

Your Trademark! Your Right, Your Burden

-Sherap Tharchen

One of the first business decisions you made as a business owner was selecting the name for your business. After months and months of crunching numbers, your creative side came through for you. Your trade name was both innovative and unique, and you saw great potential in it. And, what was only a sketch and a dream until then was minted to become the new logo for your business. The start of your own brand!

Or, like many of my clients, you were fortunate enough to have acquired a name and logo when you purchased your business. The marketplace knew the name, the brand, and the promise it stood for in every product sold or services provided, i.e. the reputation. You too recognized it, and made a business decision to continue using it and build on it. Those are symbols of goodwill, and you paid a pretty penny for that goodwill (enough to likely fund that seller's retirement).

You wanted exclusive rights to the name and logo, so hopefully with the help of counsel, you registered them with the United States Patent and Trademark Office (USPTO). Note here that you can trademark names, slogans, designs, shapes, numbers, sounds, and even smells. While a Registration Certificate from the USPTO in hand is a nice achievement, like with most property rights, that is not the end of the road. Your intellectual property (IP) is now yours to own and protect.

Like looking over or walking around your real property to ensure there are no squatters, trademark owners have a duty to police their own marks, i.e. prevent unauthorized use of their marks. The USPTO will not do this for you. And, if someone is infringing or attempting to infringe on your IP rights, whether it's by using the same or similar marks in commerce or attempting to register a similar mark with the USPTO, a closer review and, subsequently, a cease-and-desist letter from your counsel may be necessary. Let your counsel help you make that determination. Further legal action may be necessary as well. Keep in mind that even when there is no direct infringement, their use may cause dilution of your IP rights. This is your brand, and this is your burden. If you fail to police, over time, your rights will diminish, your ability to stop others from using your trademarks will be for naught, and your goodwill may be adversely impacted, now and at the time you decide to sell your business. For example, "asprin", "escalator", "trampoline", and even "laundromat" were once rightfully-owned trademarks before they lost trademark protection. As a business owner, I am sure you can imagine the enterprise value lost after those parties lost their exclusivity rights.

My due respect to Captain Obvious here, but to maintain your IP rights, you must also use those trademarks in commerce and such use must be continuous. Else, the IP "squatter" or even your direct competitor using the same or similar marks may claim that

you are either “warehousing” the mark or have abandoned it, and thus you should not be entitled to legal protection. And, those are legitimately good reasons to lose trademark protections. In fact, you will be required to sign an affidavit of use (a Section 8 filing) between the fifth and sixth year from the date of issuance of registration and each time you renew your trademarks, or your registration will be automatically cancelled.

In addition to the periodic Section 8 filings, there are other optional and mandatory filings due to the USPTO, and I recommend you talk to counsel so that either you or your counsel has it on your or their docket to make the optional or necessary filings when due.

You know for yourself the hard work you have put in since the day you made the first business decision to build and grow your business for success. Getting a trademark registered with the USPTO is a relatively easy but huge step in that direction. But, don't forget the duties or even burdens that come along with such registration. As we all know, losing goodwill is so easy nowadays, and rebuilding, even without fault, can take years.