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Same Name, Different Place: Avoiding Trademark Problems & Adding Value to your Business

By RIW on April 30, 2018

Whether you are starting up a business, expanding, or just progressing with your current business, taking care of your brand is vitally important. Your trademark represents your identity with consumers, the goodwill of your business, and is a valuable asset in your company portfolio. There are a few strategies to consider which can help you avoid or at least reduce the impact of any trademark problems. In addition, these same strategies could add value to your brand, which will be useful in the event of expansion, investment, financing, franchising, or a sale of your business.

1. Clear Your Mark. Ideally, before using a mark, one should choose a few names, perform a search on them all, and then choose one based on distinctiveness and availability. Searching can be done in-house, but your trademark attorney should have specialized trademark search software which will look for variations of the mark and services, reducing liability. If you are already using a mark and are wedded to it, you should still go through the search process to determine what your options are with regard to expanding or registering your mark. Especially in the restaurant world, great minds can think alike, and you may find that your chosen mark is already in use in another state – sometimes by a “senior user,” sometimes by a naive junior user, sometimes by a copycat. Be aware that it can be considered bad faith to start using or expand your use of a mark that you know or should have known is in use by another.
2. Register Your Trademark with the USPTO. Although the U.S. recognizes “common law” trademark rights (gained through use of the mark), registering federally gives you several very important benefits. First, you will automatically have nationwide rights. This is important if you would be concerned about a similar business with the same name opening up in another state, or if you plan on expanding, both of which are common concerns. Registering also means that the USPTO does some of your enforcement for you, with its database acting as a notice system. Others searching will find your registration and be warned off, and the USPTO will refuse registration of any similar marks for similar products or services. In addition, for those who plan to expand internationally, having the US registration makes it easier to apply for rights overseas. Lastly, having a strong, protectable, registered trademark adds tangible and intangible value to your business. The trademark as an asset literally becomes more valuable, and any investor or buyer is going to want to see that your trademark is registered – otherwise it represents a risk.
3. Enforce Your Rights. Once you have chosen and registered your mark, enroll in a trademark watch service or have someone in your organization periodically check the USPTO and internet for any possible infringers. Depending on the situation, you may need to do further research, send cease and desist letters, or take other action. If you fail to enforce your rights, you could lose them.
4. Think Nationally. When searching or watching your mark, do not discount a reference to an establishment with a similar name that happens to be far away. Restaurants and hotels, unless in a very remote area, are automatically considered to be in interstate commerce because typically

they host out-of-state visitors on day one. With the prevalence of internet searching, social media and national travel, consumer confusion can happen quite quickly. In addition, you should consider the possible growth of your business.

By carefully selecting and protecting your trademark, it can be a valuable asset that will inspire consumer loyalty for as long as you use it, and give you choices when and if you decide to grow or exit.

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