

STEARNS WEAVER MILLER WEISSLER ALHADEFF & SITTERSON, P.A.

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WHAT'S IN A NAME?

DEVELOPING AND PROTECTING YOUR TRADEMARK

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SUMMARY

In the wake of the huge expansion of restaurants, hotels, wine bars, and lounges in the last decade, an abundance of names have come onto the scene without gaining a foothold in the marketplace or a loyal following of customers. Many of these businesses have struggled to build a sense of identity because they treat brand identity as an afterthought. However, brand identity has taken on new and important meanings and the approach to brand marketing often marks the line between a company's success and failure. This is particularly true in a strained economy, as capital becomes more discerning and attracting and keeping customers becomes the focus of attention. Strong brands will be the salvation for company growth and survival.

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**WHAT'S IN A NAME?
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What's in a name? Well, a lot actually. Possibly, the future of your entire business.

In the wake of the huge expansion of restaurants, hotels, wine bars, and lounges in the last decade, an abundance of names have come onto the scene without gaining a foothold in the marketplace or a loyal following of customers. Many of these businesses have struggled to build a sense of identity because they treat brand identity as an afterthought. However, brand identity has taken on new and important meanings and the approach to brand marketing often marks the line between a company's success and failure. This is particularly true as capital becomes more discerning and attracting and keeping customers becomes the focus of attention. Strong brands will be the salvation for company growth and survival.

Why is the Choice of a Trademark¹ so Important?

Trademarks answer the question: who are you? Selection is critical because trademarks serve the seller by being a prime element in advertising. It is usually the first thing that consumers see and think of when considering whether to patronize your services instead of someone else's. Your trademark communicates with consumers and tells them what your business is all about – what services you offer, the variety and quality of those services, characteristics of your services, and the expected level of customer service. Trademarks are valuable business assets and reduce the consumer's need to collect information before making a purchasing decision.

How to Pick the Right Mark

Business people often think that a good trademark is simply "catchy" or "memorable." Typically, they want a mark that, by itself, helps to sell their services by telling buyers something about the product or service. They do not want to assume the task of introducing a completely new and fanciful term into the lexicon of buyers because they want to save their advertising dollars. But not all trademarks are created equal. A strong trademark, one that is protectable and enforceable, is usually one that is "random," "unique," and "arbitrary."

The first step in selection is to understand the classification of trademarks, also known as the "spectrum of distinctiveness." Trademark 101: avoid GENERIC marks. Generic marks are words and phrases that identify the goods and/or services immediately. For example, "Restaurant" as a restaurant name or "Hotel" for hotel services does nothing to distinguish

¹ By the way, the terms "trademark" and "service mark" are interchangeable. The technical difference between a trademark and a service mark is that trademarks identify tangible products (e.g. NIKE® brand clothing, LOUIS VUITTON® purses) while service marks are used to identify services (e.g. HILTON® brand hotel services, PRUDENTIAL®). However, trademark or mark is often used generically to refer to trademarks or service marks.

your services from the competition. These marks cannot be protected under any circumstances. Besides, if you pick a trademark that falls in this category, you can count on at least two things: first, there is probably already someone out there using it, and two, you will be unable to prevent your competition from copying it.

DESCRIPTIVE marks are not as bad for you but they aren't great either. These marks can be protectable but only after substantial, exclusive and continuous use and consumer recognition. Descriptive marks convey basic information about a quality, attribute, or characteristic of the good or service it is attached to. These types of marks are considered to be in the public domain in the sense that all sellers must be free to truthfully use descriptive designations. For example, the following marks would be considered descriptive: "Miami BBQ" or "The Greatest Bar" for restaurant services; or "Biscayne Boulevard Suites" or "Lake Front Hotel" for hotel services.

SUGGESTIVE, ARBITRARY, and FANCIFUL marks are the strongest marks, the easiest to protect, and the easiest to enforce against imitators. Suggestive marks are those that require imagination, thought, and perception to reach a connection between the mark and a quality, characteristic, or attribute of the service. Suggestive marks may include such marks as "Recipease" or "All Wrapped Up" for restaurant services; or "Cloud Nine" for hotel services.

An arbitrary mark is a word in common linguistic use but neither suggests nor describes any quality, characteristic or ingredient of the good or service to which it is applied. It is arbitrary because the ordinary meaning of the word mark when applied to the services is totally random and non-descriptive. For example, "Flock" for restaurant services or "Ivory" for hotel services might be considered arbitrary marks.

Fanciful marks are the strongest marks and are coined words that have been invented solely for the purpose of functioning as a trademark. Such marks are either words that are totally unknown in the language or are completely out of common use at the time. The number of marks that can be classified as fanciful are few in number. Some examples include: Kodak for photography supplies, Exxon for gasoline products, and Polaroid for cameras.

Usually, the compromise on the "perfect" mark is somewhere in the middle or a combination of these words, e.g. selecting a mark that combines an arbitrary or coined word with a descriptive word. Regardless, the important thing to keep in mind is that spending a lot of time and money trying to protect weak marks will likely result in little success and much frustration. While the temptation is great to use a mark that is descriptive, the best way to spend advertising dollars is to start with a mark that can be protected. This choice can have enormous value to you over the long haul.

Register Your Domain Name STAT!

Once you have selected your trademark, or narrowed it down to a few, check to see if the domain name is available and if it is, register the domain name incorporating your mark as soon as possible. I repeat: check and register! Domain names are registered on a first come, first served basis and can only be transferred or cancelled in certain limited circumstances. Even if you later decide you do not want to use a particular mark to identify your company or services, your registering early will save you lots of grief. Domain name registration fees are a pittance compared to what it would cost to try to buy the domain name from a pay-per-click advertiser, or cancel the registration of an illegitimate owner, or what it would cost to develop and create a new mark if having your mark and your domain name be identical is critical to your business model.

Clearing Your Mark for Use

Okay, so you have taken the time and made the effort to create the most ingenious, most inventive, most creative trademark imaginable...Right? Still, it is always a good idea to conduct a trademark search before you begin using and advertising that fabulous new mark; especially if you are using a third party graphic design company or public relations firm to create your mark. The resulting damage and negative effects of a trademark infringement lawsuit can be debilitating; costing you time and money that could have been invested in developing your business and brand.

A trademark search determines whether your mark is available for your use and federal registration with the United States Patent and Trademark Office. At a minimum, conducting a search will allow you to understand the potential risks associated with the use of your mark in the United States. It can also help you develop a strategic plan to maximize your trademark's value, obtain a federal trademark registration, and avoid infringing another trademark owner's rights. There are a few different options here but an Internet search is an excellent starting point. Thereafter, you can decide, depending on those results, whether you need more information before you begin use.

During tough economic times, it is understandable that businesses look for ways to cut costs. However, a search is a wise investment and the best available tool for avoiding trademark conflicts and lawsuits. Sooooooo, look before you leap! It will conserve your very valuable business momentum and resources for the things that will bring you a return on your investment.

Registering Your Mark

Now that you have spent your time, resources and money on clearing your mark and registering every .net, .com, and .biz domain name that incorporates your mark, what's next? Protect your mark with a federal trademark registration. Remember, your trademark is the first thing that consumers see and think of and associate with your company...so why wouldn't you want to prevent every Tom, Dick or Harry Competitor from trading on that precious customer goodwill!?

While not required in order for you to use your mark, federal registration is the best way to protect your mark from being used by others.

Registering your mark with the United States Patent and Trademark Office confers a number of procedural and substantive legal advantages over reliance on common law rights:

- Constructive notice to the public (i.e. your competitors!) of your claim of ownership of the mark;
- A legal presumption of your ownership of the mark and your exclusive right to use the mark nationwide on or in connection with the goods and/or services listed in the registration;
- The ability to bring an infringement action in federal court if a subsequent user picks a confusingly similar mark; and
- The use of the U.S registration as a basis to obtain registration in foreign countries.

A registration will also allow you to use the coveted ® symbol whenever the mark appears and gives you, the registered trademark owner, the right to recover damages and possibly attorneys' fees in the event of an infringement.

Registration should be secured whenever possible. However, bear in mind, the application process is a process – taking anywhere from 10-18 months from initial filing to registration. You should consult legal counsel specializing in this area for a detailed explanation of the application process and associated fees and costs.

Consistent and Continuous Use

Not surprisingly, that beautiful, off-white cardstock, Certificate of Registration (framed and prominently displayed in your office, of course) does not put you in the clear. In order for you to maintain your rights, and to be most effective in the marketplace, the rendition of the trademark should be consistent every time it is displayed. Your goal should be to always

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feature your mark in a uniform appearance, i.e. style, color, and font. In other words, once you have secured a registration, please do not change the appearance of the mark as it appears in your registration. And if you do, please understand that your mark is susceptible to cancellation or weakening. Only uniform and consistent appearance will allow uses of the mark to continue to imprint the image of the mark in the public mind as an easily and quickly recognized symbol while strengthening the legal, marketing and economic value of the mark. If you are planning on changing the design or appearance of the mark, consult with your legal counsel about the impact of those changes, if any, on your trademark rights.

Locked and Loaded

Now that you armed with this valuable information, carefully plan your strategy. Your brand selection can increase the value of your services by differentiating them from the competition, creating positive mental associations and forming emotional relationships with the customer. Philip Kotler from the Kellogg School of Management famously said that "if you are not a brand, you are a commodity. Then price is everything and the low cost producer is the only winner."

We are available to guide you through the clearance, development, registration and enforcement phases of your brand. If you require assistance or have any questions, please do not hesitate to contact:

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