



North Carolina Law Life

Protect Your Trademarks as Quickly as Disney Secured Seal Team 6

By: Donna Ray Chmura. *Tuesday, May 17th, 2011*

On May 1, 2011, Navy [SEAL](#) forces killed terrorist [Osama Bin Laden](#) in a daring overnight raid in his Pakistani lair. On May 3, 2011, [Disney Enterprises, Inc.](#) filed federal trademark applications for "[SEAL TEAM 6](#)" for toys, handheld computer games, Christmas stockings, Christmas tree ornaments and decorations; snow globes, entertainment and educational services and clothing, footwear and headwear.

Disney filed on an "[intent-to-use](#)" basis, meaning the applications will be reviewed, and if approved, Disney will have six months to begin actually using the trademark in commerce.

Leaving aside questions of whether this [name is owned](#) by the Federal government, or whether this application is in [bad taste](#), we wish more of our clients were as proactive as Disney in protecting their brands on the front end.

Trademark usage and rights are a very complex area of law. Rights can be obtained in three different ways:

- Companies or individuals can obtain limited rights in trademarks just by using them in commerce. This is called "common law" protection and gives the company the exclusive right to use the mark in the area of actual use, plus a reasonable zone of expansion. Common law protection allows you to prevent other businesses from using a trademark in the same geographical area that is substantially similar to yours, and that would be likely to cause confusion to the consumer between your good or service and the other good or service.
- Companies or individuals can obtain exclusive rights to use the trademark in a particular state by obtaining a state registration. A state registration gives you the right to stop others from using a substantially similar trademark anywhere in the state, regardless of where in the state you are actually using your trademark. Obtaining a state registration takes a few months.

<http://www.nclawlife.com/>

[Richmond](#) • [Christiansburg](#) • [Fredericksburg](#) • [Research Triangle](#) • [McLean](#)

Copyright Sands Anderson PC

THE INFORMATION CONTAINED IN OUR WEB SITE DESCRIBES LEGAL MATTERS HANDLED IN THE PAST BY OUR ATTORNEYS. OF COURSE, THE RESULTS WE HAVE ACHIEVED DEPEND UPON A VARIETY OF FACTORS UNIQUE TO EACH MATTER. BECAUSE EACH MATTER IS DIFFERENT, OUR PAST RESULTS CANNOT PREDICT OR GUARANTEE A SIMILAR RESULT IN THE FUTURE.

- Companies or individuals using (or intending to use) their marks in interstate commerce can obtain exclusive rights to use the trademark in the United States by obtaining a federal registration. A federal registration gives you the right to stop others from using a substantially similar trademark anywhere in the United States, regardless of where in the country you are actually using your trademark. Obtaining a federal registration usually takes a more than a year, but it can be much longer.

We are involved with a number of trademark infringement cases, and if we can make one point that would save our clients untold cost and aggravation, it would be to have them secure their rights in their brand name and logo early in the process.

What does this mean? It means:

1. Before using a name or logo, make sure you have the rights to use it. There is nothing worse than spending a lot of money on a logo, domain name, web site, business cards, marketing materials and signage and then getting letter demanding that you stop infringing someone else's trademark.
2. Register your name and logo on the state or federal level as soon as possible. As Disney did above, you can file an application on the federal level before you have an actual product in the marketplace. While you will have some limited rights based on non-registered use, there are *significantly* more arrows in the quiver when you have either a state or federal registration.

Benefits of registration include:

- Demonstrates Marketing and Business Savvy. Having the official "stamp of approval" on your trademark (i.e., an official registration) can provide influence and credibility for your business. You may be working on a shoe-string out of your spare room, but you will present yourself as a savvy business owner who understands how to identify and protect your assets. Customers, competitors and juries may involuntarily respond favorably to you because your mark is not just being used, but has been registered.
- Deterrent effect. Registration lets the world know that you are serious about protecting your brand name and reputation. If your mark is registered, the [U.S. Patent and Trademark Office](http://www.uspto.gov) (or the state trademark office) will refuse to register any confusingly similar marks. Additionally, your mark will appear on trademark searches. When other businesses consider a mark that is similar to yours, your mark will show up on the search report. Most businesses would rather adopt a mark that is unique to their business and that does not run the risk of infringement or a lawsuit. Simply letting them know you're out there could prevent someone from stepping on your trademark toes.
- Priority of use. The rights you get from just using your trademark are essentially limited to the geographic area of actual use. A state registration gives you rights throughout the state, and a federal registration gives you rights throughout the country.

<http://www.nclawlife.com/>

[Richmond](#) • [Christiansburg](#) • [Fredericksburg](#) • [Research Triangle](#) • [McLean](#)

Copyright Sands Anderson PC

THE INFORMATION CONTAINED IN OUR WEB SITE DESCRIBES LEGAL MATTERS HANDLED IN THE PAST BY OUR ATTORNEYS. OF COURSE, THE RESULTS WE HAVE ACHIEVED DEPEND UPON A VARIETY OF FACTORS UNIQUE TO EACH MATTER. BECAUSE EACH MATTER IS DIFFERENT, OUR PAST RESULTS CANNOT PREDICT OR GUARANTEE A SIMILAR RESULT IN THE FUTURE.

- Access to Federal Courts. A federal trademark registration gives easier access to federal courts. Some lawyers prefer Federal courts because the procedures are standardized across the country. Other lawyers prefer to file in state courts, where the process may be cheaper and quicker. If you need to sue an infringer in another state, however, federal courts may be the preferred venue for access to justice.
- Validity. If you need to sue someone for trademark infringement, a state or federal registration easily proves that you are the owner with the right to stop someone else. Otherwise, you have to spend the time and money to demonstrate the mark is valid, that you are the owner, you have not abandoned the mark and that you have continuously used the mark in interstate commerce.
- Help Fighting Counterfeiters. Owners of federal trademarks can get help from the US Customs service to help fight importation of counterfeit goods.

What do you think about Disney's trademark applications for SEAL TEAM 6?

<http://www.nclawlife.com/>

[Richmond](#) • [Christiansburg](#) • [Fredericksburg](#) • [Research Triangle](#) • [McLean](#)

Copyright Sands Anderson PC

THE INFORMATION CONTAINED IN OUR WEB SITE DESCRIBES LEGAL MATTERS HANDLED IN THE PAST BY OUR ATTORNEYS. OF COURSE, THE RESULTS WE HAVE ACHIEVED DEPEND UPON A VARIETY OF FACTORS UNIQUE TO EACH MATTER. BECAUSE EACH MATTER IS DIFFERENT, OUR PAST RESULTS CANNOT PREDICT OR GUARANTEE A SIMILAR RESULT IN THE FUTURE.