

Trademarks Can Be Valuable Business Assets

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Trademarks are names, symbols, logos, taglines, and other printed or graphic representations of your business's name, products, and services. Applying for a federal trademark registration for these items provides essential protection for your business. A registered trademark can be sold or licensed, and therefore can become as valuable as your business's tangible business assets. Trademark registration can also reduce the likelihood of customer confusion and help to shield your business from the growing threat of trademark infringement lawsuits.

Trademark registration helps to reduce the risk that your business is using a trademark which is already registered by another business or company outside of your particular industry. It is not uncommon for a business to use a trademark for many years, building significant goodwill and recognition, before receiving notice that the trademark was registered to someone else all along. If your trademark is already registered by another person or company, the owner of that trademark can demand that you stop using the trademark immediately and can even seek to obtain your profits and their attorney's fees. If a business competitor discovers that your business is infringing on its trademark, then your business may be forced to quickly change its name or logo and thus surrender the goodwill and recognition that your trademark had generated. A sudden involuntary name or logo change by your bank may both confuse and alienate customers and the community, and significantly increase your business's marketing costs. By registering your trademark, you can reduce the chances that the investment your business has made in its name, product names, and logos will vanish.

Trademark registration applications can be filed either before or after the trademark is used. Even if your business has been using an unregistered trademark for years, you should consider registering the trademark now in order to prevent other businesses from adopting the same or a confusingly similar trademark in the future. Registering your trademark reduces the likelihood that other businesses will use the same trademark or a similar trademark on *their* products or services. Once your business's trademark is registered, you may be able to prevent others from using the trademark in such a way that your customers would be confused about the source of the products or services associated with the trademark. Trademark registration reduces the chance that a competitor or other business, offering substandard products or services, will capitalize on your business's good reputation or generate negative publicity that may be inadvertently associated with your business.

Perhaps most importantly, registering your trademark creates an asset that can build significant value and can later be sold or licensed. Compared to your business's other assets, your trademark's value is less likely to decrease in a recession because its value is derived from your good reputation and status in the community. Businesses which discontinue certain products or services, are acquired, or are forced to liquidate, can sell their registered trademarks to generate cash. Likewise, your business may wish to purchase the trademarks of a competing business if that competitor ceases operations but leaves residual value in its former trademarks. In recognition of the value that trademarks can carry, a significant market has developed for the buying, selling, licensing or exchanging of registered trademarks.

The importance of registering trademarks is often overlooked by businesses. Failing to be diligent in protecting your business's name, product names, and logos can have serious consequences for customer relations and marketing, not to mention potential legal liability for trademark infringement. By taking proactive steps now to register and protect your business's name, symbols, logos and taglines, you can instead build a valuable asset for your business's future.

If you have questions about trademark registration, enforcement or infringement, or other legal and business matters, please contact Ryan P. Siney, Esquire at (717) 234-4121 or rsiney@tuckelaw.com.