

BENEFITS OF TRADEMARK REGISTRATION

Value built in a brand name and related trademark rights can be a driving force toward business success. At Ruder Ware, we work to assist our clients in the clearance, registration and enforcement of their trademark rights. One of the ways that businesses seek to protect these valuable rights is through application for federal registration of their trademarks with the U.S. Trademark Office. This article will provide a brief summary of some of the relative advantages which accompany federal trademark registration.

What is a Trademark?

A trademark is defined as a word, name, symbol or device that indicates the source or origin of goods and is capable of distinguishing those goods from the goods of others. Trademarks can only be established through use of the mark, except in limited cases such as so-called “intent to use” applications. Registration of a trademark is not required in order to generate trademark rights as common law trademarks can be established through appropriate use. However, certain advantages do apply to marks which are registered with the U.S. Trademark Office over those which are not.

Benefits of Federal Trademark Registration

The benefits of registering a trademark with the U.S. Trademark Office can be significant. The following includes a brief description of some of the benefits of registration with the U.S. Trademark Office.

Constructive Notice of Nationwide Rights

Registration of a mark generally provides constructive notice to third parties. No subsequent user can adopt a confusingly similar mark in good faith. Furthermore, this protection extends to all 50 states, even if use is only actually made within limited geographic areas. This can be of particular importance to businesses which plan to expand into other geographic territories or plan to use a mark in all 50 states. Marks which are not federally registered (even those which are registered at the state level) are deemed “common law marks” and the rights of such common law marks extend only to the geographic area in which the marks are used. So, for example, if a party advertises and makes sales of products under a particular common law trademark only in a three-state region, then the extent of that party’s common law rights in that trademark may only extend throughout that three-state region. In contrast, if that same party made sales within the same three-state region only but obtained a federal registration for that trademark, then the owner would have established trademark rights within entire United States, even though it has never advertised or made sales in forty-seven of those states.

Use of the “®” Registration Notice

A registered mark permits the owner to use the “®” registration notice with respect to the mark. Only a registered mark is permitted to use this form of notice. Common law marks may use the “TM” form of notice and may not use the “®” registration notice.

Incontestability

A registered mark which is used for five continuous years after registration can become incontestable, upon the filing of required affidavits with the US Trademark Office. Incontestable status means that third party users have very limited basis upon which they may seek to cancel the registration.

Evidence of Ownership of the Trademark

Registration of a mark generally is prima facie evidence of the registrant’s exclusive right to use the mark. Evidentiary presumptions can be of assistance as trademark registration owners attempt to enforce or defend their rights in their marks through litigation or administrative proceedings.

Jurisdiction in Federal Court

Registration of a mark provides jurisdiction to federal courts for infringement of the trademark, without regard to diversity of citizenship or the amount in controversy. This is a procedural advantage which can be of assistance in the enforcement of trademark rights.

Basis for Filing With U.S. Customs Service Import Enforcement

A filing can be made with United States Bureau of Customs which excludes importation of goods bearing marks that infringe the registered mark. The U.S. Customs will then inspect incoming international shipments for purposes of enforcing the registered mark’s rights within the United States against such imports. Any imported goods which infringe the federally registered trademark may then be impounded by U.S. Customs before they enter the marketplace.

Intent to Use Applications Can Preserve Priority Rights Prior to Actual Use

Trademark rights are generally created only through actual use of a trademark. However, a trademark owner may be able to file an “intent to use” application for a federal trademark registration when the owner has a bona fide intent to use the mark but has not done so. The trademark owner may then preserve its filing date vis-à-vis other trademark registrations even before the trademark owner has begun using its mark.

Conclusion

While it may be more appropriate in some cases than in others, the benefits of registration of a trademark can be substantial. If you have questions regarding this article or wish to discuss issues related to trademarks or intellectual property law, please contact Steve Lipowski at (715) 845-4336.

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