

How to Avoid Trademark Infringement When Selecting Business and Product Names

by JILL HUBBARD BOWMAN on FEBRUARY 26, 2010

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The following post discusses Brand Name Tips 2-4. My last post discussed [Tip 1: Consider Whether You Can or Want to File a Federal Trademark Registration](#).

When picking a name that describes your products or services, it's important to do some preliminary work to increase the odds that you can use the name and decrease the odds that you will be accused of trademark infringement.

Getting a cease-and-desist letter from a trademark owner alleging that you are infringing their trademark may make you scream.

Changing your name after you've spent time and money developing your brand is frustrating. With a little knowledge and planning, however, you can decrease your risk of trademark infringement.

Incorporation Issue. When you incorporate your company, it's important to note that your corporate attorney will probably not look for potentially conflicting federal trademarks or conflicting names in other states before filing your incorporation paperwork.

Watch out! You may be able to incorporate in one state and use a business name that may describe your products or services and infringe another company's federally registered trademark or service mark. This is a problem if you want to advertise on the Internet and sell your products or services nationally.

Professional Trademark Search. When picking a business or product name, the safest approach is to hire a professional trademark search firm to conduct a search for federal and common law trademarks that are identical or similar to the name that you want to use.

Realistically, a professional trademark search may be too expensive for your startup's budget.

The following tips explain shortcuts and strategies that can help you identify major conflicts when choosing a business or product name.

Trademark Infringement.

IMPORTANT—The following is the test for determining federal trademark infringement:

Whether your use of the mark is LIKELY TO CAUSE CONFUSION among ordinary purchasers as to the source of the goods or services.

(Note federal trademark infringement is just one possible cause of action among many. You may be liable for multiple other legal violations based on similar facts.)

Don't use a name that is confusingly similar or identical to a name associated with comparable goods or services!

You need to watch out for commercial use of identical names or names that are confusingly similar.

I know the standard about confusion is somewhat confusing.

Just make sure that you are not confusing potential customers as to the actual source of goods or services.

You don't want people to confuse your products with another merchant's products.

Also, you don't want to use a name that is similar to a famous mark even if your goods are not similar. You may be liable for trademark dilution.

Damages. In the event of a claim of trademark infringement, the damages may be far higher than you expect. A plaintiff may get injunctive relief, damages, profits, attorneys' fees, corrective advertising and possibly even a product recall.

It is best to stay clear of potentially conflicting marks, especially marks used by direct competitors.

Tip 2. When picking a business and product name, go to a domain registration site like Go Daddy and search for the name that you want to use.

It can save you time and hassle to start with a domain search on [GoDaddy.com](#) regardless of whether you want to build a website around the name.

Check out whether any of the domains are taken.

If the dot com domain for the name that you want to use is taken, this is a BIG RED FLAG!

Check out what sites if any are using the name in a domain.

Check out whether the domains for close variations of the name are taken and whether there are associated websites.

Are the sites selling goods or advertising services?

Determine whether they are selling similar goods or services.

Determine whether there is a likelihood of confusion as to the source of goods or services between the merchant using the name and your products or services.

If ordinary purchasers may be confused as to the source of goods and mix you up with the other merchant, beware. The prior user may accuse you of trademark infringement.

Even if a mark is not federally registered, common law rights arise upon commercial use of a name and prior use may cause future legal problems.

It's bad business to infringe another's trademark and it can get you sued.

Further, to protect your brand, you will want to register the domain names that surround the name you choose. (I'll discuss the problem cybersquatting in a later post.) But finish your preliminary searching before you pay for domain registrations.

Tip 3: When picking a business or product name, go to USPTO.gov and use TESS to do a search for federal trademark registrations on your proposed name.

The PTO has a free, easy, on-line way to search for previously registered and pending trademarks with TESS (the Trademark Electronic Search System).

Go to [USPTO.gov](#).

Under the center section, "Trademarks," click on number 2, "Search Marks."

In the "Select The Search Form" box, click on "New User Form Search (Basic)."

In the search term box, put in your proposed business or product name.

(You can also search on mark owners and put in your potential competitors to see their registered marks.)

Click Submit Query.

TESS will then retrieve any relevant hits, if any.

If you see "No TESS records were found to match the criteria for your query," it means it didn't find pending or registered marks matching your name.

If a table with names appears, click on the links to see the associated goods or services.

If the mark is LIVE, the registration is current. But watch out! A DEAD mark may still be in use and the owner may be relying on common law rights. Be sure to check whether the mark is actually being used in commerce.

Tip 4: Do a Google search on your proposed names.

Check for merchants who are using the name for goods or services.

If a lot of businesses are using similar names, your mark will be weak and your protection minimal. Moreover, you may be at risk of allegations of trademark infringement from prior users.

Look for merchants selling similar goods or services using an identical or similar name that is likely to cause confusion.

It is worth your time to review any hits. A little work now can save you a lot of hassle later.

Tip 5. Make a record of your pre-name selection process.

Write down and date what you did before selecting your final name.

You want to create evidence that you had a good faith basis for selecting your name and that you didn't intentionally use a mark that is likely to cause confusion with a mark being used by another merchant.

- Print out your TESS search results. Make notes about your reasoning and conclusions.
- Makes notes about your domain name and Google searches.
- Put your preliminary search records in a file and keep them.

Finally, review your search results and think carefully about the final name.

Sleep on it.

Consider filing a federal trademark registration.

With a little preliminary groundwork, you can increase the odds that you can use the name that you want to use and minimize your risk of trademark infringement.

You may want to check out the prior posts in this Startup Launch sub-series about picking business and product names.

[Why It's Important to Consider Trademark Law When Picking Business and Product Names for Your Startup](#)

[Tip 1: Consider Whether You Can or Want to File A Federal Trademark Registration](#)

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