



MARKS & KLEIN, LLP

“WHAT’S IN A NAME?”...IT REALLY DOES MATTER JULIET

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When starting a new business, choosing a name is one of the most crucial initial steps you will take. A rose by any other name, would not smell as sweet. You want a name that excites you and lets potential customers know products you sell or services you provide. Your brand name is one of the most important assets your business can have. A trademark is any name, symbol, logo, or any other designation that serves as an identifier of the source of the goods or services. Far, far too often, however, trademark issues are not considered at this early stage as a result of thinking that obtaining a trademark registration is not “important” at this point. As a result, we are frequently approached by clients who have spent years and considerable amounts of money developing their brand only to find that their business name is either not protectable as a trademark or that there is another business that has been using the same or similar name longer than they have. These issues can be avoided at the start of the process by considering two trademark issues before committing to a brand name.

The first issue is whether the brand name is protectable under trademark law. There is a “spectrum of distinctiveness” to identify a mark’s strength. Trademarks are divided into five categories, from strongest to weakest: (1) Fanciful, (2) Arbitrary, (3) Suggestive, (4) Descriptive and (5) Generic. A determination of a mark’s strength must be evaluated with respect to the mark’s goods/services. For example, the mark APPLE would be “arbitrary” for computers, “suggestive” for vitamins, and “generic” for the actual fruit. Fanciful, arbitrary, and suggestive marks are

eligible for registration upon use in commerce. Generic marks are never registerable and descriptive marks can only be registered in certain circumstances.

Many people starting a business choose a name that would let consumers easily identify the goods or services being offered. For example, if someone was starting a coffee shop on Main Street in town, they might choose “Main Street Java Shop.” While this might be appealing for ease of marketing, this mark would never be protectable because of the combination of descriptive (being located on Main Street) and generic (Java for coffee and Shop for a place of retail business) terms. When choosing your business name, consulting with a trademark attorney **before** you commit to the brand name will help you avoid choosing a name that will ultimately not be protectable.

After you have chosen a mark that is potentially protectable, the next step is to determine if anyone else would have superior rights to the identical or substantially similar mark. While there are certain exceptions, in the United States it is actual use of a designation as a mark that creates rights and priority over others. An existing mark does not have to be identical or used for the exact same goods or services for it to be problematic for you. A trademark search will determine if there are any existing marks in use that would conflict with the mark you are hoping to adopt. Conducting a trademark search can prevent you from investing time, money, and energy into promoting a business name that you cannot protect and may actually open you up to liability for infringing on another party’s existing trademark.

There are so many factors that go into choosing a name for a new business. Don’t make the mistake of ignoring those related to trademark law. If you do, you can find yourself in a position of not being able to receive a trademark registration, which would make expansion such as franchising your brand next to impossible, or worse, being sued for trademark infringement by

another party who has superior rights, leaving you to expend large amounts of money in litigation and potential damages.

If you are starting a new business, or have any other questions related to trademarks, Intellectual Property, or any other legal issues, Marks & Klein, LLP is here to help. Please contact us by phone at [732.747.7100](tel:732.747.7100) or by email info@marksklein.com if we can assist in any way.

***Brent “Giles” Davis** counsels and represents clients on intellectual property, complex commercial litigation, and entertainment matters. As trial counsel, he has obtained favorable verdicts for his clients in jury and bench trials in both state and federal courts and settlements in a wide variety of trademark, copyright, and trade secrets cases. Giles can be reached at brent@marksklein.com.*

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