

On Trademarks

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A smart business owner launching a new business or product will investigate to ensure that no one is using a similar brand on a similar good or service. An even smarter business owner will engage an attorney to conduct that research and consider seeking a trademark registration for the new name or brand.

The importance of such a “clearance search” should be well-known to the ABTL community, regardless of your particular knowledge of trademark law. Every client operating a business should ensure that its trademarks are not infringing, and not being infringed by, other trademarks. Many, however, never conduct such a search. In my practice, I have heard every excuse for this failure, from avoiding attorney fees to believing that a brand consultant had already performed a search when it recommended the new name. While I understand where these reasons are coming from, none of them justify not doing a clearance search. Attorney fees and costs for such a search are usually quite reasonable, and they are nothing compared to the costs of a lengthy infringement dispute or, even worse, having to rebrand a product or company.

Even those business owners that do ensure *pre-launch* that their proposed trademark is clear often make the mistake of failing to monitor the field of trademarks as time goes on. These later searches can be incredibly important. Even a so-called “senior user” of a trademark can have its trademark rights affected by one or more “junior users” of the same or similar trademark on a similar good or service. For example, a toaster company using the brand STRAWBERRY may rightfully believe it has strong trademark rights after running a clearance search and determining that no one was using STRAWBERRY in the home appliance space, but if one or more other companies start using STRAWBERRY on their appliances in the intervening years this could weaken the toaster company’s trademark and make it difficult to stop those infringers, especially if the other use goes on for a long time. In short, you want to stop infringement as soon as possible, and stopping infringement requires knowing about it.

Many business owners are confident they will learn about any problematic brands without formalized monitoring, but this is not always the case. In this modern world of serial entrepreneurs and startups, there are so many new companies, products, and services in so many different industries hitting the market every day that it is difficult if not impossible to protect your mark without a more formal process. The recent proliferation of companies and brands in the blockchain and cryptocurrency space presents a telling example.

Everyone has heard of Bitcoin, but it is just the tip of the iceberg of new ventures involving blockchain technology. With these new ventures has come an explosion of new trademarks. A search of the Patent and Trademark Office database reveals approximately 2,000 trademark applications or registrations involving the term “blockchain” or “cryptocurrency.” And these are just the ones that took the time to apply for a registration; many, perhaps most, have not.

Why does this matter? Besides the fact that studies show mentioning blockchain in this article will make you more likely to read it, this proliferation of new companies and brands matters a lot because with it comes a host of trademark infringement issues for both the new companies and existing ones. The issues that arise with any spate of trademark applications (a few years back it was “cloud applications”) are compounded with blockchain brands because one of the key attributes of blockchain technology is the way it can be used across a wide array of industries. The new blockchain companies are thus incentivized to define their services broadly (and, often, nebulously), while existing companies are left to determine whether a similar trademark related to blockchain technology presents a problem. For example, does STRAWBERRY BLOCKCHAIN used in connection with blockchain software applications for smart appliances infringe on our toaster company’s trademark?

In my own practice, I have dealt with ? on both sides ? six different trademark disputes involving blockchain companies in just the last few months. My existing blockchain clients, my financial services clients, and my software clients all want to protect their brand from new infringing trademarks, while my new blockchain clients want to ensure they can launch with their preferred brand in a competitive space. Clearance searches and ongoing monitoring don’t resolve these issues, but they certainly help identify them. For this reason, they have been

essential to my clients to achieve their branding goals. They should be at the top of the list for your clients as well.