

Ohm's Law: Trademark Clearance

By Hun Ohm*

After several years and plenty of blood, sweat and tears, you're ready. You've finally completed development of your new line of toothpaste. Along the way, you've come up with a great trademark for your new product. It's sharp and memorable. It's prominently featured on all of your marketing materials, packaging and website. Better yet, your first shipment of product is on its way to the warehouse, and it's time to reap the benefits of all of your hard work. Are there any issues you might not have considered?

Here's one to think about: Did you clear your trademark? Remember, in the United States, trademark rights accrue through use (a trademark registration does provide additional benefits, but it is not mandatory to establish rights). Therefore, it would be prudent for you to conduct clearance searches to determine whether any other parties are using or have registered the same or confusingly similar terms, and if so, in what manner.

Clearance searches are an investment. Although there may be an upfront expense, such searches can pay dividends by helping you avoid conflicts and business disruptions. Ideally, you would conduct a clearance search sooner than later, *i.e.*, before you invest too much time, money and effort developing a brand, and certainly before you launch a brand. In fact, one of the biggest mistakes you can make when adopting a new brand is to not conduct any clearance searches at all. Although one might save some initial time and money by not conducting a clearance search, those initial savings are fraught with risk and ultimately may be illusory. For example, if a person or entity has been using the mark you have selected (or a confusingly similar mark) before your adoption of the mark, and you are found to be infringing the trademark owner's rights, you may be liable for damages and, in some instances, attorneys' fees. While these concerns are serious, the senior trademark owner could also obtain injunctive relief and force you to stop your use of the mark, which can be disastrous for a new line of products. An effective clearance search can help you anticipate and avoid these considerable pitfalls.

The searches themselves may vary in terms of scope and complexity, ranging from "knockout" searches that might focus only on active federal trademark applications and registrations for a top-line assessment, to full commercial searches that investigate numerous proprietary databases, directories and registries to provide a comprehensive overview of the existing landscape for a proposed trademark. A carefully designed clearance program will reveal conflicting prior uses and registrations that might serve as obstacles to your use and registration of a trademark. Likewise, a clearance search will help you assess the strength of a mark. For example, is it commonly used by third parties? If so, how? The answers could have bearing on how strong a mark might be.

Once a search is conducted, the results should be carefully examined. A number of factors are considered when evaluating a potential trademark infringement issue, and the analysis can be complex. For instance, the mere fact that an identical mark does not appear in search results does not necessarily mean you can move forward with your brand without risk; likewise, the fact that a similar mark is being used in some manner by others might not necessarily mean you cannot move forward with your own mark. Each situation is different, and without thoughtful analysis, the search results might be of little value in guiding your next steps.

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Changing a name that you have become attached to is never fun. But it is much easier to do this early in the process, when your brand is a working idea and choices abound, than when your new product is sitting on pallets in your warehouse, already gathering dust while you scramble for a solution. While no search is perfect, a well-planned clearance program will provide you with a reasonable assessment of the risks involved in adopting a trademark, and will help you make an informed decision on whether you move forward, or come up with an alternative.

So before you embark with a trademark, do ask yourself a simple question: Are you in the clear?

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