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“Walk Softly and Carry a Big Stick”

- Theodore Roosevelt -

Benefits of Federal Trademark Registration

By Kurt E. Anderson, Esq.

In the early 20th century, Roosevelt’s foreign policy was characterized by this famous quote. In the United States, trademark rights are created when you begin using your trademark in “interstate commerce.” So why bother registering your trademark? Because it’s a professional way of walking softly and carrying a big stick.

1. **You get to use the ®.** The “R” in ® doesn’t stand for “Roosevelt”, but maybe it should. Roosevelt “walked softly” by sending his new flotilla of naval ships on a “goodwill” tour to various places around the world. But the real purpose of the tour was to send a subtle message to the world about the power of the United States.

➤ **Deterrence** - Just like Roosevelt’s goodwill tour, you can send a subtle message to would-be infringers by using the federal registration symbol on your trademark.

➤ **Professionalism** – Use of the ® symbol also conveys a special sense of professionalism. Only federally registered trademarks are permitted to use this symbol. Businesses who invest in their trademarks also invest in their future. Use of this symbol without a federal trademark is a violation of federal law and could prevent an otherwise legitimate trademark from being registrable.

➤ **Size** - Your use of the ® symbol tells your customers something about the size of your business. Since only business with sales in interstate commerce can obtain a federal registration, it lets your customers know you’re not merely a local business.

2. **You get a bigger stick.** When it comes to enforcing trademark rights, a bigger stick can make all the difference. If your trademark is federally registered, you have special legal rights that are not available to holders of unregistered trademarks:

➤ **Money** - If your trademark isn’t federally registered, you can’t get money from other people who illegally use your mark. It’s that simple. Holders of unregistered marks can

pay lawyers to go to court and get a court order to stop infringers from using their marks. But that costs money, it doesn't recover money.

- From Infringers – Holders of federally registered trademarks can recover lost profits, legal fees and as much as three times their damages in certain infringement cases.
- From Lenders – Commercial lenders are more apt to allow you to borrow against a federally registered trademark than a non-registered trademark. By federally registering, you create legal rights that allow a lender to obtain a lien which makes lenders more willing to lend money.
- From Licensees – Many holders of federally registered trademarks derive substantial income from licensing their trademarks for use by others. While your mark does not have to be federally registered in order for you to be able to license it, federal registration does lend business legitimacy to your licensing efforts.

➤ **You Get the Upper hand in Court** – Your lawyer will thank you (not that you would care if he did, but he will). Federally registered marks have several advantages in a court battle:

- Presumptive Validity – If your mark is federally registered, it is presumed to be valid from the moment you go to court. If your mark is not federally registered, you may have to spend substantial time, money and effort proving to the judge that you have legitimate trademark rights in the first place.
- Incontestability – After 5 years of continuous use, by filing a document with the U.S. Patent and Trademark Office you can substantially limit the number of reasons someone could use for challenging your exclusive rights to the mark. In legal mumbo jumbo this is referred to as “incontestability.”

➤ **Stop ‘Em at the Boarder** – Holders of federally registered trademarks can deposit copies of their trademarks with the U.S. Customs Service to stop infringing goods from being imported from other countries.

3. **Better Protection in Cyberspace.** The new federal “cyber-squatting” laws give holders of federally registered trademarks some important advantages. Cyber-squatters are those people who obtain the internet domain names of names and trademarks of other companies. Often this is done to either trade off of the goodwill of the other companies or to extort the other companies into buying the internet domain name. In these cases, it is not always possible to find the “cyber-squatter” or get jurisdiction over him. By using what is called an “in rem” action (an action against property as opposed to an action against a person) federal law allows only holders of federally registered trademarks to get their internet domain names back in these cases.

4. **Foreign Market Expandability.** When you expand your business to foreign markets, having a U.S. federal registration will help simplify (and reduce the cost) associated with the registration of your trademark in other countries.

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