

The Value of Trademark Registration

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Are you unsure about what to do when it comes to trademarks? Do you have questions such as: what is a trademark, what is its value, does it need to be registered and why should I make trademarks a priority? Read on to learn the answers to these questions and basic information about trademarks.

What is a trademark?

A trademark is a name or a "brand" that identifies a particular product. For example, XEROX identifies a type of copying product. A service mark is a name used to identify a service. FED EX identifies a specific delivery service. The word trademark is often used to mean both trademarks and service marks. A trademark registered with the United States Patent and Trademark Office is identified by the ® symbol.

What is the value of a trademark?

Most of us in business have an intuitive sense that trademarks have value. In the sale of a business, trademarks and good will are one of those nebulous line items accountants puzzle over. Quantifying this value can sometimes be difficult but regardless of whether you can put a precise number on it or not, trademarks do have value.

Let's look at a company like Coca Cola. Most of the value of the company is in the various Coca Cola brands and the formula. If the company took their famous cola and sold it with a different name and color on the label, sales would plummet. Consumers are trained to look for that familiar name and the famous red label. It took decades of advertising to achieve this iconic status, but no one can deny that this mark has substantial value.

Does a trademark need to be registered?

In the United States, trademark and service mark rights are acquired by actual use of the mark on particular goods or services. Registration is not mandatory for use and ownership of a mark. However, the significant benefits, discussed below added to the relatively low cost of registration, make this an easy choice.

The Benefits of Registration

A Federal registration confers a number of benefits that easily outweigh the relatively low cost such as:

- **Notice to the World of Your Ownership of the Mark.** A registration provides "constructive notice" of ownership. This means the existence of a valid registration provides notice to the world of your ownership of a mark - even to a competitor who never searches a mark prior to adopting and using it. An infringer cannot use as a defense the fact that he was not aware of your registered mark before he began using his mark.

- **Ownership is Presumed.** A registration is "prima facie" evidence of ownership of the mark. Prima Facie means "on its face." The information contained in your registration is presumed to be true unless disproved by credible evidence to the contrary. This is extremely useful. If you have to enforce your trademark rights through litigation, you will not have to spend precious court time proving that you own the mark. The court presumes that fact based upon the registration. The defendant or infringer will have to accept that or spend time and effort to prove that you don't own the mark.
- **Incontestability.** After five years a registration becomes incontestable to all but a few legal defenses.
- **Creators of new marks will avoid conflicting mark.** Competitors who perform a search will find your mark and make an effort to avoid the use of the same or a similar mark.
- **Ability to Stop Infringers.** Through the filing of a trademark infringement suit you can request an injunction against an infringer's continued use of his mark, request damages equal to the infringer's profits and, in appropriate circumstances, you can request treble damages and collect your attorneys' fees as damages. You can also ask the court to seize goods bearing the infringing mark.
- **Ability to use U.S. Customs to Enforce Ownership.** The U.S. Customs Office will accept a registration as proof of ownership and will police the importing of infringing goods.
- **Access to the Federal Courts.** A registration confers Federal Jurisdiction. This gives you the ability to sue an infringer in any Federal Court throughout the country.
- **Foreign Registrations.** A U.S. registration can be used as the basis for registration in foreign countries.
- **Ability to use Registration Symbol.** Once the registration issues, you can use the circled "R" as a warning to others of your claim to exclusivity of the mark.

Do I need an attorney to register my trademark?

Anyone can file his or her own application. However, each applicant is responsible for observing and complying with all the substantive and procedural issues and requirements of the Trademark Office whether or not he or she is represented by an attorney.

The registration process is not rocket science but it can be complicated. It is not merely the filing of an application. There are many decisions that must be made before starting the application, such as, choosing a quality mark, determining the proper classification, drafting the description of goods that define the product and choosing acceptable samples. Once the application is filed, the Trademark Examiner typically has questions that must be adequately addressed. The modest

fees charged by attorneys are a bargain compared to the aggravation of trying to respond to an examiner's request.

What about online trademark registration services?

There are a number of registration services available on the internet and elsewhere that will register your trademark for a relatively small fee. Keep in mind these services are not normally provided by attorneys and they do not provide legal advice. They do not evaluate your mark or your answers. They merely fill out the application and send it in. An experienced trademark attorney can often head off many trademark office concerns by asking the right questions and compiling the proper documentation.

You will be the one left to sort out the Trademark Office's concerns or objections, This can cost you time and may even require you to start the process over. If you then have to hire an attorney to "clean up" a mishandled application, it will often cost you more than it would have had you gone to the attorney in the first place.

Protect your valuable marks

Whether you have just one product or service or hundreds of them, investing time and money in the development and management of your trademarks is a wise investment. The investment is relatively small compared to the value you will create.