

Considerations When Creating Your Brand

November 15, 2016

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I. Conducting a Clearance Search

A clearance search is an investigation to determine whether a new trademark¹ can be used without interfering with an existing, senior trademark. No matter how unique you think your new mark is, someone in the same, or a related, industry may be using a similar mark. The cost of a search, and analysis by an attorney, typically runs between \$500 and \$2,600 per mark. No search is perfect and not all senior users are reasonable. Even if you conduct a search and conclude all is clear, it is possible that a senior user may object to your use. Many businesses do not conduct clearance searches because they feel they are familiar with the market and a clearance search is unnecessary.

A. Preliminary or Basic Searches

A preliminary, or basic, trademark clearance search is conducted in (a) the computer database of U.S. federal applications and registrations, and (b) a search engine, such as Google, to locate common-law users. Such a search can often be completed and analyzed within a few hours and usually costs about \$500-\$1,200 per mark, including attorney review. The cost varies depending upon the number of potentially conflicting marks located, and the complexity of the issues raised.

B. Full Searches

A full trademark clearance search is one that is purchased from a company that maintains its own specialized databases, or an in-house search run on those databases. A full search includes state registrations, federal applications and registrations, common-law marks, and business names. The search typically costs about \$600, and attorney review of the search typically costs between \$500 and \$2,000, depending again upon the number of potentially conflicting marks located, and the complexity of the issues raised. A full search sometimes, but not always, identifies a potentially troublesome mark not located in a preliminary search. Designs or logos can only be effectively cleared via a full clearance search.

II. Marks Need Not Be Identical to Conflict

A common misconception about trademarks is that a junior mark must be identical to a senior mark to create a conflict, and that changing a letter, or adding or deleting a word, from the junior mark can avoid conflict. The law does not allow a trademark owner's rights to be so easily circumvented and employs a *likelihood of confusion* test to determine whether there is a conflict. As examples, "Somy" for electronics would likely be found to conflict with "Sony," "Shevy" for automobiles would likely be found to conflict with "Chevy," and "Google Squared" for internet searching software would likely be found to conflict with "Google."

III. Checking Industry Records for Regulated Industries

If a mark is going to be used as a trade name, fictitious name, or corporate name in a regulated industry such as banking or insurance, the records of the appropriate agency responsible for registering such names should be searched and reviewed. An industry-records search usually costs about \$500-\$1000 per mark. Inform your attorney if you are in such an industry, or conduct the industry-records search yourself.

¹ In this article, "trademark" refers to trademarks and service marks.

IV. The Dominant Portion of a Mark.

Marks consisting of multiple components such as a prefix and suffix, multiple words, or a word and a design (marks that include a word and design are sometimes called “composite marks”), may be considered to have a “dominant portion.” The “dominant” portion of a mark is the portion considered to be most recognizable by relevant consumers. If a mark has a dominant portion, infringement is more likely to be found if the dominant portion is copied. Determining whether a mark has a dominant portion, and what that is, is done on a case-by-case basis. Following are some general guidelines for determining a mark’s dominant portion:

- (1) Prefixes are more likely to be considered the dominant portion than a suffix.
- (2) Unique (such as fanciful, arbitrary, or suggestive) portions of a mark are more likely to be considered dominant than descriptive or generic portions.
- (3) The spoken, or word, portion of a mark is more likely to be considered dominant than a design portion.
- (4) A portion set apart, such as by being in large, bold, or stylized font, is more likely to be considered dominant.

Examples of Dominant Portions of Trademarks

“Delta” was found to be the dominant portion of “Delta Café” for restaurants. “Binion’s” was found to be the dominant portion of “Binion’s Roadhouse” for restaurants. “Synergie” was found to be the dominant portion of “Synergie Peel” for microderm abrasion devices. “JM” was found to be the dominant portion of “JM Originals” for clothing.

V. Part Designations.

The purpose of a trademark is to distinguish one seller’s goods/services from the goods/services of others. Part designations often do not function as trademarks because they distinguish a product/service of one supplier from other products/services of the same supplier. Part designations are also often functional; many indicate size, weight, color, durability, material, or other functional product/service characteristics. Companies that wish to protect a part designation as a trademark should include unique, non-functional aspects in the designation.

VI. The Family of Marks Doctrine.

A “family” of marks (sometimes called “house” marks) is a group of marks having a common characteristic that consumers associate with one supplier. In determining whether a family exists, courts examine the amount and type of advertising of the family component, and the nature of the family component. Families usually consist of a common distinctive component followed by a descriptive or generic component. A well-known family of marks is the McDonalds “Mc” marks, which include McDonut, McPizza, McMuffin, McCafe, McNuggets, McGriddles, McChicken, and McRib.

VII. Conclusion

When creating a brand, select a trademark that is relatively conflict free, defensible, and that meets your long-term marketing needs. Then you can effectively register, use, and enforce it.



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