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Dunner Law PLLC

IP Practice specializing in trademark and copyright law; IP counseling, domestic and international protection of IP portfolios; internet and social networking issues; IP audits and strategies relating to IP portfolios; drafting and negotiating IP and IT-related agreements

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The Importance of Trademark Clearance Searching

Suppose you come up with a great name for your new business venture or soon-to-be released product. You are proud of your selection and cannot wait to share it with the world. In this moment of excitement, you make plans to move forward with the name or new product line. There is a problem though: no one has done a proper search to determine whether your name conflicts with one already used by others.

Trademark searching is a crucial yet sometimes overlooked aspect of trademark protection. The purpose of trademark searching is to identify the potential risks and liabilities that exist by choosing to use a name in connection with products or services. Without the benefit of searching, you run the risk of infringing on someone else's rights which in turn could force you to stop using a name for which you have spent a substantial amount of resources. In the worst-case scenario, you could be held liable for money damages for using someone else's trademark. A search will also help show how strong or weak the desired mark is based on how many other people use a similar mark (e.g., names used by no one else or only a few parties are stronger than names used in slight variation by many different parties).

"Knockout" Trademark Searches

Most trademark attorneys use a two-step approach to trademark searching. The first step is what is referred to as a "knockout"

trademark search. A knockout search is a quick search for identical or nearly identical names in the U.S. Patent and Trademark Office's ("PTO") database and on the Internet. The purpose of the knockout is to reveal any obvious obstacles that would preclude moving forward with that name. When faced with a handful of potential names, a knockout search is a cost-effective way to narrow the list.

Clients often want to base their decision on the results of the knockout search alone, but there are inherent limitations in this type of search. For instance, by looking only for identical or near-identical references, the knockout search may not identify other names that could conflict with the name you want. Also, a knockout search will not reveal most conflicting marks that are based only on "common law" rights, e.g., rights that exist based on everyday use of a trademark in the absence of PTO registration. While common law trademarks may not seem as threatening as trademarks registered with the PTO, common law trademarks that predate your use can just as easily prevent or at least limit your plans. This leads to the importance of the second step in trademark searching: the U.S. comprehensive search.

Comprehensive Trademark Searches

A U.S. comprehensive trademark search is the best way to assess what risks exist in moving forward with a trademark in the U.S. (while foreign trademark searching is

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recommended for international trademark use). In addition to a more detailed review of PTO filings and the Internet, the comprehensive search includes a search of various proprietary business databases, state registrations, and domain name registrations. The domain registrations section of the search is particularly helpful because domain registrations lead to websites and businesses that have already begun use of the desired trademark.

Despite the thoroughness of the comprehensive search, you should be aware of its limitations. Importantly, the PTO database always lag a few days behind the filings (e.g., a trademark application filed today may not appear in the federal database for a couple of days). So, if a comprehensive search is conducted today, it may not include filings from the last few days. This means that a competitor could sneak a trademark application in during the time you receive the search results and get your own trademark application on file. This is not a common occurrence, but it is something that you need to keep in mind. One strategy in minimizing this risk is to immediately get your trademark application on file with the PTO as soon as the search results are reviewed and the mark is cleared for use and registration.

You should also be aware that the comprehensive search is conducted by humans (as opposed to being automated), so it is not flawless. This means that the search, although based on certain parameters, is also based on the subjectivity of the searcher.

While there are limitations in both the knock-out and comprehensive searches, they are still a very important and necessary part of the trademark process. The old adage - an ounce of prevention is worth a pound of cure – is apropos in this instance, since a thorough trademark search and review will save you a lot of time and money in the long run. The resources spent on the front end to conduct proper trademark searching will provide some assurance that the trademark you choose is one that you can build a successful business or product line around without worrying about the potentially greater costs and legal liabilities if someone with prior rights comes knocking.