

**EPISODE 6**

**[00:00:00.4] AWB:** You're listening to the Legal Road Map Podcast episode six. Today, we are diving deeper into trademark law.

[INTRODUCTION]

Welcome to the Legal Road Map Podcast with lawyer Autumn Witt Boyd. She's bringing creative entrepreneurs the copyright, trademark, and business info you need. Learn how to navigate legal issues for your business and protect your rights so you can confidently build your dream business.

**[00:00:36.1] AWB:** Hi everybody, Lawyer Autumn Witt Boyd here. If this is your first time listening, thank you so much for joining us. Today, we're going to be diving deep into trademark law and this section of the first season is going to build on prior episodes. So if you haven't listened to episode five, go back and take a listen to that because there are some concepts that I'm going to go into in this episode six that are going to build on episode five and I'm not going to repeat myself. So make sure you check out episode five and then join us back here for episode six.

This first season is going to be a 12 episodes guide to help you get all of your creative business's legal ducks all lined up in a row. So please go to my website to check out show notes for each episode. We'll have them at [awbfirm.com/podcast](http://awbfirm.com/podcast) and then the episode number. So [awbfirm.com/podcast6](http://awbfirm.com/podcast6) for this episode. We'll have a transcript there and links to everything that I've talked about in every episode in those show notes and we'll have a super useful downloadable freebie for every episode that will help you apply what you have learned in your business.

Now let's dive into trademarks.

Let me get my standard disclaimer with a little extra for this one. This is intended to be information. It's not legal advice. I am lawyer licensed in Tennessee, but I am not your lawyer unless you hire me and we decide to work together one-on-one. Everything that I am talking

about today is based on US copyright and trademark law. I am recording this on October 2016. If you are listening to this episodes a ways after that, please be sure to check either with a local attorney or do some research on your own because the laws do change and I cannot guarantee that anything I've talked about today will still be the law if you're listening to it in months or years later.

Now let's dive into trademarks. I'm going to start off this episode not with registration, which is where a lot of people want to start talking about trademarks, but with choosing the name for your business or products or service. Because not all business names or product names or service names can actually be registered as trademarks and a lot of people don't know this.

So you really have to be sure that you are choosing a name at the outset before you'd spend all your money and energy marketing and building brand awareness and name awareness, you need to choose something that you can actually register later and I'm going to go through the different kinds of business names and what is more protectable, what is going to give you more rights and a higher likelihood that you can register it and the types of business names that are probably not going to be protectable.

Now the reason for this, and I touch on this on episode five, is that in the United States when you get a trademark whether it's the automatic protection that you get just by using a trademark in your business or you actually register it, the government is essentially giving you limited monopoly to keep people from using a similar business name or product name with the same types of products and services.

So they only want to give you those rights if you have something that is distinctive that really identifies you as the source of the products or services. They're not going to give you those rights if you've got something that all it does is just describe what you're doing. Because let's say, I'll delve into this in just a second but just as an example so that you understand where I'm going. Let's say you have a coffee shop and you name it "Joe's Coffee Shop". You can't keep somebody else from calling their coffee shop what it is. That is just a descriptive word for your business.

So you can't keep any other coffee shop in your town from being called a coffee shop and that makes sense. We want for the law to work that way. But that's why if you then try to register your trademark for "Joe's Coffee Shop", you probably are not going to be able to register that. So we're going to start, if you imagine a ruler or a spectrum of, on the left are the most valuable, the most protectable, the trademarks that are definitely going to be able to be registered with the US Patent and Trademark office, those are going to be on the left. And then on the right are those really just descriptive generic like Joe's Coffee Shop example, not going to be registrable, not really giving any value to your business, not protectable.

We're going to start on the left at the really, really valuable ones. So the best kind of trademark that you can choose for your business is going to be what's called a "fanciful mark". These are words that are invented. They are totally made up, they don't mean anything. They don't even mean anything in another language or they don't even mean anything for another purpose. So think about things like Exxon or Kodak or Xerox. These are words that don't mean anything and they certainly don't mean anything about the product or service that they're used with. So really the only reason they exist is to identify a company or a product.

Now the downside of choosing a fanciful mark is that since it doesn't mean anything, you've got a bit of an uphill battle of creating what we call secondary meaning where it identifies your goods and services. When people see Exxon, they think of gas station because the word Exxon itself doesn't mean anything. So think about that as you are choosing a name that these fanciful marks are going to be very protectable but you are also going to have to put more work, more energy, probably more money into your marketing to build that awareness of your brand.

The next one, so we're moving a little bit to the right on our spectrum but we're still highly valuable, highly protectable type of trademark is what's called an arbitrary mark. So these are words that may mean something but in a different context than where you're using them. So the most famous of these is probably Apple. We all know what an Apple is, it's a fruit. You eat it. But it has nothing to do with computers or software or technology. It has nothing to do with the way that the Apple Corporation has been using that brand name.

Another example of an arbitrary mark is for my podcast, I chose Legal Road Map. Everybody knows what a road map is but it has nothing to do with the law and it has nothing to do with

podcasting. So often with arbitrary marks, they might mean something in one context but they don't mean anything in the context where you are actually using them.

Another common example is Delta. You know the Delta, it's a plumbing company they make faucets and things like that. It's also used for an Airline. In both of those scenarios, the word Delta doesn't mean anything about airlines or about faucets but it has developed this other meaning where you identify it with these two companies. This is another great example that I often use of how you can use the same name or the same word for different types of products or services without having any trademark infringement and because faucets or plumbing items are very different from airlines and travel services, there's no conflict there because you are using the different goods and services.

The next one is a suggestive trademark so again, we're moving a little bit to the right, slightly less protectable but this is going to be easier for you to use with your business without having to spend a ton on marketing and product and brand awareness. Suggestive marks, they will suggest quality or a characteristic of your product or your services. So they are close to a descriptive mark, but you have to use your imagination. So examples of this would be like Jaguar for cars. When you think of a Jaguar, you think of something that is fast and sleek and agile. All characteristics of the car brand but you have to make a bit of a logical leap to get there. Jaguar is an animal, it's not a car.

Another common suggestive trademark that people talk about is Playboy. So you know what a playboy is, it's a guy around town, he's going out having a great time, he's probably not married, probably no kids. But when you use it for a magazine, it makes you think of that lifestyle. But a playboy really has nothing to do with the magazine world so you have to make a bit of a leap to think, "Oh this is a magazine that would maybe be pointed at someone who lives that lifestyle. But it's not a magazine that's exclusively about playboys either." That's where you have to make that leap if it were Angler Magazine and it's targeted towards people who are fly fisherman that is a little different because the magazine is really about fly fishing. Playboy Magazine is not really about playboys. So again, it requires that logical leap.

Moving to the area of the spectrum where you cannot get trademark protection, you cannot get federal registration for your trademark is what are called descriptive marks and these are marks

that just describe either what you're selling or what your company does or your industry or your products. They have no value because all you're doing is describing what you're selling or what your business does. So an example of this would be if you have an ice cream shop called Sweet & Creamy. All you're doing is describing attributes of the product that you sell, so that's not going to be registrable.

Another example if you're a web or a graphic design firm called "Best Design". All you're doing is — and any kind of superlative often will fall into this like "Best Quality" or "Number One" or "A Plus", those are generally not going to be protectable. The location marks, so if I had a restaurant called "Chattanooga Pizza Company", that both describes where it's located and it describes what you're selling. So that is not going to be a great trademark. It may be a great name for your business if all you're doing is you have a local business selling pizza. It's very descriptive, it tells people what you're doing, you don't have to do much marketing to tell people what you're all about.

So there is always a pro and a con as you move across the spectrum. The more fanciful or arbitrary you are, the better value you have but the more work you have to do in teaching people what you are all about. Another one that I've seen is let's say you're a life coach or a business coach and your name is Ambitious Women Life Coaching. All you're doing is basically saying what you do and who you work with so that is not going to be registrable probably.

Another example in the product industry, this was a recent case, the words "Earth Protector" as a brand name for a company that provided environmental services and products. They found that all it did was just described the kind of things that you do. You're protecting the earth, that was not protectable. The caveat here is that if you are in business for a long time, you can acquire what's called secondary meaning where you do develop this brand even if on first glance your mark looks like it's merely descriptive, after you've been up and running for a while, you can develop that brand awareness and you may be able to get a registration at a later point.

It's going to be more expensive because you basically have to prove to the US Patent and Trademark office that you have that secondary meaning. So it's not going to be as easy as if you had just chosen a more fanciful or arbitrary trademark for your business. An example of this

would be Sharp for television. So it's started off descriptive. All it does is describe the picture is sharp but as the brand grew and developed, they became a brand name and so they acquired that secondary meaning. I often get questions about surnames, so like your last name. Those are generally not going to be registrable. They're treated as descriptive. So if you had Smith's Shoes, well that's doubly descriptive because all you're doing is saying what you're selling.

But let's say you have something like "Smith's Flowers", but you are selling perfume. So it's not exactly descriptive. You've got a little bit of that suggestive going on. Those are generally not going to be registrable until you achieve that secondary meaning. So again, you're going to have to show either that you've been in business five years or longer or you have to provide evidence that you've been using an advertising and it's acquired this secondary meaning that identifies it with your business rather than just with a name.

Again, that's because since we're giving you this limited monopoly under US law, you don't want to stop somebody else who's got the same name from using their own name with their own business. It's different with first names for some reason. But I guess that's because we have more of a tradition of using last names as business names in the US. So first names are generally protectable and if you're a celebrity there are certain instances where you can register your name as a brand name. I'm not going to get too deep into that. If you are a celebrity and you need help, please contact the trademark lawyer, they can help walk you through that and musician names, those can be registrable as trademarks once you have that level of being well-known.

The last thing I'm going to talk about, the last category is generic marks. Again, there are, they're not descriptive. They don't describe what the thing is, they just are the thing. So like if you have a brand name and you just called your store "Tire Store". That is what it is. It doesn't describe it, it is what it is or "Clock". You can't trademark the word "clock" because that is the thing so you can't. For these, these are a little bit different than descriptive because you can never get secondary meaning. You can never use it long enough to be able to register at a later date like you can with a descriptive mark.

So I am going through all of these because and you don't need to keep these categories in mind. There's not going to be a quiz later, but as you're thinking of a company name, I want to

get your wheels turning and make sure that you're choosing a name that you can create value in and that as you are building your business that you can protect because you might want to sell your business at some point later.

Or you might want to transition out and if you've got a really strong brand name that is an asset to your business that you're going to have value in it. You're going to be able to get somebody to pay you for it or you might be able to license it to other people to use. It's a really valuable asset in your business and so as you are creating that value, I want you to be creating it in something that you can actually protect and if it's one of these generic or descriptive words, you're never going to be able to get all of that value out of it.

Now I mentioned in episode five, after you chose a really great name, the second step is going to be doing a search to make sure no one else is already using it. I'm not going to repeat all of that but I am just going to mention it here so that if you haven't heard it, definitely go back. You don't want to be infringing someone else's trademark rights because you could have somebody pop up out of the woodwork even if you have registered your trademark. Someone can still come up later who is using it first and cause you problems. So that is a must, you have to research and having that domain name is not the same as having the actual rights.

Now I'm going to go through the ownership of trademarks. So who owns a trademark? The person who owns it is the person who is using it or the company that's using it. It's as simple as that. So you own a trademark by using it. The business will own it, not you individually, if you're using it for a business purpose. You should definitely keep records of when you start using a trademark. You'll need this when you file a registration application either with your state or with the federal government at the US Patent and Trademark office, and you'll need it to respond if you get a cease and desist letter. If somebody says, "Hey you're using my trademark," if you are actually using it first, you want to have that evidence to show them, "Nope, I was using it first. I have all the rights, leave me alone," and if you get sued you would definitely need that.

The trademark rights that you get, you get this limited monopoly that I've been talking about. You get the right to exclude or keep another business from using a similar mark or the same mark. It doesn't have to be exactly the same, go back to episode five for more on that for the same or related goods or services. I'm going to run through some of the benefits of federal

registration. I'll talk about state registrations in a minute, but I focus on federal registrations because they are going to have the most value, the most bang for your buck.

To register a mark federally, you have to be using it in what's called interstate commerce. So if your business is totally local — there aren't many of these anymore. If your business is totally local you can't get a federal registration but it's enough. Like if you're a totally local restaurant but you're serving people from other states and let's be honest, pretty much every restaurant will have travelers coming through from other states. So the interstate commerce, it's a very low bar, but you do have to be able to show that.

So there could hypothetically be a store who never sells to anybody except the people who live in that city and you would not be able to show that interstate commerce that you're dealing with people from other states or if you are making everything from trees growing on your property so you are never buying any supplies from out of state. Then you wouldn't have any interstate commerce. But again, it's a low bar. If you do register it federally, here are some benefits. It's going to make your brand more valuable for licensing it to others because you've got that registration.

If you find a copycat using your mark, you can threaten to sue in federal court which makes it more convenient for you. Probably more expensive for the other person. It makes your cease and desist letter much more convincing to the infringer if you threaten to sue them in federal court. It's easier to sue, as I mentioned, in federal court. You can sue near where you live. You don't have to go to the state where the other person is using it, usually. It all depends on facts but these are some things to think about. It gives public notice to other people that you own the mark. So if they search for it, they're going to find you. They're going to know that you are asserting that you own it and showing up in that database can be a real benefit. It will keep other people from using the same name, hopefully.

If you do have to sue someone, you get what's called a legal presumption so the court presumes without you having to actually show evidence that you own the mark and have the exclusive right to use it in connection with your particular products or services. You have the ability to use your US registration as the basis of foreign registrations. So if you want to expand your services to other countries, you can kind of piggyback on your US registration in those

other countries. You can record it with the US Customs and Border Protection Services to keep counterfeit goods from coming in. So you see this a lot with designer handbags. If they are using a logo that's a registered trademark, then you can, theoretically at least, keep counterfeit goods from coming in at the border. How this works in practicality is not always easy but it does give you that option.

Some of these same benefits will apply if you register with your state. There are state trademark registries. Usually the states is much less expensive and so people sometimes think that that's a good option, but you just have to keep in mind that that protection is only going to be within the borders of your state. So if someone out of state is using your same business name you can't go after them with the same ease and with the same rights and remedies. You don't have that federal law which is a really nice law that gives you a lot of ability to get damages.

It's just very helpful and you can sue usually where you live. If you've got a state trademark registration, you're going to be limited to just that state where you registered people doing things wrong. So in today's age where we are all doing business online and usually across the whole United States, I usually tell people it's not worth your time and energy to do a state registration. There may be some circumstances where it would and if you think that you're a really localized business it would be worth talking with a local IP attorney to weigh those pros and cons. But as a general matter, I usually tell people, skip the state registration and put that time and money and energy towards the federal registration.

The registration process, I went into a little bit on episode five. I'm just going to touch on it briefly here. The one thing I will mention is that filing a trademark application is not a done deal. It is the first step in a many-step process and there's no guarantee that you are going to win or not win, but that you are going to be granted a registration certificate.

There are experienced trademark attorneys who get applications denied all the time. It is just not a guarantee. There are attorneys at the US Patent and Trademark Office, they're called examining attorneys, and they are picking apart your application with a fine tooth comb, looking for reasons to deny it. Looking for other trademarks that are registered that may be too close to yours, looking for errors that you made in the application or you can have a difference of opinion.

There's a lot of pieces of the trademark law that are subjective and so you may think something is fine and the trademark examiner might disagree and then there's an appeal's process. So they're not the final word. But I just want to let you know, it is an investment to file the application especially if you work with an attorney but you should know that it's still not guaranteed even if that attorney does their best job. I'm kind of fighting with the trademark examiner right now and I disagree with a lot of the interpretations that he has made of the trademark law but it's subjective and you're at their mercy a little bit unless you have the time and energy and money to see the process all the way through.

So think of the application as the first step in a multistep process and that it really is an investment in your business and your brand. About 80% of applications will get what's called an office action and that is a letter from the trademark examiner, like I said, pointing out something that they need changed in your application or an issue they have or a reason they have for denying it. You have six months to respond, you have to respond.

If you don't respond either to change whatever they've asked or to give an argument why you think they're wrong, if you don't respond, your application will be abandoned. So it's like you never filed it at all. They'll just close it, it's off the books, somebody else can come file a registration for your exact same trademark after that time. So a lot of times people will start the application process and they get an office action and they don't know what to do and that is another reason why it can really pay to have an attorney with you from the front end.

They can help you respond to those office actions. I get a lot of questions about using LegalZoom or other kind of transactional services to help you with a trademark registration and I get asked, "Why should I pay an attorney when I could just use LegalZoom? It's cheaper," and it may be cheaper on the front end but it may actually be more expensive when you look at all the costs and all the fees. If you are working with an attorney, usually they will help you choose a good mark in the first place. LegalZoom is not going to tell you, "Hey, your Joe's Tire Shop trademark is probably not going to be registrable." They will take your money happily and file that registration application and you will be denied.

So a good attorney is going to help you with that with choosing the trademark in the first place and will let you know if you need to choose a different one. They'll also do a great search and they'll help you evaluate if you find similar marks, whether they're too close. They'll help you look at the pros and cons, they'll help you look at those other companies on what your risk is of being sued, what the risk is if someone might oppose your application. There is another step in the process where even if the trademark examiner approves your application, other companies have a chance to oppose it if they think it's too close. An attorney will also help you, like I mentioned before, respond to office actions.

If you are using a transactional service, that's going to be an additional fee and you're probably going to be talking with someone who doesn't know you, doesn't know your business, has never dealt with you before. So when you're using an attorney, they're with you the whole way through. They are kind of holding your hand and they know you. They know your business. They can help you do it the right way. I always just say, "Do you want a person to help you or a computer to help you?" If you're okay finding someone at a later date, then maybe LegalZoom will work for you and you are willing to do more of the legwork. It really is how much time and energy you want to invest and how big of a risk taker you are.

As we're wrapping up, the time of a trademark registration, so if you get through all the process — the process often takes a year or more to get through the registration process and you don't get that registration certificate until the end. The first term of your trademark registration is going to be five years. You have to renew between the fifth and sixth year and then you renew every 10 years after that. So your trademark protection can go on to infinity as long as you are filing the required paperwork to renew and show that you are actually still using it. If you stop using it in your business, you will lose your protection and you won't be able to renew it. So you have to keep using it to keep your protection.

But as long as you are using it and file your renewals, you can really go on forever. I mentioned this in episode five, I'll mention it again here. The trademark, the ™ and ® symbols, they are not required but they are a great idea. They let people know that you are using it as a trademark and you want to protect it in your business. So the ™ symbol you can use before you've registered a trademark. So as long as you are using it in your business as a trademark, you can

use that. And then the ®, you can only use after you've registered it. So there's two different ways. Again not required but it's a great idea.

This was a lot of information about trademarks, so I have created a freebie for this one, for this episode, about how to choose a great business or product name. And this — is kind of a two-for — I've also got a trademark 101 downloadable that just answers frequently asked question about trademarks. It gives you a good overview of how a trademark works and registration, all the things that we've talked about today. So be sure to go to [awbfirm.com/podcast6](http://awbfirm.com/podcast6) to get that download. I've had a great time chatting with you today about trademarks and I am looking forward to speaking with you next time. We'll delve into copyrights.

[END OF EPISODE]

**[00:25:38.1] AWB:** Has listening to the Legal Road Map Podcast opened your eyes to the legal holes in your business? I'd love to help. I work with entrepreneurs who need help navigating the legal issues in their business, bloggers, online entrepreneurs and influencers, authors, photographers, videographers, musicians, and designers just to name a few. If you're ready to take your business to the next level, sign up for a one hour get planning legal planning session today. During our call, you can ask me lots of questions about specific issues or documents, I'll learn all about your business, and we'll create a list of action items to build your dream business legally. Go to [awbfirm.com](http://awbfirm.com) to sign up today.

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