

What's in a Name? Protecting Your Start-Up Trademarks

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Most new business ventures are started around a new idea. The business focuses on a new product, a new service, something that will set the business world alight with the new idea and creativity that the business will bring to the marketplace. The initial focus of new companies, rightfully so, is on the development of these new products and services and how to best to commercialize them in a competitive marketplace. Unfortunately, businesses often tend to neglect another key aspect of their company's property, namely, the intellectual property they have in the name of their company or products themselves. Oftentimes, the initial inquiry around a new company's name in today's markets is whether the domain name is available for the name. Companies often fail to do more in-depth trademark clearance searches on both the company name and any new product names which will be used in the marketplace. Just because a domain name is available for use does not mean the company is free to use that name as the name of their business and/or their products. Other parties may have trademark rights in that name, even if they do not have the domain name registered. Selecting a trade name for a new company that is both available and strongly protectable can lead to an invaluable asset for the company as it grows in the marketplace. If a new company does not do the appropriate due diligence on the selection of their name it can lead to painful and expensive name changes of either the company and/or products down the road if problems arise.

Choosing a name

Oftentimes, a new company will choose a name which is somewhat descriptive of the new goods and services that they will bring to market. For instance, "Quality Lenses", or "Optic Technologies" may provide the commercial impression to consumers that the company is related to optical lenses but the marks themselves are so descriptive that any proprietary enforceability around such trademarks would be relatively weak. This is because, in general, descriptive marks are not available for trademark protection. Only when a mark has been used for a long period of time and acquired so-called "secondary meaning" will courts find that descriptive marks, i.e., marks which describe a characteristic of the product or services, are afforded trademark protection. The term "secondary meaning" stands for the principle that even though the mark is descriptive, the mark has been so widely used for such a long period of time that consumers recognize that the mark has another meaning beside the descriptive one, namely, it is an indicator of a specific source for the good or service associated with the mark. Therefore, some of the best marks for choice of the name are fanciful or arbitrary marks that do not relate to the product or good themselves. "Apple" for instance has nothing to do with computers or electronics. Another good choice for a mark would be a mark

that is suggestive of the good or service associated with it. “Greyhound” for bus transportation is suggestive because a consumer may envision that the bus travels as fast as a greyhound dog. Selecting a mark that is either arbitrary, fanciful or suggestive, but is not directly descriptive, can provide a business name or product name in which a company can strongly enforce if any competitors enter the marketplace using the same or similar brand.

Clearing the proposed name

It is important for any new company to make sure that the proposed name they are choosing to do business as is free and clear to use. This clearance must not only be considered for the goods and services the business is planning on offering immediately but for any future expansions either in goods or services and/or geographical areas that the business is planning on expanding to in the future. Certainly, checking domain name and corporate name availability at the corporate name registration level is appropriate. Additionally, a company should make sure no other state trademark registrations or federal trademark registrations have been filed or registered on the same or similar mark. Additionally, a search should be done to determine if any local businesses in the geographic area the company is operating in have been conducting business or offering products using the same or similar mark. If such pre-existing companies have been conducting business under the same or similar mark, they may have common-law protection for the mark, even if they don't have a trademark registration. Working with legal counsel to perform a legal clearance search of the names is something that should strongly be considered by any new company to make sure that their proposed business and product names are available for use.

Protecting the trademarks

Once a company has selected their business and product names, and have cleared them in a search, the next step is for the company to decide how to protect their new brands. Fortunately, unlike patent protection, some level of trademark protection is available without undertaking any additional legal filings or expenses. Just the mere act of using a business or product name in public, in association with marketing goods or services, is enough to obtain common law trademark protection for the mark. Common law trademark protection is a right under state law and gives a company proprietary rights to prevent others from using the same or similar mark in the same geographical areas that the company uses the mark. Obviously, the weakness of common law protection is that the protection would only encompass the geographical areas that a company has actually done business in. In order to obtain more robust protection, a company can register their trademark with either the state or the federal government. The rights granted with state trademarks vary from state to state, but generally provide the registrant similar protection to common law protection. Federal trademark registration, however, gives presumptive nationwide rights in the use of a company's trademark once it is registered. Once a trademark has been registered with the United States Patent and Trademark Office the owner of the registration is, with few exceptions, the only one who may use the mark in the United States in conjunction with the goods and services for which it is registered for. Trademark registration may be applied for at any time – even before the mark is in use. This allows the company to reserve rights to the mark before the associated company name or product is introduced. Before a final registration can be secured, however, the mark must pass through the registration process and be used. The registration process can take upwards of eighteen months. If a new company has enough financial resources it is always a good idea to try to establish a federal trademark registration at least in the company's name to provide ample opportunities for that company to expand on a nationwide basis while preserving their right to use the mark and enforce it against other parties.

Best practices

No matter how small a new business is, they should always take the time to perform a clearance search in some aspect of the business name to make sure that there are no overlapping domain names or trademarks which would place restrictions upon how the company gets to use its name in commerce. By performing a clearance search and picking a strong distinctive name, a new company should not run into any major issues which prevent them from using their brand in the future and will provide adequate protection to prevent others from using any brands developed by the company. No company ever wants to have to change its business name and being forced to change something as important as the company's name or the name brands of that company can easily spell the end of a new business.

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National Law Review, Volume I, Number 272

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