

An enterprise's trademark can be its most valuable asset. Ironically, for-profit and non-profit enterprises frequently take this valuable asset for granted to their own detriment, probably because of ignorance. This self-assessment questionnaire is designed to give a perfunctory evaluation of whether your enterprise is making conscious efforts to cultivate and protect its trademarks as assets under United States law and sound business policy.

1. Does your enterprise have a document stating what your brand stands for? In other words, do have a document that succinctly describes: your enterprise's mission, your vision for the enterprise and its impact on the marketplace, your key values and beliefs, your position in the marketplace as it relates to competitors, a description of your customers (ie consumers, businesses, donors, subscribers, members, students, etc.), and the personality of your organization expressed explicitly and through mood and tone.

- No
- Yes

2. Does your enterprise expend training resources to teach its employees what your brand stands for?

- No
- Yes

3. Has your enterprise ever conducted a search to see if another enterprise is using a trademark confusingly similar to your name, logo or slogan?

- No
- Yes

4. Does your trademark qualify for registration or protection in a court of law?

- I am not sure.
- No
- Yes

5. Does your trademark contain any of the following?

- a flag, coat of arms, insignia or seal of a government entity
- content that may disparage, or bring into contempt or disrepute, persons, institutions, beliefs, or national symbols (e.g. the Statue of Liberty, the Liberty Bell, etc.)
- a false connection to a person, organization or institution
- scandalous content
- a false connection to a person, organization or institution
- the generic term for a kind of product or service
- a description of a significant function, attribute, feature, characteristic or purpose of your goods or services
- an identification of your customers
- a surname
- a geographic reference
- laudatory words (e.g. best, perfect, supreme, etc.)
- a phone number or domain name

6. Has your enterprise registered its trademark(s)?

- I am not sure.
- No.
- Yes.

7. Does your enterprise have an attorney or an employee qualified to register its trademark(s)?

- No.
- Yes.

8. Do you have any written guidelines or policies regarding how your trademark is to be used by employees and third parties?

- No
- Yes

9. Do you have a file dedicated to your trademark(s) and specific records related to its use?

- No
- Yes

10. What is the name of the person(s) or department that is responsible for making sure your trademark is being used properly by employees and third parties?

- The person/department responsible is \_\_\_\_\_
- A person or department has not been designated.

11. If your enterprise has registered its trademark, when is the renewal date?

- The renewal date is on \_\_\_\_\_.
- I don't know.

12. Has your enterprise been involved in an acquisition, merger or sale of assets?

- No
- Yes

Check your answers on the following pages. For more information about trademarks and our law firm, please visit our web site at [www.brandwiselaw.com](http://www.brandwiselaw.com).

**1. Does your enterprise have a document stating what your brand stands for?**

A sound business plan and marketing strategy dictates that an enterprise be able to articulate: its mission, its vision for the enterprise and its impact on the marketplace, its key values and beliefs, its position in the marketplace as it relates to competitors, a description of its customers (ie consumers, businesses, donors, subscribers, members, students, etc.), and its personality. If your enterprise can not articulate this information, it will be difficult conveying this information to its employees, customers, vendors and the general public. Having a distinct, explicit brand identity can also be helpful in focusing efforts and making day-to-day decisions. An enterprise should not fumble along in the hopes of finding an identity and market niche along the way if it wants to be successful.

The Brandwise Law Firm, P.C.'s branding statement appears on our web site. Not all enterprises share their branding statement with the public, but we have elected to because our firm wants to be considered a resource by for-profit businesses and non-profit organizations.

**2. Does your enterprise expend training resources to teach its employees what your brand stands for?**

Most enterprises probably expend the majority of their training resources on technical matters, interpersonal relationships, and inter-office policy with a focus on promoting efficiency and avoiding legal liabilities. These are all good, but too often little or no attention is given to training employees about the brand they are supposed to represent. In addition to customers, employees can be a brand's greatest champions.

A strong sense of brand can enable employees to make decisions in a given situation about the desired outcome and the means to achieve it. While some enterprises may have a branding statement, they don't always share it with their employees. Providing employees with a branding statement, hypotheticals, anecdotes, compare and contrast exercises, etc. can help them to perform better as individuals while encouraging collective values.

**3. Has your enterprise ever conducted a search to see if another enterprise is using a trademark confusingly similar to your name, logo or slogan?**

In the case of unregistered trademarks, the first party to use a trademark in a area has the superior claim to the mark in that area. As an example, consider the following hypothetical involving fictional companies and products.

Plumber Brewing Co. begins selling a beer under the trademark BLUE LAGOON in the continental 48 states in 1999. When Plumber Brewing Co. introduces BLUE LAGOON beer in the state of Alaska, they discover there is a chain of brew pubs called Blue Lagoon Saloon operating in Alaska since 1970 that sells its own beer called BLUE

LAGOON. The Blue Lagoon Saloon has a superior claim to the mark BLUE LAGOON in connection with beer in the state of Alaska and can prevent Plumber Brewing Co. from using the mark to sell beer in Alaska. The Blue Lagoon Saloon could also sue Plumber Brewing Co. for damage if they can prove confusion in the Alaskan marketplace.

To continue with this example, Plumber Brewing Co. could file a federal trademark registration application with the United States Patent & Trademark Office (USPTO) to register the mark BLUE LAGOON in connection with beer. However, there is the possibility that Blue Lagoon Saloon could oppose the registration. Because Blue Lagoon Saloon has not used the trademark BLUE LAGOON in connection with beer in interstate commerce, they do not qualify for a federal trademark registration. If Blue Lagoon Saloon opposes the federal registration filed by Plumber Brewing Co., the likely result is that the federal registration will be granted but Plumber Brewing Co. will have to tread lightly in Alaska for fear of Blue Lagoon Saloon filing suit under state law as the prior user. A trademark search should provide a warning to Plumber Brewing Co. that they should not market their beer in Alaska. It should be noted that the Blue Lagoon Saloon will be prohibited from expanding outside of Alaska because of the registration obtained by Plumber Brewing Co.

If we change the facts a little, the outcome will be drastically different. Say Blue Lagoon Saloon launched a web site in 1995 that sold BLUE LAGOON beer over the world wide web. Years later when Plumber Brewing Co. files their federal application to register the trademark BLUE LAGOON in connection with beer and Blue Lagoon Saloon opposes the registration, the likely result is that the registration will be denied. Plumber Brewing Co. could have possibly avoided the conflict with Blue Lagoon Saloon if they had performed a trademark search before investing money in a trademark that somebody else was already using in connection with beer.

Doing a trademark search before putting a trademark into use can help to avoid the worst case scenario. By adopting a trademark that infringes on another mark, the infringer risks a legal judgment against them, which can be hefty. Some enterprises can't survive a large judgment. Additionally, if the infringer chooses to continue operating, they will have to adopt a new trademark. Adopting a new mark will require starting all over again in terms of marketing with all the accompanying expenses, like advertising, repackaging products, etc.

#### **4. Does your trademark qualify for registration or protection in a court of law?**

Some trademarks do not qualify for registration or protection in a court of law because of their very nature. The process known as trademark clearance involves both a search for prior users and an evaluation of the mark's characteristics to assess its registrability or entitlement to protection.

If you answered "I don't know" or "No," it may be time to undergo the trademark clearance process by getting a legal opinion thereon. The money spent on developing a brand and trademark should be invested a mark that has the potential to become a valuable asset instead of a liability or a waste of money.

#### **5. Does your trademark contain any of the following...?**

If your answer did not contain any of these characteristics, then your enterprise's trademark is probably entitled to protection and registration **but only a legal opinion of a specific mark should be relied upon.**

If your answer did contain one or more of the these characteristics, you should consult a qualified trademark attorney because these characteristics can present serious obstacles to the protection of a trademark under U.S. law. To place your enterprise in a position whereby its marketing efforts and dollars can build equity, a modification or substitution may be called for.

#### **6. Has your enterprise registered its trademark(s)?**

If you checked "I am not sure", it may be because you are unsure of the difference between a trademark and a trade name.

A trade name is an alias. Some jurisdictions call a trade name a "doing business as," "a trading as," or a "dba." Businesses and non-profits have one legal name, just like people. And like people, businesses and organizations can have nicknames. The difference between people and businesses in this respect is that businesses are required to register their nicknames in the interest of protecting the public. For example, your corporation's legal name is XYZ, Inc., but the sign on your storefront says "Mona Lisa's House of Hair." The public knows you as Mona Lisa's House of Hair, which is a trade name because it is the identity that the business presents to the public. It is like your corporation's nickname in terms of its legal identity. MONA LISA'S HOUSE OF HAIR is also a trademark because it is the word or symbol that identifies your store as the source for wigs, hair cutting, or whatever goods and/or services that you offer. Registering a trade name is NOT the same thing as registering a trademark. Registration of a trade name usually only permits the use of a name. It generally does not provide the registrant any rights against third parties, but it can provide evidence of using a trademark.

As discussed before, ownership rights in a trademark are gained by being the first to use a mark. As such, the owner can bring a lawsuit to seek civil damages and injunctive relief against those harming the mark through infringement (causing confusion in the marketplace) or dilution (the weakening of a mark's uniqueness). However, by failing to register a trademark, the owner is foregoing a number of benefits, including but not limited to: the ability to recover attorneys fees in a successful trademark suit, a

nationwide exclusive right to use the mark in registered classes against subsequent users, the availability of statutory damages, and the ability to enlist the help of U.S. Customs to prevent the importation of infringing goods.

**7. Does your enterprise have an attorney or an employee qualified to registered its trademark(s)?**

Despite what some people might claim, registering a trademark is not so simple that anybody can do it. The authors of *Branding For Dummies* said it well by saying: "Anyone who tells you that the arena of trademarks is an easy one to navigate is wearing rose-colored glasses. We've been through it enough times to strongly advise you to...seek legal assistance from an attorney who specializes in trademark protection." They add, "Don't try to proceed on your own; the trademark process requires professional expertise." An enterprise can attempt to register a trademark without the help of an attorney, but there are risks of which many people are not aware. Filing fees paid to the USPTO are non-refundable, and sometimes a registration application is so faulty that it can not be fixed. Sometimes a legal argument is needed to convince the USPTO that registration is appropriate. If handled without finesse, potential conflicts with third parties can arise. Do-it-yourself registrations can also result in inappropriate or incomplete coverage. Cancellation of a registration at a later date is also possible, if the USPTO later discovers an impropriety. Lastly, it should also be noted that false statements (whether intentionally made or with an indifference for the truth) can constitute fraud which is punishable under 18 U.S.C. 1001 by fines and imprisonment up to five years.

**8. Do you have any written guidelines or policies regarding how your trademark is to be used by employees and third parties?**

A carefully chosen and cultivated trademark and brand image can be damaged by improper use. This damage is not merely limited to issues of quality perception, but ownership rights as well. Some improper use is the result of ignorance. The owner of a trademark can avoid some circumstances resulting in harm by simply providing guidelines about how a trademark is to be used. Guidelines can address such topics as: type faces, color(s), size, image resolution, punctuation, abbreviations, white space, use as a verb or modifier, variations made to the mark, and context.

**9. Do you have a file dedicated to your trademark(s) and specific records related to its use?**

If your answer was "No," your enterprise may be damaging its ownership rights to its trademark(s). Like the crooked cop in the film *Training Day* said, "It's not what you

know. It's what you can prove." At the risk of sounding like a broken record, ownership rights are determined by who used a trademark first in connection with goods/services in a geographic area. The first user of a mark has the superior claim of ownership or "priority." Whether trying to establish priority for litigation or registration purposes, the party claiming ownership has a burden of proof which can only be met with credible evidence. Many organizations are forced to "accept" a date of first use that is in actuality years after a mark was put into use because they lack evidence establishing the true, earlier priority date.

**10. What is the name of the person(s) or department that is responsible for making sure your trademark is being used properly by employees and third parties?**

Trademark registrations, policies, use requirements, and licensing agreements are important, but they are worthless without people to monitor and enforce them. If you could not answer this question by identifying a responsible person or department, your enterprise needs to appoint a Brand Manager.

**11. If your enterprise has registered its trademark, when is the renewal date?**

A trademark registration is normally valid for a period of years before it has to be renewed. Renewals provide government entities with a substantial amount of income, in addition to providing some measure of assurance that a trademark is still in use and not abandoned. If your enterprise does not know the deadline for renewing its registered trademark(s), there is a danger that the registration will not be renewed and cancelled on the grounds of abandonment. It should be kept in mind that renewing a trademark registration can represent a significant cost savings. At the time this questionnaire was written, the filings fee associated with the renewal of a federally registered trademark was \$100 per class. The least expensive filing fee for a new trademark registration application was \$275 per class.

**12. Has your enterprise been involved in an acquisition, merger or sale of assets?**

If you answered "Yes," a fresh look at the relevant documents may be in order. Ownership of trademarks and their assignment to the acquirer should be explicitly addressed in corporate, transactional and/or court documents. If the trademarks acquired have not been registered, it is important that seller's records are acquired in order to establish the date of first use for priority purposes. Additionally, the mark must be used continuously throughout the transition period in order to take advantage of the earliest date of first use. If the trademarks were registered by the previous organization, it is important that the assignment of ownership is recorded with the government entity that issued the registration.