

WHEN should I register my trademark (S3E69)

WHEN should I register my trademark (S3E69)

scribie

Audio Transcription, Perfected

<https://scribie.com/files/4e3f48a08e0842f08d79d409c7ec4a8808457d6b>

[music]

00:06 Autumn Witt Boyd: Welcome to The Legal Roadmap® podcast for online and e-commerce entrepreneurs. I'm your host, lawyer Autumn Witt Boyd, I am an experienced copyright and trademark lawyer. With my team at the AWB firm, I leverage grow and protect multimillion dollar online, businesses. My goal in every episode is to teach you about the sophisticated legal and business strategies to build your own seven or eight-figure business. If you're a new business owner, go back and listen to episodes one through 12, you'll learn the basics to set up a strong legal foundation. The Legal Roadmap® podcast is sponsored by the AWB firm. You can find show notes for every episode and learn more about how we help our clients achieve their next level goals at awbfirm.com.

[music]

00:52 AB: Hi everybody, welcome to the Legal Roadmap® podcast, and if you're watching on Facebook Live, hello, I am delighted that you are here with me today. I am lawyer Autumn Witt Boyd. If you are new to the podcast, I'd love to give you a little introduction. So, I am a lawyer, I have a small law firm here in Chattanooga, Tennessee, and we work with online businesses, primarily those who are creating courses and digital products. So that could be a downloadable ebook, a workbook, but primarily online course creators are our jam. So, I am located in Tennessee, as I mentioned, but our firm really works with business owners nationwide who are in this area. My personal expertise is copyright and trademark so that leads into what we are going to talk about today. This is the second in our month-long series on trademarks, we are going to be digging into when is the right time to register your trademark? This is a question we get a lot. Last week, we talked about why you might want to register your trademark, so go back and listen to that episode if you are not sure what the benefits are to registering a trademark.

01:56 AB: Why are you hearing all of your friends talk about this, registering a trademark and why do people think that it is a huge benefit to their business and helps them protect all the things that they have worked so hard to create. Go back and listen to that episode, if you're not sure why anyone would want to bother registering their trademark. But today we're really going to dig in to when is the right time in your business', path. Do you need to do it right away? Should it be one of the very first things you do or can you wait a bit? And how can you make that decision? What are some of the things you should think about? You may notice that the sound sounds a little different today. I am trying out, if you're watching on video, you can see I have a little lapel mic that I'm trying out instead of having the big podcast mic right in front of my face, so we will see how it goes, if it's terrible, please let me know in the comments or give me some feedback on that. We try new things all the time, so hopefully this will work, well, for this episode.

02:49 AB: So before I dive into the four things that I think you should consider when deciding Is this the right time in your business to register a trademark? Really only you can make this decision, this is not one of those where if this then that, you can apply the same rule to every business and it's a very easy evaluation to make. It is... Your mileage is going to vary. So please take everything that

WHEN should I register my trademark (S3E69)

I'm saying today, and consider it in light of your own business, and that leads me nicely into my standard disclaimer, which is that I am a lawyer, I work with clients one-on-one, mostly business owners and CEOs and their executive teams. But everything I'm talking about today is not legal advice, this is information. This is meant to get your wheels turning, but if you have your own questions about trademarks and your business, please, be sure to talk with your own lawyer, whether that's me or someone else to make sure you're making the right decision for your business. Alright, so let's dive in.

03:43 AB: This is all based on my experience and as I mentioned, I work mostly with online businesses, particularly in the course creation and digital product realm. So if you are a large multi-national corporation, you might make a different evaluation. So these are the factors that I have found are really helpful and that I will often go over with my own clients, as they're making these decisions, but this is not a one-size-fits-all evaluation. So take all of this with a grain of salt, if you are not this kind of business. So here is the first thing that I usually ask my clients to think about is, do you have a service or a product that is profitable? So I typically for the kinds of clients that I work with, I typically will discourage people from registering a trademark for something that they have not actually sold, or for a business that is not actually running. And I'm gonna back up here as we get into this first factor and just go over at a very high level, what is a trademark? If you want to learn more about this, go back and listen to episodes five and six, episode five talks about all the different kinds of intellectual property in a business.

04:44 AB: So we talk about copyrights and trademarks, and patents and trade secrets all the different kinds of IP you might have in your business and what are the differences. I'm not gonna go over that today, so go back and listen to episode five if you wanna hear all of that, and then episode six is our trademark 101 episode. So that is gonna dig deeper into kind of some basic trademark principles. But just so that you understand what I'm talking about, I'm going to get my one minute spiel on what is a trademark. A trademark is anything in your business that is going to let people know that they have found the right service or product. So it is going to be what we call an indicator of source, so it typically is gonna be things like your company name, a product name. It could be a logo so someone sees a product on the shelf they know it's yours, 'cause they recognize the logo, or they see your name on a website, they know it's your website, because they recognize the company name. It can also be things like slogans and taglines.

05:36 AB: One of my favorite examples of this is Nike, with the "Just Do It" slogan. It is inextricably tied with Nike, when you see that slogan, you know what the quality is going to be of the products. You know where they came from. You know what that company stands for. Basically, you know what you're getting. And the whole goal of trademark law is really to protect consumers, so it is to help us the shoppers not necessarily the business owner, business owners definitely get a lot of the benefit out of trademark law but really the goal is to prevent consumers from being confused when they are shopping for a product or a service. So if you keep that in the back of your mind, any time you're thinking about a trademark question, "When should I do this, why should I do this? How does this work?" That helps, it helps make what might seem like things that don't make sense, it helps a lot of them make a little more sense. So the goal, again, with trademark law is to prevent customer confusion. So that's why you can't have two companies that are selling the same kind of product have the same name, because if you're a customer and you see two products on the shelf and they look exactly the same, how do you know which one is which? It's very difficult for

the consumer.

06:38 AB: But if you have two companies that are selling totally different things, then they can't have the same name because there's no risk of customer confusion. So this is another good thing to keep in mind. My favorite example of this is Delta Air Lines and Delta faucets, or Delta plumbing fixtures, those are two totally different kinds of industries. There is not gonna be people shopping for a faucet who are going to see an airline and be confused and think "I just don't know which one is which". It's very easy for you to make that determination. So any time you are thinking about trademark law, keep in mind consumer confusion and similar products and services, that's really the key. Any time you are making that evaluation. Okay, so again, number one on my list of thinking about when it's time to register a trademark is that you have a service or product that's profitable. Now, as I mentioned, if you are Apple and you are a large multi-national corporation, you might not wanna wait, if you have a new product, to register your trademark.

07:32 AB: You might wanna register it early, and there is a way you can do that in our federal trademark system and I should have mentioned, I am a US lawyer. Everything I'm talking today is based on US Federal Trademark Law so that is the highest level of trademark protection in the United States, that gives you nation-wide protection. There are also state trademark registrations but we're really talking about that higher-level federal trademark registration. So if you are Apple, you might want to go ahead and register your trademark early before you release the product, because we have what's called a race system in the United States. So the first person to use a trademark in their business, they win all the rights. So if Apple is releasing a product before it's actually registering the trademark, there's a possibility someone else could swoop in and start using it, and register it and get all the rights. So you're gonna have a different strategy if you're a very, very large corporation. But, for most of my clients, which are going to be mid-six figures to several million dollars annual revenue in an online business, it doesn't make sense to register every single new thing that you're doing because it is a long process, it can take up to a year, best case scenario. Nine to 12 months is what we typically see with our clients, and that's if everything goes smoothly. So we didn't mess anything up.

08:45 AB: I mean, we... [chuckle] We're balling it for you, we're not gonna mess up, but the client didn't give us anything that was incomplete or US Patent Trademark Office attorneys didn't have any questions for us or require clarification or issue what's called an office action which is where sometimes they'll deny it, but you could argue, all of those things take time, you can have someone oppose your application if they think it's too close to their trademark. So there's all kinds of bumps you can hit in the road, it can stretch on for multiple years. I've had my own firm for about four years now, and one of the very first trademark applications I filed is still kind of on hold because it's gotten stuck with a couple of other applications that may be too close to it but they haven't finished registering yet. So we have to wait for them to go through before my clients' application can go through, so it is a long process, it is also expensive. So even if you are filing on your own, you're probably going to be spending a minimum of \$225 on your filing fees and that's per category.

09:41 AB: So if you're selling multiple products or services under the same trademark, let's say you're registering your business name, and it's... I'm just making this up off the top of my head. Orchid. You have... Whatever you're selling, you call your business Orchid. I'm looking at some flowers [chuckle] that's why I pulled that out of the air. Let's say that you are selling T-shirts and

WHEN should I register my trademark (S3E69)

coffee cups and you also offer some business consulting services and you have an online course. So every single one of those things I just listed is in a separate category. So now you're looking at four filing fees four times 225, the filing fees can go up if you're filing in a certain way, so you can see, even if you were just filing on your own with no help, it's a big investment in your business. If you're working with a lawyer, you're probably gonna spend several thousand dollars on top of that to have some assistance, going through this very long and tricky process. So I'd like to encourage my clients to make sure that they have a service or product that is profitable, that they are certain people like, that they are gonna stick with for a while, that it's worth all this investment. I like to make sure that people are getting an ROI, on their legal. We don't spend money just to spend money.

10:46 AB: So if you're making that huge investment, I want you to be getting something back for it. And if it's something that you've never tried, you're not sure if people like it... You may decide in six months, this product is not something you wanna keep doing, you're doing a lot of testing and changing in the beginning of an online business is what I have found. So, I like for people to wait a little bit before making this investment. Now, of course, you can do it earlier, it's your choice. If you've got some capital and you wanna spend it on this. I'm happy to take your money. But most of us, as entrepreneurs, we're always making choices, and there's never enough money to go around. So as you're trying to prioritize in your budget, I don't think that a trademark should be the very first thing you do, out of the gate. I do think it's important, I think it's... Once you've got your legs under you it should be one of the first things that you do to really lock down your brand, but as your brand is still evolving, you're still figuring things out, maybe not the very first thing you do.

11:39 AB: So, I never discount that there are huge benefits to registering early. As I mentioned, when we were talking about the Apple example, it is possible to think of a great name. And then you are using it and somebody else sees or maybe somebody else has the same great idea and they swoop in, before you and register it with the USPTO, that is possible, that is the downside to waiting. So you've always just got to kind of weigh the pros and cons and all four of the factors that I'm gonna be talking about today, there's pros and cons to waiting and to going ahead and doing it sooner. So there's no perfect answer, but I think for most business owners, you can't lock down everything and so you've really gotta prioritize and choose those things in your business that are the most important. And so that's what I would encourage you to do. Second thing to think about is, do you plan to stick with this trademark for a while? As I mentioned, it is a long, arduous process. Your term of protection with the trademark, your first term is 10 years, so you get a pretty good amount of protection just by filing that first application.

12:41 AB: There are some things you have to finance more money you have to pay of course, between years five and six, but your first term of protection is going to be 10 years. And so, I don't necessarily think that you have to stick with something for that entire 10 years to make it beneficial to file a trademark registration, but knowing that that's your initial term.

12:58 AB: It is something to think about. How long are you going to stick with this product or service name or logo? As I mentioned, if you're still really doing a lot of iterating, you're testing, you're changing, you're trying different things, maybe you're even serving different audiences. Or testing out your product or service mix. You may be doing candles today and then you decide you wanna do paper goods. Those are in different categories. So if you register your trademark with

WHEN should I register my trademark (S3E69)

candles today, and then in six months you decide you wanna do paper goods, guess what? You have to file a whole new trademark application. So again, I want you to make sure that you're gonna stick with the things that you're including in your trademark application, and that you're gonna stick with the trademark itself. So let's say you're still playing around with your name, it might not be the best idea to go ahead and register it now, you might wanna wait a little bit, or let's say you're in year two or three of your business and your name is awesome. And you are starting to see people use similar names to their businesses. Now is the time to go ahead and lock down that name and be sure that no one else is going to swoop in and try and sweep it out from under you.

14:00 AB: So, second thing to think about is do you plan to stick with your name, your logo, the products and services you're offering, all of those things. How long are you gonna stick with them? I like to recommend at least a couple of years since, as I said, you aren't actually getting that certificate until best-case scenario about a year after you start the trademark process. So one to two years, I would say is the minimum. I would like to see longer just to make sure that you're getting really that ROI back on the expensive and long process of registering your trademark. So the third thing that I want you to think about after you have your service or product that's profitable, after you have a name and a service product mix that you're gonna stick with for a little bit, is would you be devastated if if you saw someone copying your trademark? And the reason why this is really important to think about is because what you get with a trademark registration, yes, you get a certificate. Actually you can... I have mine behind me. So you can see it kind of poking out there. You get a beautiful certificate, you feel totally legit.

15:00 AB: It is definitely a sense of accomplishment that you have taken your brand to the next level, you have spent time, money, and energy protecting your brand elements. You are now in the database. So if someone searches, if someone's thinking about having a similar trademark they're gonna find you, and there's all kinds of benefits to registering your trademark but what you really get at the end of the day, is the ability to stop other people from using a similar trademark in their business with similar goods and services. So with my Orchid example earlier, let's say just following the same path that I'm talking about, let's say you're selling candles, and paper goods, so candles and maybe paper planners, calendars, notepads, those kinds of things. It's a pretty common product mix. So if you have this trademark now for Orchid in candles and paper goods, you now have the ability to send a cease and desist letter if someone comes up and they're using the word Orchid in a company name, or a product name for similar products or services. So, if Orchid paper pops up, it's not exactly the same, but the dominant element, the Orchid name, is the same.

16:08 AB: So now you can send them a cease and desist letter and say, "Hey I think that your brand, your company is too close to mine, and I am gonna need you to take it down, I'm gonna need you to change your website name or I'm gonna need you to change your company name, or shut down your Facebook group" or whatever the thing is that you want them to do. You now have the right to basically ask them to do that and say, "If you don't do that, I'm gonna reserve my rights and I may sue you". If you would not be devastated, if somebody else popped up with a similar product line, and a similar name to yours.

16:41 AB: If you're a very live and let live person, if you just think that there's no problem if we have multiple businesses with the same or a similar name, then registering a trademark does not make a lot of sense for you. It really has to be something that is so important to you that you would

WHEN should I register my trademark (S3E69)

be willing to go to the mat for it. And I think that this is my favorite question to ask my clients 'cause I think it's just a nice gut check, frankly, to say, How would you feel if you saw someone copying your trademark, whether it's a logo or a tagline or a product name or your company name?

17:13 AB: And if it doesn't upset you, then registering your trademark is spending a lot of time and money and energy on something that it sounds like you probably don't need. Now, sometimes this evolves, I will say, sometimes when people are newer in business they do have a little more of a live and let live philosophy. And then once you hit that mid-six figure mark or up to seven figures, you're really growing a significant business, now you've got more to lose and maybe you've got a team working with you that you're supporting, you got ongoing revenues, you've got products that you really care about, and an audience that you've worked really hard to build. So, this can change over time. So I would say even if today, you think "No, I wouldn't be devastated, I'd be okay", in a year, you may have a different feeling. And so again, there's never a perfect time to register your trademark. There is always the possibility that someone can swoop in before you register and snatch it up before you were able to.

18:05 AB: But I think doing this gut check and maybe doing it often, every six months to a year, looking at your business, and I'll mention, I'll put this in the show notes as well, this link to my five-minute IP Audit Worksheet, it is really easy to go through your business and see what are the things that I could be protecting with the trade-mark registration. I think this is a great exercise to go through maybe every six months or a year, and just see what kind of intellectual property have I created that might need to be protected in the last six months or a year, or what are the legacy things in my business that I haven't really thought about that are really profitable.

18:40 AB: That I might need to lock down now because I'm relying on that revenue and if someone copies my name now all of a sudden all my customers are confused and that's gonna be a huge problem. Or I've got great SEO around this name and if three competitors pop up using the same name, I'm gonna start losing traffic or my customers are gonna be confused. So this can be an evolving feeling that you have, whether you would be devastated to find someone copying or not. So I think it's important and I'll just say that link in case you're not somewhere that you can go look it is on my website awbfirm.com/podcast, so that is where you can download that five-minute IP Audit Worksheet is a really quick way to just go through your business and see what kinds of things might be eligible for a trademark and then you can do that gut check and see. Do I think that this is important to protect or is it okay? I'd be okay if I saw someone copying it. What I have found as I mentioned, is that as people grow in their business that feeling kind of changes and you start wanting to lock things down, and be a little bit more legit and take care of your business, protect what you've worked so hard to build as you grow.

19:44 AB: So, that was number three. Would you be devastated if you found someone else using your trademark? And then number four and this is really important, it kind of piggy-backs on three but are you willing to and can you afford to defend your trademark rights? Because as I mentioned, what you get, you get lots of benefits but the main one with a trademark registration is now you have the exclusive right to use to your trademark with the goods and services that you have registered and that means you can send out cease and desist letters, you can file a lawsuit, you can send take-down notices to social media sites, if you see someone using a trademark that is similar to yours with a similar service or product. You now have all these remedies you have all these ways

WHEN should I register my trademark (S3E69)

that you can play whack-a-mole and try and knock down competitors who are having a name that it's too close to yours that could confuse your customers. If that is not something that you are interested in, if that is not something you have the bandwidth to do yourself or to hire out.

20:40 AB: It doesn't have to be a lawyer. I have a lot of clients who hire a VA to be on their team, and it's basically an enforcement VA, and they work maybe a couple hours a week, or even a couple hours a month, just kind of... Maybe you set up a Google Alert so that you can see what's out there. They might be looking on Facebook and other social media sites to see what's going on, maybe searching the USPTO database to see if anything new has popped up, and then they send out those cease and desist letters or they post take-down notices or they reach out and contact people directly to say, "Please, I think that you are too close to my trademark and please change your name." So it doesn't have to be a huge burden, but it is a burden and it does take work and time and energy and money, and so if that is not something you're interested in, I do have clients who have outsourced it because it felt like an energy drain because I have no problem sending a cease and desist letter, it's what I do all day long. It's not emotional for me, but for a lot of my clients, it is kind of emotional to be telling another business owner that you have to change your name because it's too close to mine.

21:40 AB: So I do have clients who don't enjoy doing that themselves, so they have someone on their team who does it, who has a little more breathing space and the business is not quite so close to them. So it doesn't have to be you doing it, but you are gonna have to have someone defending your trademark rights. The reason this is so critical is because in the United States, if you don't defend your trade mark rights, you can lose them. So there is the risk of your trademark becoming so widely used by so many different businesses that the trademark office says, "This has become generic." or it's become so widespread that it doesn't signify... Again, remember I said in the beginning, the reason we have trademark law is so a customer can tell the source of the product or service that they're buying.

22:21 AB: So if you've got 25 businesses all selling the same thing using the same name or the same tagline, or their logo looks the same, now, the USPTO is gonna say, or a court if you have to file a lawsuit they're gonna say, "There's nothing special that indicates that you're the source of this thing. Everybody in the industry uses this tagline." or "Everybody in the industry has a logo that looks like this." So if you are not defending your trademark rights and making sure that it doesn't become too widespread, you are going to lose your trademark rights, and then when you really need to enforce them when you have a major competitor who is stealing all of your customers or when you have someone taking all the SEO from your website or really threatening your business and you need to be able to protect your brand, you are not gonna have the ability to do that. So, this fourth element is really, really important.

23:05 AB: And this is also part of why I do think it makes sense for most businesses to wait a little bit. I think that the potential downside of losing a trademark is okay, because you have to have the resources, the time, the energy, the money to put literally put your money where your mouth is and to monitor the market place to make sure that you are keeping an eye on everyone, on all your competitors, and making sure that your trademark is not becoming used by other people. If you don't, you might as well not have a trademark at all because you're not going to be able to enforce it and you basically have a right that's useless that you've spent a lot of time and money going through the trademark registration process, and then you've just let it basically laps. I mean even though it

WHEN should I register my trademark (S3E69)

hasn't lapsed with the USPTO if it's become widespread in your industry and you haven't done anything about it, it's almost the same thing because you are gonna have a very difficult time actually filing a lawsuit or getting people to take your cease and desist letter seriously.

24:00 AB: I have seen, I've been on both sides of this issue. Sometimes I'm the one sending the cease and desist letter. Sometimes I'm the one receiving, and if I get one and for one of my clients, and I do a little research and I see that whatever the trademark is is two very common words that, yeah, maybe they got a trademark registration, but it is incredibly widely used. It's basically become generic, it has no real tie to this other business to indicate that they are the source. Frankly I'm not gonna take that very seriously. And if they have not put the time and energy and money into protecting their rights, I also will probably make the analysis that it's highly unlikely that at this point they're gonna hire a lawyer to actually file a lawsuit.

24:40 AB: So a lot of the evaluation when you're looking at a cease and desist letter is risk evaluation, what is the risk that this person is actually gonna do the thing they're threatening to do that I don't want them to do? Which is usually file a lawsuit, filing a lawsuit is incredibly expensive, much if you thought the trademark registration process was expensive, filing a lawsuit in federal court, which is where most intellectual property cases are filed. You're looking at probably \$5,000-\$10,000 to get started and then 100 to a million in legal fees if you go all the way to trial it is hugely expensive. That's why most of them settle early because it's so incredibly expensive and most small businesses just can't afford that, frankly. So when I'm doing a risk evaluation if I get a cease and desist letter like I said, if it's a company that has allowed their marks to become generic and it's used all over the industry then I know that they're probably not going to put their money where their mouth is. I mean, maybe you never know.

25:32 AB: But that is definitely one thing I'm going to look at. And so if you're on the side of owning the trademark, you definitely don't want that to be the response when you really have to protect your rights and you're sending that cease and desist letter and threatening to sue someone. You want to have a really unique trademark that is not being widely used in the industry and you make that happen by really being proactive and going after people. And I understand it is not the most fun part of being in business, but if you are building a high six, multiple seven-figure business, this is part of doing business, this is a cost of doing business, protecting your brand and really elevating your brand, so that it stands apart in the marketplace, and it's not just the same words that everybody else is using or the same images. Your logo looks like everybody else's. So there's nothing special about it. So this is number four. Are you willing to and can you afford to really defend your trademark rights to take that action to make sure that your mark stands out from the rest? It stays unique, and it's not being used by everybody else.

26:31 AB: So I'm gonna do a little recap before I close out. Again, here are the four things that I think you should think about in deciding when is the right time to register your trademark in an online business, particularly if you're making products, digital products, downloadables and courses. So number one, do you have a product or service that is profitable? So, I typically recommend not brand new. There are benefits to registering early, and there is a way you can do that with the US Patent and Trademark Office even before you've started selling your product, but I think it's a good idea to wait until you're profitable. The second is, do you plan to stick with the name, the logo, the slogan whatever the trademark is for a bit. It's gonna take you almost a year

WHEN should I register my trademark (S3E69)

best-case scenario to get through the registration process, so we wanna make sure that you're in it for the long run, to get that return on your investment. Number three, would you be devastated if you found someone else using the mark or are you okay with having it become pretty common in your industry? And number four, are you willing to and can you afford to defend your trademark rights?

27:30 AB: Alright, I hope this was helpful. Next week we are going to dig into how to choose a strong trademark in the first place. So now you've heard what the benefits are to registration, you've heard when it makes sense to register, but you probably don't know that not all business names, slogans, logos can even be registered as trademarks not everything is protectable and not all trademarks are available. So I mentioned we have a race system in the United States, so the first person to use a trademark in their business wins all the rights. So there are important things to consider when you're choosing a trade mark for your business that will factor in whether you can protect it when it's time. So that's what we're gonna dig in to next week. Definitely go to the website, pick up my five-minute IP Audit awbfirm.com/podcast that's gonna help you as you're going through these episodes to figure out what trademarks, you actually have in your business that might be worth protecting. Alright, I will see you guys next week.

[music]

28:30 AB: Did you know that you could be making more money from your copyrights and trademarks? Intellectual property is probably the most valuable asset in your creative business but most entrepreneurs don't know how to identify it and you can't monetize what you can't find. Download my free five-minute IP Audit Worksheet at awbfirm.com/podcast. You'll find out what parts of your brand, logo, images, website, courses, digital downloads or other content could be protected by intellectual property laws and you'll create an inventory of your most valuable trademarks, copyrights, patents or trade secrets so you'll know what's worth protecting as you build a more profitable and sustainable business. Get your five-minute IP Audit Worksheet now at awbfirm.com/podcast.

[music]

WHEN should I register my trademark (S3E69)

Thank You for choosing Scribie.com

Cross-check this transcript against the audio quickly and efficiently using our online Integrated Editor. Please visit the following link and click the Check & Download button to start.

<https://scribie.com/files/4e3f48a08e0842f08d79d409c7ec4a8808457d6b>