

Legal issues in connection with corporate branding

In today's environment of social media and global economy corporate branding is a key issue for a business. The following summarizes some of the main issues that a company may encounter in the process. The clearance process should start with choosing and researching an appropriate name. Since the name will influence the marketing as well as the trademark approach this initial step is of vital importance and influenced by numerous factors such as the fact specific benefits or disadvantages of a coined versus arbitrary term, generic terms and descriptive marks.

Prior to adopting a mark the landscape should be evaluated taking into account the likelihood of confusion, timing, costs and rival market participants. There is no one size fits all regarding the comprehensiveness of the search rather this has to be guided by the relative strength of the mark and whether the mark needs to be available merely for use or if registrability is important to the company. If the company intends to use the mark on product packaging, marketing materials and its website and is looking to license the mark the search will need to be much broader than if the company is indifferent as to whether it picks a weak name used by others in the same field. In general preventing third-parties from using a name outside the chosen field of use is difficult.

Issues discovered in the search process do not necessarily need to lead to the abandonment of the chosen name. Instead approaching the third-party who may have rights in a mark about a rights buyout or a licensing deal may be a viable solution.

When selecting a mark the company should also consider if the registration of a trademark as a copyright would be beneficial. Having a registered copyright provides the owner with the ability to file a federal copyright claim and the possibility to recover statutory damages as well as attorney's fees. In addition it facilitates digital enforcement as discussed below. If a mark is used on dissimilar goods a copyright claim may succeed where a trademark claim would fail. The question of the desirability of the registration of a trademark as a copyright needs to be anticipated and discussed early as word marks, i.e. a trademark where the company as the owner is only claiming rights in the word, letters, numbers or slogans themselves, without claiming any right in the way those words are presented are likely not copyrightable due to not possessing the required uniqueness.

After a mark has been registered it needs to be policed and enforced. The company should conduct regular searches of trade magazines and the internet, including but not limited to social networking sites. Especially regarding electronic media it is important to save screenshots to record evidence of infringement.

Under the Digital Millennium Copyright Act, the company who owns a copyright can request their copyrighted material be removed from the Internet.

The stage can be set as early as during the choosing of a name for the incorporation of a company. Performing the necessary due diligence in early stages helps to give the company the necessary tools and resources for a strong and successful corporate branding.

If you would like to learn more about this or other important U.S. trademark topics please do not hesitate to contact us by email or telephone. We remain at your entire disposal to answer any questions you may have and to assist you with your corporate branding. We will work with you to find solutions tailored to your needs.