

The Truth about Trademarking: Common Mistakes to Avoid When Choosing a Name for Your Business

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When it comes to your business, a name is not just a name. It's a long-term commitment and an expression of who you are and the brand you want to create. Because this matter is so important, it benefits you to do all you can upfront to protect the name and make sure—before you start using it—that it's available for use. And that means going through the trademark process.

“Most people—even some attorneys—don't realize that if you don't deal with trademark law, you could run into trouble—with a company name, tag line, even a logo,” says Corey Kupfer, chief strategist at MarketCounsel, an Englewood, N.J., regulatory and compliance consulting firm.

Here are the top trademark-related mistakes that advisors make when choosing a name.

Mistake No.1: Doing only a cursory search for the name

It makes sense to eliminate potential

conflicts before you actually form your business, Kupfer says. “Often, advisors just form their entity and six months later they get a cease-and-desist letter,” he says. Meanwhile, they've already spent a considerable amount of money on branding, marketing materials, letterhead and building goodwill. Better to search first, make sure the name is clear, and then form your entity, he says.

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Mistake No. 2: Failing to understand the ins and outs of trademarks

Names fall into different categories and there are many nuances, which is why it's so important to work with an attorney who is well-versed in trademarks. Some names are easier to trademark than others. Take, for example, the name “401(k) Consultants.” That's a name you might want to trademark, but couldn't, says Scott Schwartz, a member of the intellectual property group in the Philadelphia office of the Cozen O'Connor

law firm. Nonetheless, an advisor who uses it might find it frustrating if someone opens up a business with the same name.

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Mistake No. 5: Not policing and/or renewing the mark

“There’s no reason to get a trademark if you’re just going to let everybody use it anyway,” says Kupfer of MarketCounsel. Indeed, trademark holders are obligated to police the mark. “When I find out about it, I need to tell them to stop. If I don’t, I lose my rights to stop them at some point,” Kupfer says.

There are trademark-monitoring services that, for a fee, will help you monitor your mark.

Also, remember that unlike a copyright, a trademark must be renewed. Trademark registrations issued on or after Nov. 16, 1989, have a 10-year term, renewable every 10 years. Trademark rights can last indefinitely, provided you file the necessary documentation and continue to use the mark. “With a trademark, you have to show you’re using it,” says **Richard Roth**, a civil litigation and enforcement-defense attorney with the **Roth Law Firm** in New York City.

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