were used widely in Europe. The 19th century industrial revolution saw a massive increase in trademark use as the standardization of mass-produced goods made it necessary for consumers to have an easy way to distinguish between manufacturers.

Trademarks are company assets with marketing, social, and dollar value. Marketing value is simple to understand — a good trademark makes it easier for consumers to remember the company's name. Social value is less obvious. Over

time, trademarks gain value beyond identifying the source of the services. So, assuming a business has enough market penetration, a homeowner might brag to his neighbor, "My deck was built by Idaho Backyard Living™." Another example is the status associated with owning a Dodge® truck or a BlackBerry® cell phone.

Finally, because of its marketing and social value, a trademark develops dollar value. While your work truck will eventually need replacing, and your favorite cordless drill will wear out, trademarks are assets that appreciate over time. If you build up a deck business that becomes successful enough to sell, its trademark becomes part of the business's worth.

A trade name differs from a trademark. A trade name is the name lawfully adopted and used by an organization engaged in commerce. Trade names can be trademarked, but they are not necessarily a trademark in themselves.

For More Information

Secretary of State's Office

For your state, go online and search for "secretary of state" and the name of your state. Once there, look for state trademark registration, likely found under the business section of the Web site.

U.S. Patent and Trademark Office

Go to www.uspto.gov to find trademark information and to file for federal trademark registration, as well as to search for existing applications and registrations.

International Trademark Association

Find a detailed explanation of trademark rights at www.inta.org.

Wikipedia

This Web site (en.wikipedia.org/wiki/trademark) has an extensive explanation of trademarks, branding, and other forms of intellectual property.

Using Trademarks

Under U.S. law, the use of a trademark in connection with the sale of goods or services grants immediate rights of ownership of that mark. That is, if you design a trademark and use it, it's yours, assuming that no one else has used it first. These are common law rights and are enforceable in court. You can sue to prevent someone else from using your trademark. However, the strength of a common law right can vary. There are a few things you should do to protect those rights, or you run the risk of losing them.

Not all trademarks are equal. The trademarks you choose will have more value and be more easily protected if they are distinctive and suggestive, rather than simply descriptive of your goods and services.

A trademark like Joe's Quality Decks, for example, describes Joe — who apparently builds

really good decks. That's probably not going to be distinctive enough to stop Dave, two blocks over, from calling his business Dave's Quality Decks. Something that is suggestive of your goods or services is a stronger mark: Backyard Spaces or Fresh Air Builders will probably be easier to protect than Joe's Quality Decks.

When you place a trademark somewhere, say in an advertisement or on the side of your truck, you need to claim it as a trademark. This simply means that you need to use a small TM (for "trademark") after the trademark. The ™ says, "I own this mark! Hands off!" You will sometimes see SM — service mark — used in place of TM. It may be used when a business provides services rather than products. Either one will do the job, however.

Registration Is the Best Protection

The first step before pursuing registration of any kind is to perform a simple trademark search. You can go online and search the records of the U.S. Patent and Trademark Office for pending and issued trademark registrations; you can also check state records, the internet, and public documents like the phone book and trade industry publications.

Once you are satisfied that your mark appears to be clear, the next step is to apply for registration. There are two types of registration to consider: state and federal.

Ignoring such misuse of your trademarks may cause you to lose your rights to them.

Applying for a state trademark registration is usually fairly simple and can be done online through the Secretary of State's office for a modest fee. The state will check its records to determine that there is no similar mark that could be considered likely to confuse the public as to the source of goods or services. If all goes well, your state registration should issue within a few months. The rights granted are state rights, however, and end at your state's borders. If you are doing business in only one state, that may be enough.

We have all seen the ® symbol, which means more than the "this is mine" statement that goes with ™. The ® means that the mark is a federally registered trademark. If a trademark has not been registered and maintained with the U.S. Patent and Trademark Office, you may not use it with the ® symbol. If you do and you get caught, you will pay a hefty fine. The reason for this is that federally registered trademarks have more

rights than common law or state-registered trademarks. A federal trademark registration serves as concrete proof of rights to a trademark, and it allows for statutory damages against someone else trying to use your trademark.

Applying for federal registration offers more protection — but requires more effort and costs more too. A federal registration may be sought for marks being used in interstate commerce (which is regulated by federal law). An example of this is a deck builder who builds decks in more than one state (as in "interstate"). Assuming you meet this criterion, you can go ahead and apply through the U.S. Patent and Trademark Office for a federal trademark registration. Like state processes, the federal registration process will include a trademark search, performed by the examining attorney assigned to you.

Federal searches are broader than state searches and include trademark applications as well as registrations. If all goes well, your mark will be published for a period of 30 days so anyone who feels they may be harmed by the issuance of your registration can oppose it. Assuming you overcome that hurdle, your registration should issue within a few months.

A federal registration is powerful. Action may be brought against an infringing party in federal court, and the registration itself is considered prima facie (on its face) evidence of

Are You Stepping on Another Builder's Trademark Rights?

It's important to check out the trademarks used by other businesses in the areas you service, before choosing the name and branding tools for your company. If someone else beat you to the trademark, odds are you'll be getting a registered letter from his or her attorney. You could be required to stop using that mark, and you might even be liable for monetary damages.

your right to the mark. It will go a long way toward helping you prevail should you find yourself in court.

Policing a Trademark

While trademark rights are fairly easy to obtain, they're more difficult to hold. In legal circles, trademark rights are referred to as negative rights. This means that what you have is not so much the right to use a trademark, but rather the right to keep others from using it for similar goods or services.

So, what's a deck builder to do? Nothing too difficult. Mostly you have to be aware of what's going on in your area. If you notice something that appears to be causing confusion between your company and someone else's (like getting phone calls meant for a different builder), or someone blatantly marketing themselves using your company name or logo, you'll want to look into it.

Ignoring such misuse of your trademarks may cause you to lose your rights to them. You have spent time and money to create a brand to promote your services. It has value — make sure you protect it properly.

Finally, if you have questions or need advice about trademarks, it's best to visit a lawyer who specializes in trademarks. You can usually find one by looking in the phone book or by calling your local chapter of the American Bar Association. ❖

Diana Hanson is a principal in Woodpile Construction and a paralegal specializing in intellectual property. She is active in the North American Deck and Railing Association.