Trademark Law: A Practical Guide to the Basics

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What You Need to Know

- A trademark is any word, name, symbol, design, or combination of these elements used to identify and distinguish the source of goods or services from those of others; it does not need to be registered for a business to have related rights.
- Obtaining federal trademark protection provides stronger and more reliable protection, including national rights regardless of actual geographic use, ability to bring infringement claims in federal court, potential recovery of damages, profits, costs, and more.
- Generally speaking, to succeed in a trademark infringement lawsuit, a party seeking relief must show ownership of a valid trademark, priority of use over the infringer, and the likelihood of confusion caused by the infringer's use of a similar mark.

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A company's brand is one of its most valuable assets – and the name, logo, or slogan associated with that business is often what customers most remember, and what drives them to choose one company over another.

These identifiers are a form of intellectual property which, along with other distinctive elements such as the brand's colors, packaging, and even sounds, can shape consumer perception and drive loyalty. As trademark law protects these types of identifiers and the goodwill associated with them, understanding how trademarks work and how to protect them is essential for businesses of all sizes.

What Is a Trademark?

A trademark is any legally protected word, name, symbol, design, or combination of these elements used to identify and distinguish the source of goods or services from those of others. Trademarks also allow companies to build and protect the reputation and goodwill of their brand. When applied to services rather than goods, the term "service mark" is often used, but the legal principles are largely the same.

A strong trademark provides significant business advantages, enabling a company to:

- Build brand recognition and customer loyalty
- Establish and protect valuable goodwill and market recognition
- Prevent competitors from using confusingly similar branding
- Facilitate the company's ability to stand out in the marketplace.

Do You Need to Register a Trademark to Have Rights?

A trademark does not need to be registered for a business to have rights, as U.S. trademark protection is primarily based on the foundational trademark principle "first to use in commerce" and not registration. This means that simply using a distinctive mark first in connection with goods or services can establish rights, referred to as "common law" rights. Common law rights apply, even if a subsequent user applies to register that mark.

Common law protection does have limitations. It is generally restricted to the geographic area where the mark is used and can be more difficult to enforce without formal documentation. Proving ownership and priority requires substantial evidence, as there is no formal registration establishing those rights.

Even without registration, businesses may look to the common law of unfair competition, state trademark statutes, and the federal Trademark Act (also known as the Lanham Act) to obtain relief for trademark infringement. These laws can provide remedies such as injunctive relief and, in some cases, monetary damages, but enforcement is typically more limited than for federally registered marks.

A business may use the "TM" (trademark) or "SM" (service mark) designation to alert the public to a claim, regardless of whether one has formal registration. However, one may use the federal registration symbol "®" only after a business federally registers the mark. Use of the "®" symbol provides public notice of the registration and can strengthen a business's ability to enforce its rights.

What Are the Benefits of Federal Trademark Registration?

While common law rights provide a foundation, federal trademark registration is often preferable because it provides stronger and more reliable protection, including:

- **Nationwide priority:** Rights extend across the U.S., regardless of actual geographic use.
- **Presumption of validity:** Registration serves as *prima facie* evidence of ownership and exclusive rights.
- **Constructive notice:** Others are deemed to have notice of your claim, limiting certain defenses and an ability to challenge the mark.
- **Access to federal courts:** Registered owners can bring infringement actions in federal court.

- **Enhanced remedies:** Potential recovery of damages, profits, costs, and in some cases attorneys' fees.
- **Incontestability:** After five years of continuous use, a mark may become "incontestable," limiting challenges.
- **Customs protection:** Ability to block importation of infringing goods.
- **International expansion:** S. registration can serve as a basis for foreign registrations.

These benefits make federal registration a critical step for businesses seeking strong and enforceable trademark protection.

What Makes a Trademark Registrable?

Not all marks qualify for protection or registration. To be eligible, a trademark typically must meet several key requirements:

- **Use in Commerce:** The mark must be used in connection with goods or services in commerce (or there must be a bona fide intent to use it).
- **Distinctiveness:** The mark must distinguish the source of the goods or services. Courts recognize a spectrum of distinctiveness, including:
    - Fanciful (strongest): Invented words with no meaning outside of the brand (e.g., Kodak or Xerox)
    - Arbitrary: Common words used in a way unrelated to the goods or services (e.g., Apple for computers or Amazon for online retail)
    - Suggestive: Marks that suggest, but do not directly describe, a quality or feature of the product or service (e.g. Netflix suggesting internet-based films)
    - Descriptive: Directly describe the product, but only protectable if they acquire "secondary meaning"
    - Generic (not protectable): Common names for goods or services
- **Non-Confusing Similarity:** The mark must not be confusingly similar to an existing mark used on related goods or services
- **Lawful and Non-Deceptive:** Marks that are deceptive, misleading, or otherwise prohibited by statute cannot be registered.

What Is Trademark Infringement and Why Should Rights Be Enforced?

Trademark infringement occurs when another party uses a mark that is likely to cause confusion about the source, sponsorship, or affiliation of goods or services, or dilute the senior mark holder's goodwill. When a party believes that their mark is being infringed, they may issue a cease-and-desist letter and initiate litigation if the infringer continues to use the mark.

Courts evaluate several factors in determining whether consumers are likely to be confused, including the strength of the plaintiff's mark, similarities between the marks, the similarity of the goods or services, evidence of actual confusion, the infringing party's intent, and consumer sophistication with regard to the product or service. No single factor is determinative as courts consider all relevant circumstances together.

To succeed in a trademark infringement lawsuit, a party seeking relief generally must show ownership of a valid trademark (registered or unregistered), priority of use over the infringer, and the likelihood of confusion caused

by the infringer's use of a similar mark.

If infringement is established, courts may award various remedies including injunctive relief (orders stopping the infringing conduct), monetary damages, including lost profits and disgorgement, destruction of the infringing goods, and enhanced damages or attorneys' fees in exceptional cases. However, since monetary damages are often challenging to prove, the most common remedy is an injunction requiring the infringing party to stop using the mark.

Conclusion

Protecting your brand requires more than simply choosing a strong name - it requires a strategic approach to clearance, registration, and enforcement. Our firm guides clients through every stage of the trademark lifecycle, from conducting comprehensive searches and securing federal registrations to aggressively enforcing rights through litigation when necessary.

Whether you are launching a new brand or defending an established one, we provide practical, business-focused counsel designed to safeguard your intellectual property and position your company for long-term success. Consulting with experienced counsel can help ensure that your trademarks are not only protected but also positioned to support your company's growth for years to come.

Please contact the authors of this Alert with questions or to discuss your specific business circumstances.

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