

Brand Development and Protection: Legal Considerations

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Developing and protecting a strong, recognizable brand for your company's products or services is increasingly important in today's competitive business climate. Unfortunately, many business people do not fully understand the legal framework that will protect their brands once adopted. In order to maximize a brand's strength and value, the following should be considered:

SELECTING THE BRAND

Not all brands are treated equally under the law. Different brands often enjoy different levels of protection and exclusivity.

- Arbitrary brands (often coined phrases, such as CHEERIOS® cereal, or unrelated dictionary terms, such as APPLE® computers) take considerable time and expense to develop. Accordingly, they are generally afforded the highest level of legal protection and market exclusivity.
- Suggestive brands suggest but do not actually describe the related products and/or services (TICKETMASTER® ticketing service). Because they suggest what the underlying products and/or services are, the owner does not need to invest as much time or expense in developing brand recognition. As a result, suggestive brands are afforded less legal protection and market exclusivity.
- Descriptive brands describe what the products/services are (HOUSE BUYERS EXCHANGE). Courts are reluctant to prevent others from similarly describing their competing product/service. As a result, descriptive marks are afforded little legal protection and enjoy minimal market exclusivity.

When considering different brand names, one must weigh the short-term benefits of adopting a descriptive brand (instant product/service recognition), with the long-term detriments (limited market exclusivity).

CLEARING THE BRAND

Generally, a company that first uses a brand in commerce has the right to prevent others from subsequently using a "confusingly similar" brand. Thus, before expending significant resources to develop a particular brand, one should "clear" the brand by conducting a comprehensive trademark availability search.

REGISTERING THE BRAND

Any brand that will be used in interstate commerce should be registered with the U.S. Patent and Trademark Office. A federally-registered trademark provides the owner with a presumption of the exclusive right to use its brand on a nationwide basis. Also, a federal registration provides a basis by which to protect the brand internationally and to prevent imports of counterfeit goods.

MAINTAINING THE BRAND

Unlike patents and copyrights, trademark rights are perpetual so long as the brand continues to be used. To establish continued use, it is important that the brand be used in a consistent manner and only by authorized parties. Similarly, a trademark registration may be extended perpetually so long as certain periodic maintenance filings are completed. Businesses should be sure that they (or their counsel) establish a trademark usage and maintenance program that establishes consistent usage and tracks maintenance filing deadlines.

MONITORING THE BRAND

It is important to continuously monitor and defend one's brands. Failing to monitor and defend a brand can result in the abandonment of all trademark rights. This threatens the brand's distinctiveness, which in turn reduces its inherent value. There are several cost-effective brand "watch" services that greatly simplify the trademark monitoring process.

Developing and protecting a strong, recognizable brand requires more than clever marketing. Businesses should carefully consider the type of brand selected, the availability of that brand for use, and the registration and protection of the brand once adopted.

For further information on Bernstein Shur's brand protection services, please contact Jim Keenan via email at jkeen@bernsteinshur.com or by phone at 207 774-1200.