



DO I REALLY NEED TO REGISTER MY NAME AND LOGO? THE SHORT ANSWER: REALLY!

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Given how often the question is asked as to whether federal registration is really necessary, some trademark lawyers might be inclined to start an emotional support group, perhaps with dentists, another profession many prefer to avoid at all cost — at least until their pain exceeds their fear. Being married to a dentist for two decades has taught me to face my fear, so my preference has been to enlighten and directly address the bubbling misconceptions about federal registration — and the misguided reluctance some have in pursuing this valuable protection.

What the Law Says

There is no legal requirement to federally register trademarks. Common sense tells us, however, there are many actions we can and should take that are highly beneficial to us. The law doesn't require, for example, periodic dental check-ups, thank goodness. The same is true in the far more interesting world of brands and trademarks, where the law doesn't require yet grants substantial benefits to those who take advantage of voluntary federal registration. After appreciating the many advantages of obtaining federal registration, recognizing the dangers of foregoing this protection, accepting the general worthlessness of registrations with the Secretary of State and understanding the modest costs involved, most seem to agree the decision is really a no-brainer.

The Benefits

All the benefits of federal registration are too many to cover here, but the first, and perhaps most important, is constructive use. This benefit provides complete and uniform nationwide rights that are only attainable by federal registration. Once a federal registration issues, the filing date serves as the registrant's nationwide first-use date. This nationwide constructive use date takes priority over all later users of confusingly similar names or marks. So, the earlier one files to register, the better. The federal registrant ends up owning unblemished nationwide rights over secondcomers, even in those geographic areas (however large or small) where the registrant hasn't made significant sales or even operated yet. This is a very valuable right of exclusivity that may be licensed to others for royalty payments, even if the owner intends to maintain a local or regional focus.

Federal registration also protects the investment and valuable goodwill in a name or mark. The registration is a single sheet of paper, but it



Illustration by Ben Henderson

provides documented proof of the validity of the mark and the owner's exclusive right to use it in connection with the listed goods/services. At the fifth anniversary, the registered rights qualify for incontestable status. Incontestability eliminates many significant possible future challenges since the registration becomes conclusive evidence of the owner's rights. (As explained in the Justice column in the JAN+FEB 2007 issue of *Create*, this benefit can be particularly important to owners of non-traditional trademarks.) Incontestability does not erase third-party common-law rights that existed prior to registration, but it does freeze those rights to where they existed at the time registration was sought. In short, it puts the trademark owner in the best possible position.

Federal registration is a factor in determining whether a trademark has achieved "famous" status, providing heightened protection against dilution; and the constructive notice benefit is helpful in battling cyberpiracy. Federal registration also requires the U.S. Patent and Trademark Office (USPTO) to refuse registration of later marks likely to cause confusion. Prior unregistered rights, on the other hand, are ignored by the USPTO during its examination of others' registration applications, even if confusion is likely. Recording federal registrations with U.S. Customs permits counterfeit and infringing goods to be seized at the port authority. So, federal registration can be a valuable tool in enlisting the federal government to do some policing work for you. One of the more subtle, yet certain, benefits of federal registration is the deterrent effect it can have on parties who might otherwise proceed with a confusingly similar mark.

The Harm

Failing to federally register leaves the trademark owner with limited rights only in those geographic areas where documented sales and operations have been sufficient to create common-law rights, leaving most trademark owners' rights to resemble Swiss cheese, with lots of holes. Having any geographic common-law rights also assumes the trademark owner has retained adequate historical records to document the sales and business activities in the relevant geographic areas. This can be a challenge for businesses that have discarded necessary historical sales records. Without the ability to prove prior common-law rights in a particular geographic area, not only is there nothing that the trademark owner can do to stop confusingly similar uses in those areas, but secondcomers in those areas can actually stop the trademark owner from expanding there. Basically, federal registrations serve as valuable swords to protect trademark assets, but they also serve as valuable shields to prevent attacks from later users in other parts of the country.

It's Not Broke, So Why Fix It?

A business that has managed to operate successfully without yet suffering a crisis that exposes the failure to federally register should consider itself fortunate. Fortune has its limits. This has never been so true as it is today with the growing Wild West nature of the Internet and the trademark violations and cyberpiracy that occur on the World Wide Web every minute of every day.

Brush your teeth and see your favorite trademark lawyer today! ■

Baird joined Winthrop & Weinstine as a shareholder in 2003 with over a decade of experience in the intellectual property arena. He heads the Intellectual Property and Trademark and Brand Management practice groups, and his practice emphasizes trademark law, related unfair competition law and copyright law. Baird counsels clients on trademark usage and clearance, branding strategies, domestic and worldwide portfolio management, litigation and enforcement, Internet domain name disputes, licensing and prosecution. He also handles trademark litigation matters in federal district court and in proceedings before the U.S. Patent & Trademark Office. In addition, Baird manages both large and small U.S. and international trademark portfolios for a wide variety of companies.