

Trademarks vs. Business Names

1. What is a Trademark (TM) compared to a Business Name (BN)?

A TM consists of a word, design, symbol, logo, slogan used to identify the **source or origin** of products or services. A BN is a name that identifies a **business or company**. A BN can be a TM and vice versa, if used in the required way: if a BN is also used on the products themselves to identify the source, it may also be a TM. A TM is established and acquires protection through use, with more comprehensive protection available through state and/or federal registration. Maintenance of a federal TM registration requires proof of use and payment of fees at 5 years and then at 10 years, but its duration is otherwise unlimited. A federal TM registration gives the owner the exclusive right throughout the USA to use the registered TM in association with the goods and services covered by the registration and to prevent others from using the same or confusingly similar marks for similar goods and services. A BN is effective for the State of registration, and may possibly get common law protection for the geographical area of its use.

2. What conflicts can arise between TM and BN?

While brand owners are accustomed to conducting clearance searches before adopting and registering TMs, BN are frequently adopted and registered with Secretary of State without such prior clearance. As a consequence, a state-registered and used BN might be in conflict with and **infringe third parties' TMs**, which were used or registered/applied for before the BN was adopted. Such conflict arises if the BN is identical or confusingly similar to the prior TM and if the fields of business and/or types of goods or services of both entities are at least similar. If this is the case, the TM owner can take action to protect its rights, including obtaining injunctive relief. In addition, the TM owner may be able to claim damages. Consequently, the adoption of a BN without verification of prior rights in the marketplace can become very costly. Many BN filers are not aware of these risks and believe that once registered, the BN creates exclusive rights and entitles the owner to its unrestricted use which, for the above stated reasons, is not the case.

3. How can a BN filer avoid conflict?

It is definitely recommended to conduct a **clearance search** before choosing, adopting and registering a BN. There are different options on conducting a clearance search, the most basic being to check the USPTO database or at least the trademark databases of the state of interest. A professional, full clearance

search will uncover prior TM registrations and applications on state and the federal registers and depending on the type of search selected, other databases will be searched including for identical and similar BNs, domain names, common law uses, etc. The results need to be analyzed under the standards for likelihood of confusion as established by law and courts. For this effort, it is recommended to retain the help of a trademark lawyer for a reliable interpretation of the results. While a search can never guarantee that a BN is available for use, the risk is significantly reduced and, at the least, potential for conflict can be identified and addressed.