

PUBLICATION

What's In A Name? Plenty!

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Shakespeare reminds us that a rose, by any other name, has the same fragrance. To a prospective client, long term care services appear to be independent of the particular provider. Your brand name (or trademark), however, has marketplace value to prospective clients and to your bottom line.

Brand names allow prospective clients to distinguish the services of one long term care provider from another. You build recognition of your brand name not only through advertising, but through the quality delivery of the services. A brand name becomes a valuable asset and deserves to be protected and maintained through quality services.

One business risk in adopting a new mark is that another company may believe the new mark is too close to the mark of that company and seek to stop the use of the new mark. Such disputes can incur significant costs as well as lost marketing opportunities under the new mark and costs to make a change to another mark.

This article discusses selecting and protecting the brand name under which services are provided to the marketplace. Trademarks are assets and can acquire significant value. Registration of trademarks provides a record of the ownership of the trademark. Federal registration provides the important advantage of nationwide constructive notice of the registrant's exclusive right to use the mark on or in association with the registered goods and services.

Evaluation of a proposed trademark

The trademark must be distinctive in reference to the products or services; it cannot merely describe the products or services. Also, the trademark cannot so resemble a mark already in use, as to create a likelihood of confusion to customers.

Evaluation of whether a mark is likely to cause confusion to consumers involves a two-step analysis. Generally, one considers whether the proposed mark and the mark of another are similar in sound, meaning or appearance. If so, one considers whether the goods or services associated with the marks are so related that a consumer would believe the goods or services originate from the same source. This analysis is supported by evaluating factors such as the nature and extent of the use of similar marks, the channels of trade in which the goods or services are marketed, the similarities of the consumers for the goods, the similarities of the goods or services, and the sophistication of the consumers.

Trademark searches reduce business risks in starting use of a mark

A trademark search should be conducted for any proposed mark. The purpose is to reduce the business risk involved with using a new mark. Those risks include the costs of advertising of a new service and signage, to name two. One would not want to be several months into a new marketing campaign and then receive a letter demanding that use of the mark stop because of a similar mark owned by a competitor.

Trademark attorneys assist with the evaluation of whether a proposed mark can be used. Evaluations are made using search reports. Sources for information include federal registrations and applications for

registration of marks, state trademark registrations and various common law sources such as telephone directories, business name directories, domain name directories and other sources showing use of a name or phrase by others for goods or services.

It is important to keep in mind that approval of a company name by a state, such as when forming a corporation or LLC, does not mean that trademark or service mark rights can be obtained for that name. The search involved in formation of a company is cursory and typically involves deciding only if the identical name is already in use.

A company name that is also used as a brand identifier must be evaluated as to whether the name creates a likelihood of confusion in view of prior marks of others. A search is highly recommended to avoid infringement of other's marks, costs for changing to another mark and expenses of applications when rejection appears likely.

Application for registration of a brand name

An application for federal registration of a trademark may be filed based either on actual use of the mark or on a bona fide intent to use the mark for the products or services. The filing date of an intent-to-use application provides priority for the applicant over another who later seeks to use the mark. For example, product development may extend over a number of months, and the intent-to-use application provides an early priority date prior to commercialization.

Presently, the U.S. Patent and Trademark Office is taking about six months to first examine an application. Responses are made to questions raised by the trademark examiner. If the examiner allows the application, the mark is published. Publication gives an opportunity for persons to object to the application. If there is no objection, the mark is registered in due course. An intent-to-use application involves filing a statement establishing that the mark is in use in commerce for the goods or services identified in the application.

Use of the trademark and maintaining the registration

Use of a service trademark occurs in advertising for the services delivered in the ordinary course of business in interstate commerce (across state lines). Certain industries such as restaurants and lodging are always in interstate commerce. Use of a trademark occurs by applying the mark to the goods or containers (such as by imprinting, labels, hangtags or other attachment) sold in interstate commerce in the ordinary course of business. For service companies, such as long term care facilities, the mark is used in advertising materials and on property signage.

The term of a federal trademark registration is ten years from registration. The registration may be renewed if the registrant continues to use the mark. Also, a declaration that the mark continues in use must be filed between the fifth and sixth year after registration. If use of the mark has discontinued, the registration is cancelled. A registration is subject to challenge if the mark is not used for a three-year period without an intention to resume use.

A trademark should be used distinctively in advertising. For example, the mark can be printed in a font or typeface different from the surrounding text. Place the designation TM or SM next to the mark. The trademark should not be used as a noun. Rather, a trademark is an adjective that identifies the type of product or service. You should use the mark in advertising or labeling with a generic term or word for the goods or services to reflect the "brand" identifier function of the trademark. You cannot use the ® symbol until a federal registration is granted for the mark.

You should keep a record of when and how a trademark is first used and keep samples showing the mark as used.

When cleared for use and registered, a trademark can become a meaningful asset for a business. That trademark, or brand name, can be used by prospective customers to select a provider for long term care services.