

INTELLECTUAL PROPERTY

RESOLVE TO STRENGTHEN YOUR IP RIGHTS: FOOLPROOF

EXERCISES FOR 2017

by Alison D. Frey

Protecting your intellectual property has never been easier or more cost-effective, even if you engage outside counsel. Whether you are positioning your company for sale or expansion or simply want to step up your game, here is a list of exercises a savvy business manager should have in their routine to ensure the company's IP rights grow stronger this year:

1. Register Your Proprietary Visual Or Textual Works With The Copyright Office

Do you have a particularly creative website? Do your marketing materials or packaging contain desirable copy, proprietary photographs, or original graphics? Consider registering these works with the copyright office. It's easy, inexpensive, and can be an invaluable tool against your competitors or other would-be infringers.

Copyrights attach upon creation, but before a copyright owner can sue an infringer, they must register the infringed-upon work with the Copyright Office. However, unless the work was registered with the Copyright Office *prior to the infringement*, the copyright owner is generally not entitled to statutory damages (which can be up to \$150,000 for willful infringement) or attorneys' fees. Actual damages and profits are often non-existent or too low to warrant a lawsuit. For a work registered within five years of publication, the registration is *prima facie* evidence in court. As a result, a demand letter to an infringer that does not reference a registration may seem disingenuous to the recipient and likely to be ignored, whereas a demand letter that references a registration *and* states that the copyright owner could be entitled to statutory damages and attorneys' fees is likely to get the recipient's attention and increase the chances of cooperation. A copyright registration can also be recorded with U.S. Customs to prevent the importation of infringing items.

Seek reputable IP counsel to help you evaluate what is registrable and what is not. Be involved in the process and ask them to explain anything you don't understand. Once you have an idea of what can be protected via a copyright registration and how to go about it, you may be able to handle future copyright applications for similar materials in-house.

2. Engage In Clearance Searching Before Choosing That New Trademark

Are you thinking of a re-brand or refresh this year? Launching a new product? Hoping to grab customer's attention with a catchy new tagline? The best time to search for conflicting rights is well before the company has invested time, money, and emotion into a proposed

new mark or tagline. Engage outside counsel to clear your front-runners prior to making a final selection. You may just save yourself from the aggravation (or humiliation) of having to back off of the CEO's favorite mark or worse, rebrand after spending half of your budget on marketing materials containing a mark that a third-party asserts is infringing.

Trademark counsel can suggest the best approach for clearing your proposed marks. If you have a large number of them, a brief and inexpensive "knock-out" search could be done to eliminate those that are clearly problematic. With the list narrowed, you may wish to have your counsel perform a more extensive search on the final few and rank them in order of perceived risk *and* ease of enforcement and registration. In addition to simply avoiding an infringement situation, the information gleaned from a full search can be very helpful in your final selection process, allowing you to choose a trademark or tagline that is (1) unlikely to draw an objection, (2) easy to register, and (3) capable of being enforced against others. All this can be learned from a clearance search, and most firms are willing to provide these results on an expedited basis, if requested.

3. Register Minor Marks And Taglines

You did everything right when the company's house mark was selected and registered, but what has been developed since then? Do you have product names or taglines that you feel proprietary about but haven't registered? Even if you have been using them for a few years, there is a significant added benefit to securing a federal registration for secondary or even tertiary marks and taglines. As a federally registered mark, these minor marks are more likely to be discovered and avoided by those looking to adopt a new mark. A federal trademark registration can often facilitate the settlement or even avoidance of a difficult dispute because the owner of that federal registration enjoys statutory presumptions which can cut through the gray area that often surrounds common law rights. A federal registration can mean the difference between being able to expand use of the mark into new product lines and new geographic areas in the future or being frozen into your original scope of use by a third party who has adopted and registered a similar mark. So, think big, alert others to your rights, and secure the benefits of a federal registration for those minor marks.

4. Police Your Trademarks

In the U.S., a trademark owner has an obligation to police its trademark and prevent third parties from using and registering confusingly similar marks. The consequences for failing to do so can be a loss of rights. The U.S. Trademark Office examines new applications for conflicts, but this does not prevent 100% of conflicting marks from being registered. For this reason, a trademark application is published for third party opposition prior to registration. Additionally, many businesses simply put a mark into use without attempting to clear or register the mark. A watch service subscription can provide a trademark owner with regular alerts to federal applications that cover conflicting marks so that a letter of protest or opposition can be filed,

when necessary. A watch service can also cover business names, domain name registrations, news articles, and other indicators that would show if a third party is adopting or using a conflicting mark. Typically, the earlier a third party is made aware of your prior rights, the easier it is to resolve the dispute but, without a watch service, it could be years before a conflicting trademark registration or common law use is discovered. Talk to your IP counsel about initiating a watch service that is tailored to your specific mark, goods and services, and geographic area of operation. Many companies are able to review and evaluate these notices in-house, which makes the process very cost-effective.

5. Find Your gTLD Strategy

If you have a reasonably important online presence, you should have a domain name strategy in place. There are a great many approaches to protecting a company's trademarks and internet footprint through domain name registration. Some companies prefer to avoid any domain name disputes altogether by defensively registering anything a cyber squatter or competitor might want to register. Others maintain only a handful of domain name registrations and fight the good fight when the need arises. A company's budget, internet presence, and appetite for risk all play into the formulation of a sound strategy. Competent IP counsel can work with you to develop a plan that will maximize your budget and align with your priorities. With more gTLDs launching this year, it's a good time to think about your online domain.

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