

# Channel Partners Magazine October 2011

## How to Win the Trade Name Game

By: Neil S. Ende and Susan E. Colman

The function of a trademark is to associate in the mind of the purchasing public the goods and/or services provided in connection with a trademark (or service mark) with the source of those goods and/or services. For example, when you are in the market for a car, you know the difference between a Ford and a Cadillac, or between a Hyundai and a Toyota. You know what to expect from each of those brands, because you know the source.

The need to differentiate your services and "brand" is equally critical in the telecom channel. You want a brand that identifies you as the go-to company, among all the other go-to companies for what you provide. While it is tempting to brand your company with a mark that describes what you have to offer (e.g., Telecom Brokers-R-Us), those marks are the weakest and least enforceable. In fact, the U.S. Patent and Trademark Office often won't allow you to register a descriptive mark. More importantly, descriptive marks do not — and will not — give you the distinctiveness you need to succeed in a competitive industry.

**State Corporate Registration.** When you're considering a brand for your company, which may very well include your company name, you would be wise to do two things at the very start. First, perform a search of state corporate records to determine whether the name you seek is available for use in your state. Clearance of this name search means only that the state will allow you to use that name in interacting with the state; it does not mean the name is available as a trademark.

**Trademark Registration.** If the name is available for state corporate registration, the next step is to determine whether a name is available as a trademark. To make this determination, it is essential that you hire a capable search firm to perform a comprehensive trademark search. This search will determine whether there are any similar marks already registered, or pending applications for registration, or marks simply being used in the marketplace without registration that will interfere with your mark.

Once you understand whether your name, or a similar name is in use, as well as the market in which it is being used, with the assistance of trademark counsel you can decide whether you have rights to the name in your marketplace and thus whether you can continue to use the mark and whether someone is infringing on your rights. This decision will turn on whether your name creates "likelihood of confusion" with an existing mark that was used in commerce before your mark was used in commerce. A likelihood of confusion exists where the services or products you offer are similar and the use of your name creates confusion between your company and the other selling those similar products.

The first use of a name in interstate commerce gives the user common law rights to that name. Additional statutory rights to a name can be obtained by registering your name with the U.S. Patent and Trademark Office. A registered mark will give you the statutory right to protect your brand in all 50 states, even if you aren't doing business in all 50 states.

**Domain Name Registration.** Another valuable benefit that comes out of a comprehensive trademark search is that the results include a search of Internet domain names. In today's marketplace, virtually every business has a website, and domain names are highly valuable commodities. Web domains can attract "cybersquatters," who attempt to extort payment of

exorbitant amounts of money from trademark owners to get back their rights to use their own trademarks as domain names.

There are legal measures that can be used to counter cybersquatters. The first, quickest and least expensive method is an arbitration using procedures adopted by the **Internet Corporation for Assigned Names and Numbers** (ICANN). An ICANN proceeding can take approximately two months from start to finish. Available relief is, however, limited to the transfer of the domain name from the cybersquatter to the rightful owner; monetary damages are not available. To obtain money damages you will need to file a lawsuit in federal court for trademark infringement and violation of the Anti-Cybersquatting Consumer Protection Act (ACPA). Lawsuits can take several years and can be expensive. If all you want is the return of a hijacked domain name, the ICANN route is likely to be the best.

*Neil S. Ende is the managing partner and Susan E. Colman is of counsel to **Technology Law Group**, a Washington, D.C.-based telecommunications law firm specializing in transactional, litigation, regulatory and intellectual property (trademark and copyright) issues faced by telecommunications and technology companies. Colman has 30 years of experience in intellectual property (trademarks and copyrights), as well as computer law and IT law. She can be reached by email at [scolman@tlgdc.com](mailto:scolman@tlgdc.com). Ende can be reached by email at [nende@tlgdc.com](mailto:nende@tlgdc.com).*