

Does a Regional Business Need a Federal Trademark?

By: John K. Buche

In today's economy, the answer is a resounding YES! Now, more than ever, it is important for global and regional businesses alike to consider trademarks at an early stage of any business or product introduction.

Initially, a trademark is any word, name, symbol or other device that is used in trade with goods or services to indicate the source of the goods and distinguish those goods from others. A trademark creates rights that allow an owner to prevent others from using marks that are confusingly similar on similar goods or services.

Large businesses, such as Starbucks[®], Rolex[®], or McDonalds[®] have long understood that a trademark is a key component to any business model. A registered trademark not only helps to solidify brand recognition, but is also an important tool in licensing and franchising.

However, even for local or regional businesses, trademarks are increasingly more important to consider. The Internet is the single most important reason. In today's world, virtually every business has an online presence. Consequently, large companies and regional businesses are increasingly finding themselves entangled in name and brand disputes. With the Internet, small business with catchy names and logos are routinely crossing paths with global companies who want to use the same brands. "Cease and Desist" letters are all the rage—and it is not uncommon for these disputes to escalate into trademark infringement lawsuits that span the country. Common disputes involve domain names, keyword uses in search engines, and whether a particular ".com" or ".net" can be taken where a company already had an established brand. The results of such disputes can be expensive legal battles, renaming, customer confusion and even product recalls.

These disputes are not going to go away soon. The good news is that businesses can take preventative measures to avoid such conflicts, through the careful selection, searching, and registration of trademarks. It is wise for a business to consult with a qualified trademark professional as part of its overall business plan.

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