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WHAT'S IN A NAME? EVERYTHING!

by Peter C. Pang and John S. Artz

Brand equity consultants and marketing gurus have for years preached the importance of having a distinctive brand name as it is one of the most important factors that differentiates or distinguishes one product from another. To achieve a high level of distinctiveness, a variety of brand-building strategies have been proffered, and to prevent a loss of legal rights to the brand, a number of brand-protection techniques – defensively and offensively – have been employed to ensure the brand's exclusive domain and legal longevity. Nowhere is this more critical than in the gaming industry where often a product lives or dies depending entirely on its loyal following and recognition index.

Gamblers, or “players” as they are more often benignly referred to, pick and choose games they play because of the experience they've had with the games in the past or, if it is a new game, choose to engage because of the emotional rush the name conjures in the player's mind of winning or success. So when game developers are designing a game, care must be taken to not only be innovative with coining a name that is distinctive, fanciful and extendable, but measures should also be taken to ensure the name is translatable, registerable and protectable, both domestically and abroad. The same considerations should also be taken into account when designing the appearance of new products as this can similarly assist in developing a brand.

Too often brand owners are focused only on registering and protecting their brand names only in localities where the products are sold and used, ignoring registration and protection where the products are manufactured. This is a mistake. In places such as China, and many other countries in the world, the “first to the courthouse” is what matters in trademark registration, i.e., the first to file, not the first to use the mark. Therefore, failure to register the mark in those localities only opens up the door for the local vendor or someone else to register the brand in his own name and then set a bounty for the brand owners to buy it back. Just imagine unbeknownst to the brand owners, some of the most well-known gaming brands could already be registered in countries where they are not doing business, or their translations or phonetic equivalents are already registered as well. Just imagine a brand owners' own subcontract manufacturer registered the brand and the brand owner is precluded by law from manufacturing the same branded equipment with another vendor in that country.

Too often brand owners limit their brand registration strategy only to a narrowly defined set of products and services for trademark or service mark registration, resulting in registration of an identical mark by others in related, but legally non-conflicting classes of goods or services. Just imagine a trademark is registered for casino electronic games, but not for playing cards. Just imagine a service mark is registered for hospitality services, but not for food catering services.

And finally, too often brand owners are only vigilant of protecting their brands in their own limited commercial sphere, not realizing a parallel universe of commercial activity could be occurring on the other side of the world. This is a haunting reminder as who would have thought a few years ago that the revenues from Macau would exceed Las Vegas or that the revenues from Singapore are now nearly on the same level?

One must keep in mind that in many countries the legal concepts of dilution, palming-off and unfair competition are not well developed, and to rely on those remedies to right a wrong would clearly place a company's most valuable asset in jeopardy. The better approach is to register your brand widely and broadly and to work intelligently to develop a registration, protection and implementation strategy that is effective and cost conscious. There is no secret to protection of a brand worldwide. The approach must be consistent and the effort must be persistent. Like the old gambling adage, you got to know when to hold and when to fold. If you don't have the right protection in place, you will end up learning how to fold before you learn how to hold.

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