

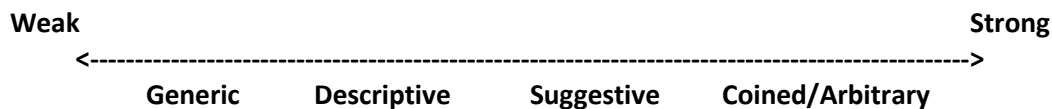
Don't Overlook the Importance of Selecting "Strong" (Valuable) Trademarks

By Michael B. Chesal*

Too often, businesses neglect the importance of selecting and protecting "strong" names to identify their products and services. Not only can this oversight result in consumer confusion and lost business, but a valuable monetary asset might be lost as well. The objective of this article is to give the reader a basic understanding of what makes a name valuable or "strong" and how it can be protected.

Selecting a Strong Name

The "strength" of a mark lies in the ability of its owner to prevent others from using the same or similar mark on their goods or services. Every trademark can be said to fall somewhere on a continuum that would look like this:



A "generic" mark is the name by which something is commonly known, such as "hamburger" or "video store." It is the name of the good or service being sold or offered. Because no one can claim exclusive rights in generic terms, they are not protectable at all and are accordingly the weakest of names and should be avoided in the name selection process.

"Descriptive" marks convey an immediate impression about the ingredients, quality or character of goods or services, such as "THE CHECK CASHING STORE" (for check cashing services) or "BIG CURLS" (for hair care products). Terms such as these are usually accorded a very narrow scope of protection and are generally considered weak. Depending upon its distinctiveness, a descriptive mark may be strengthened through extensive, exclusive use.

"Suggestive" marks are words or phrases which require thought, imagination and perception to reach a conclusion about the goods or services to which they apply. They are said to trigger a "mental-pause." For example, the mark "PICKLES AND ICE CREAM" for maternity clothing is considered suggestive because of the incongruity or exaggeration conveyed by the mark. Suggestive marks, depending upon their uniqueness, may be very strong.

"Arbitrary" marks are ordinary words used in a fanciful or arbitrary way so that there is no association between the mark and the goods or services to which it applies. Examples of these types of marks are "APPLE" for computers, "SUNSHINE" for crackers, and "COCONUTS" for record store services. These types of marks are usually accorded a broad scope of protection, and are considered relatively strong.

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Finally, the strongest of marks are “coined” marks. These are marks which are made up terms and are otherwise meaningless except as applied to the goods or services to which they apply. Examples of this type of mark are "XEROX," "KODAK" and "EXXON." These types of marks are accorded the broadest scope of protection.

As these explanations suggest, in order to maximize the value of what could be a company's most important asset, businesses should adopt coined, arbitrary, fanciful or suggestive marks — not descriptive or generic ones.

In selecting a name, a trademark search for potentially conflicting marks should normally be conducted, especially if the mark has not yet been used. Such searches can be conducted using various resource materials available on the internet or in most libraries, but it is generally best to employ the services of a professional trademark search company. Also, because of the potential for infringing on another's rights, the name selection process should be made with the help of an attorney versed in trademark law.

Protecting Your Marks

Once selected, a trademark which is used or intended to be used in interstate commerce should be registered with the United States Patent and Trademark Office. Registration is also available on the state level, but a state registration offers more limited rights and protections. The two most important reasons for registering a mark are to establish the registrant's ownership of the mark, and place the public on notice of those rights. The owner of a registered mark is better able to protect and enforce its trademark rights.

Finally, the importance of proper trademark usage cannot be over-stressed. The following are some common rules for trademark usage:

- Don't use marks as descriptive terms.
- Be consistent with the manner in which the mark is used.
- Use the mark as an adjective, not a verb or noun. Plurals and possessives should also be avoided.
- Distinguish the mark when it is used in text by using all capital letters, bold or italics.
- Use a trademark symbol "TM" (or "SM" for service marks) in connection with the mark. (The ® can only be used in connection with federally registered marks.)
- Police the market and require others to cease and desist from using confusingly similar marks.

The failure to follow these simple rules could result in the loss of valuable trademark rights.

Conclusion

Though trademark law is continuing to evolve to adapt to the rapid changes in the way business is conducted, selecting and protecting valuable trademarks remains an important constant. In this short article, it is not possible to address the countless issues that arise and should be considered in the name selection process. But it is hopefully clear that virtually every business has a potentially valuable asset lurking within. Business owners owe it to themselves to recognize the importance of these issues and get the most for their investment. If it is done properly, a simple name or slogan might just turn out to be the company's most important asset.