

**TRADEMARKS AND SERVICE MARKS:**  
**WHAT EVERY BUSINESS PERSON FACING COMPETITION MUST KNOW**

by  
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An often misunderstood, but vitally important reality in the business world relates to trademarks and service marks. *Every* business that identifies itself other than by merely the owner's name is relying on a trademark or service mark to set itself apart from competitors. Businesses are most often known by their trademarks and service marks. That is to say that the reputation of a business – the most valuable asset to many – is highly dependent on the validity and exclusivity of the chosen trademarks or service marks. Mistakes in the trademark or service mark realm can translate into a business having to “start over” in building recognition among consumers, if not utter destruction of the business through loss of business and/or litigation expense.

A. WHAT ARE TRADEMARKS AND SERVICE MARKS?

Qualifying as a potential trademark or service mark is any word, phrase, symbol, design, or combination thereof, that serves, not just to identify a good or service, but also to distinguish one vendor's products or services from those of other vendors. If one provides a service (insurance agency, restaurant, retail store, etc.), the "name" on the sign, or on brochures promoting the services, *may* be considered a “service mark.” The "brand name" on a product (a screw driver, an appliance, a garment, etc.) *may* be considered to be a trademark. A mark may, in some cases, be both a trademark and a service mark (consider SEARS®, for example, for tools and house paint, and for insurance and auto repair services).

It is very important to understand that, consistent with the above requirements for a trademark or service marks, not every "name" can serve as a trademark or service mark and, therefore, can have any exclusive rights attached to it. For example, "light bulb" cannot be a trademark for light bulbs made by one company, because "light bulb" only says what the product is, not who produces it or stands behind it. “Light bulb”, when used to identify a product that is a light bulb, cannot distinguish the light bulbs of one producer from those of all others.

Furthermore, the public at large has the right to use any word or phrase that simply identifies a product or service. Conversely, "Pleasure-Glo<sub>TM</sub>" may be a perfectly suitable trademark for light bulbs. "Pleasure-Glo<sub>TM</sub>" does not identify the product as such, and could clearly identify one producer's brand of light bulbs while distinguishing them from bulbs made by General Electric, Sylvania, Phillips, etc. These latter companies market their light bulbs under their own distinguishable trademarks (i.e. "Mizer<sup>®</sup>"), each of which tells the public which company produces or stands behind which bulb.

#### B. WHAT DOES IT MEAN TO "OWN" A TRADEMARK?

To "own" a trademark or service mark is to have the right to prevent others from using the mark (or marks similar thereto) in such a manner as to likely create confusion in the marketplace. In some cases of infringement, the trademark or service mark owner may collect damages from the infringer(s). In other cases the infringer(s) may simply be enjoined through court order from further infringement. In still other cases both remedies (together with court orders for destruction of infringing products) may be available. Trademark rights may be asserted through the courts in trademark infringement suits, and in certain instances, through federal agency administrative actions such as in the United States Customs Service and the Federal Trade Commission.

Trademark and service mark rights can be virtually invaluable to any business. Accordingly, loss of important trademark or service mark rights has often meant the end of many a once-thriving business.

Trademarks or service mark rights are not actually created by trademark registrations alone. Trademark rights are initially created by proper use of a mark, so long as another person or company does not already own rights in the mark. However, trademark rights are greatly enhanced by trademark or service mark registration(s).

#### C. WHY ARE RIGHTS IN TRADEMARKS AND SERVICE MARKS AVAILABLE?

The use of trademarks and service marks to help consumers distinguish between vendors is at the very heart of our trademark system. Our society's economic well being is enhanced, indeed is largely dependant upon the ability of consumers to quickly and efficiently

distinguish between the products or services of different vendors. Conversely, society is often harmed, and commerce is slowed or disrupted when consumers are confused or misled as to the true source or quality of the goods and services offered in the marketplace.

Trademark principles help move commerce along at a more efficient pace than would otherwise be possible. Once a person knows what to expect when dealing with each "brand name," he or she does not have to start afresh in evaluating products or services with known brands each time a purchase is to be made. For example, if anyone could open a restaurant under the McDONALD'S® mark, simply seeing a restaurant sign which displays "McDONALD'S®" would have no meaning to the consuming public. Consumers would have no way of knowing what to expect when they entered each different "McDONALD'S" restaurant. Imagine also the plight of consumers in a world in which anyone could use APPLE® to market computers. Because of our trademark system, however, consumers know precisely what to expect when they see McDONALD'S® on a restaurant, or APPLE® on a computer, and they need not research the vendor anew on each occasion of a purchasing decision.

Trademark ownership, and the rights which flow from it, represent a bargain with society. Consistent with the fundamental objective of trademark law -- to foster trade by preventing confusion in the marketplace -- trademark and service mark owners must control or "police" use of their trademarks and service marks. In other words, they must maintain control over the quality of all goods and services that are offered under their trademarks and service marks. Absent such control, either by failing to require sufficiently stringent license provisions as to quality ("naked licensing"), or by failing to pursue infringers, consumers will no longer be able to rely on a brand name as an indication of quality of the particular product or service. Trademark or service mark owners who shirk their duty to police their marks are often stripped of their trademark rights, for they have allowed use of their trademarks in a manner inconsistent with the public good.

#### D. HOW FAR DO TRADEMARK AND SERVICE MARK RIGHTS EXTEND?

The answer to the above question is: "It depends."

It is important to understand what owning a trademark means (and does not mean), whether in determining when a new mark may be available for your adoption and use, or in

assessing whether another's use of a particular mark may infringe your existing trademark rights. While often very difficult to apply, the test for infringement through the use of one mark relative to another, already used mark involves determining whether use of the newer mark creates a "likelihood of confusion" in commerce relative to the earlier used mark. This "likelihood of confusion" encompasses, not merely a likelihood that consumers might mistakenly believe that one producer's products are those of its competitor (the most easily understood form of infringement), but also (among other variations) a likelihood that consumers may believe that the earlier mark's owner is somehow affiliated with the latter user, or at least approves of the latter user's adoption of its mark (perhaps through a licensing arrangement).

Perhaps the simplest way to initially explain the reach of trademark rights is through the following premise: "Trademark rights extend so far (relative to any other mark or marks) as is necessary to prevent likely confusion in the marketplace." As simple as that statement may appear, it proves very difficult to apply in real life. Many factors contribute to finding that the use of one trademark or service mark would (or would not) infringe another. Just a sampling of these factors include: (1) the respective marks themselves (the words used, respective spellings, connotations, etc.); (2) the respective nature of the goods or services associated with each of the marks; (3) the customers for the goods or services sold under each mark; and (4) the modes of advertising used in promoting the goods or services associated with each mark. So, there is no simple formula for applying the above premise. Common misperceptions about trademark principles only add to the difficulty in knowing where one's rights begin, and another's end.

Perhaps at one end of a spectrum of trademark myths is that of trademark rights being strictly and solely tied to the specific products or services with which a mark has been used. According to this myth, a "brand" is available for use in selling any particular product or service, so long as no one has previously made the particular desired pairing of mark and products/services. It is true that the particular nature of products or services sold under a mark is highly relevant in assessing the mark's "reach", or "zone of exclusivity." However, because a number of other factors contribute to this analysis (each given such respective weight for insuring, under the circumstances, that exclusivity extends however far as is necessary to

prevent likely confusion in the marketplace) the exclusive rights in certain trademarks extend far beyond merely the products or services for which the mark is already known.

Consider such “strong” marks as EXXON®, KODAK®, etc. that very nearly reach a level of exclusivity throughout commerce that their owners “own” the words for virtually all purposes. Because of the many species of confusion that “count” as infringement, it is fairly safe, for example, to say that one could not use EXXON® even on cosmetics and “get away with it”, though cosmetics certainly fall far in subject matter from petroleum products and related services for which EXXON® is primarily known. In this case, the “strength” of EXXON® (its inherent uniqueness, or distinctiveness) is such that the public is likely to be confused as to at least some forms of actionable confusion were they to see the brand used by another company, even on cosmetics.

At the other end of this same spectrum of myths is the myth that owning a trademark essentially means that one owns the word(s) or design(s) for all commercial purposes. Despite the EXXON®-based examples above, where such a premise appears very nearly true, the majority of cases are more like that of APPLE® as a brand for computer products. No one can dispute that APPLE® is a very “strong” mark for computers and related products and services, but the same trademark rules apply to this mark, as to any other: (1) rights in trademarks or service marks arise from their ability to distinguish the goods and services of one vendor from those of all others (rights are neither created nor infringed where use of a word, phrase, symbol, etc. merely identify a thing or an activity); and (2) trademark or service mark rights extend only so far as is necessary to prevent confusion. Two examples help illustrate why Apple Computer, Inc.’s undisputed ownership of APPLE® as a brand for computer products in no way means that they “own” the word “APPLE.” First, anyone can use “APPLE” to identify the fruit of the same name, because, in that context, “APPLE” merely identifies the thing (the fruit), not who grew or sells the fruit (“APPLE” is generic in this case, and fails to meet the definitional requirements for a trademark). Secondly, a number of companies use, and own trademark rights in “APPLE” as a brand for music records, tobacco, text books, grocery store services, industrial gaskets, and horseshoes, because none of these uses were deemed to create the kind of confusion that trademark rights are intended to prevent. Apple Computer, Inc.’s rights in

APPLE® need not extend to such things as gaskets and horseshoes to avoid a likelihood of confusion in the marketplace.

Yet another myth relating to trademarks and service marks that both entices many businesses into legal trouble, and reflects the complexity of trademark issues, relates to the degree to which two marks must differ for use by a late-comer to the market to avoid infringing rights in an earlier used mark. This myth is often stated more or less as: “All one needs to do to avoid infringement is to change the spelling a little, add a word, or maybe change the way the mark looks.” Returning to our example of EXXON® may illustrate the usual fallacy of such beliefs. One would almost certainly lose against a charge of trademark infringement were they to use “ECKSOHN” as the name for a service station. Why? Because merely changing the spelling of EXXON® in no way completely avoids all species of likelihood of confusion that amount to trademark infringement. Consider merely the example of radio advertisements using each of EXXON® and ECKSOHN in the promotion of gasoline sales, and the problem will become clear. To complete the destruction of this enticing, but dangerous myth, consider an example where use of a wholly different word or phrase (no overlap in actual mark word(s) whatsoever) may still amount to trademark infringement. Upon considering all the relevant factors in view of the species of confusion that are to be avoided in enforcing trademark rights, one may well find that use of “RED DELICIOUS” as a brand for computers would infringe the trademark rights in APPLE® for computer products. How is this possible (the words are completely different!)? The answer lies, once again, in looking at the intended role of trademark rights, and the manner, in application, of service that role – trademark and service mark rights extend (relative to use of any other mark) so far as is necessary to prevent a likelihood of confusion in the marketplace (as to source, sponsorship, approval, affiliation....). When one considers that Apple Computer, Inc. has already used a species of apple as a brand name for computers (MACINTOSH®/“MAC®”), it becomes much easier to understand how a case might be made that a later-comer using “RED DELICIOUS” for computers may create at least the likelihood that some consumers would be confused to believe “RED DELICIOUS” to be just another extension of Apple Computer, Inc.’s branding strategy.

Examples based on less famous marks may also be instructive. The simultaneous use of SUNSET<sub>TM</sub> for a cosmetics line would not likely create confusion with respect to SUNSET<sub>TM</sub> as used for auto parts -- consumers would not, in most cases, likely believe that the same company produced both cosmetics and auto parts. Therefore, one company dealing strictly in cosmetics could well "own" SUNSET<sub>TM</sub> for cosmetics, while a second, unrelated company dealing only in auto parts could likely "own" SUNSET<sub>TM</sub> for auto parts. Neither company could likely prevail on a claim of trademark infringement against the other. However, either company would have a valid claim against any third party who used "SUNSET" for like or similar goods, so long as this use caused a likelihood of confusion among consumers. Even such a scenario as involving SUNSET<sub>TM</sub> for auto parts and cosmetics may, however, produce different results if SUNSET<sub>TM</sub> were shown to be associated with, for example, a parent company of many businesses. For example, were SUNSET<sub>TM</sub> to be shown to be one of a famous parent company's most famous brands for auto parts, it may be that the consuming public could be shown to likely (and mistakenly) assume a connection between the auto part's company even to a third party cosmetics company using SUNSET<sub>TM</sub>. In that instance, a case of infringement will have been made out based on confusion as to "affiliation."

Because trademark rights exist, not for property ownership purposes, but for protecting the public from confusion, one must continue using one's mark in the field to which rights in the mark are based, else the rights will end. Therefore, our fictitious cosmetics company must, to perpetuate their rights in SUNSET<sub>TM</sub>, continue using the mark as a brand for cosmetics, or for very closely related goods. Were the cosmetics company to discontinue its cosmetics line altogether, and begin producing computers under the SUNSET<sub>TM</sub> mark, its rights in SUNSET<sub>TM</sub> as a trademark for cosmetics would end, and its rights in SUNSET<sub>TM</sub> for computers (if any are available) would begin only as of the first use of the mark on computers (subject to any prior user's rights in the mark for like or similar goods). Once abandoned by the cosmetics company, trademark rights in SUNSET<sub>TM</sub> for cosmetics may eventually be appropriated by any newcomer to the industry who begins to use SUNSET<sub>TM</sub> in selling cosmetics.

#### E. PROTECTING TRADEMARKS AND SERVICE MARK RIGHTS

##### 1. Patents and Copyrights and Assumed Name Registrations Do Not Help.

Many business people (and even lawyers who do not truly know trademark law) often mistakenly ask about patents or copyrights when seeking to protect their trademarks or service marks. Patents and copyrights can provide very valuable legal protection under certain circumstances, but do not relate in any way to protecting trademarks or service marks.

Also troublesome is the fact that many persons are advised that a trademark or service mark can be "protected" by registering it in the assumed name registry at a county court house (or at the state level for corporations). This is among the most widespread and damaging myth surrounding trademarks and service marks. Assumed name registrations have one purpose -- to provide the true identity of persons or entities operating other than under their own name so that the proper parties for lawsuits can be identified. For example, assume that a sole proprietor operates a plant nursery called "Green Genes", and one of the "Green Genes" truck drivers backs into a car and speeds away. The assumed name registry simply tells the owner of the damaged car whom to contact and, perhaps, whom to sue.

If one relies solely on an assumed name registration to "protect" a trademark or service mark, the user will be very disappointed in the event of any attempt redress any infringement on the basis of an assumed name certificate alone. So far as trademark law is concerned, one has done nothing more than create common law rights (if that) by merely filing a "DBA." The only rights that accrue in relation to assumed name registrations are those that the state may have upon failure to file a required assumed name registration. In other words, one must comply with the laws requiring assumed name registration, but doing so will provide no protection for any associated trademark and service mark.

## 2. State and Federal Registrations.

At least two things should be done to fully protect rights in trademarks and services marks that one properly adopts and uses: (1) register the mark(s), if possible, at the federal level (at least at the state level) and maintain the registrations for so long as use of the mark endures; and (2) use appropriate trademark or service mark notices.

If one does business solely within the bounds of individual states, and is not involved in interstate commerce, one may only be eligible only for state registration. If one does business across state lines, or somehow affects interstate commerce (operating a truck stop on

an interstate highway, for example) then eligibility for a federal registration is likely (if underlying, substantive rights in the mark are available).

What does a trademark registration do for its owner, and what is the difference between state and federal registration? When one registers a trademark or service mark with the state or federal government, federal law and most state laws provide that the registrant is putting the public on notice of claims of exclusivity in the registered mark. The make-up of the "public" depends on whether one has a state or federal registration. In most states, a state registration means that no one in that state can claim ignorance of the associated trademark or service mark rights -- the public is on constructive notice of the registrant's claimed rights in the registered mark, with presumptions of validity of such rights often accompanying the registration.

If one has a federal registration, everyone doing business in the United States "knows" about the claimed trademark or service mark rights (including importers from abroad). The constructive notice provided by trademark registrations helps prevent anyone who infringes the registered mark from claiming to be an "innocent infringer" and avoiding having to pay full damages for their infringing activities. A federal registration also prevents any third party from developing new or additional rights in relation to the registered mark, even if others had used the same mark at only a local area. In many cases, a federal registration "land-locks" all other users of the mark (if any) in the geographic areas in which they used the registered mark, and others cannot expand their use of the registered mark in any way that would give rise to a likelihood of confusion.

Federal and most state registrations also provide their owners with valuable presumptions in trademark infringement actions. Presumptions in the registrant's favor, such as ownership and validity of the mark as a trademark or service mark, are typical benefits of trademark registrations. Absent a registration, a trademark owner would bear the burden in court of proving such matters, even absent a challenge from the alleged infringer. In this respect alone, the cost involved in obtaining trademark and service mark registrations is many times offset by savings in the litigation context. In many instances, because they can serve as such a potent deterrent to infringers who are challenged and made aware of the registration, the

mere existence of a registration is enough to stop the infringement and prevent litigation entirely -- an enormous cost savings to the trademark owner.

#### F. FEDERAL INTENT-TO-USE REGISTRATIONS.

One fairly recent development concerning federal trademark registrations is worthy of mention -- the availability of intent-to-use registrations. In the past, one could only file for federal trademark or service mark protection if the mark had already been in use. This presented a serious problem. To put a mark in use requires considerable investment of money, time and other resources. In the past, many trademark users placed their marks in use, filed for registration, learned of a conflict that prevented registration, and then had to undertake selecting and clearing a new mark. This represented a tremendous waste of resources and a source of great frustration to the business community.

Now, anyone who legitimately intends to use a mark in such a manner as to qualify for federal trademark protection can file a federal trademark application and receive a registration when the mark is actually placed in use (with certain time restraints and nominal additional expense associated with a later-filed statement of use). Accordingly, for the first time in U.S. history, trademarks can (more or less) be "reserved". This process allows a would-be trademark or service mark user to seek registration of the mark, and then only proceed when (or if) the registration is granted.

While even a federal trademark registration is not a guarantee that one will not face a challenge from another trademark or service mark owner on the basis of an alleged infringement, the odds are far better with, as opposed to without, a registration.

This intent-to-use procedure is available only at the federal level. The eligibility for such federal protection should be discussed with your trademark attorney.

#### G. TRADEMARK NOTICES

Different trademark or service mark notices are appropriate under different circumstances. A "TM" symbol next to a trademark, or a "SM" symbol next to a service mark informs the public of the user's claim to exclusive rights in the mark. Through use of these notices, one is informing the public of a risk of litigation in the event of unauthorized third party use in any manner that is likely to cause confusion (i.e. infringes the trademark rights). The

"TM" or "SM" indicates that one is either relying on common law trademark or service mark protection (no registration yet exists), or that one has obtained only a state registration. If on the other hand one has a federal registration, use a ® symbol is appropriate. In fact, failure to use the ® symbol next to the registered mark (when used in connection with the goods and/or services in connection with which the mark is registered) will deprive a trademark owner of damage awards, even if successful in establishing infringement, unless it can be proven that the infringer had actual notice of the trademark's federal registration. One must never use a ® symbol next to your trademarks or service marks unless you actually have a federal trademark or service mark registration, or in connection with other than goods and/or services listed in the registration.

#### H. DURATION OF TRADEMARK RIGHTS AND REGISTRATIONS

Generally speaking, trademark rights subsist so long as they are not abandoned, or are used in a manner (by the public or the user) in such a manner that the ability of a mark to continue to meet the definitional requirements is not impaired. Trademark registrations are, on the other hand, not of potentially unlimited duration. Federal and some state registrations have renewable terms of ten years. In the case of federal registrations, certain declarations that demonstrate continued use of the mark must be filed even before the end of the registration's term. Therefore, it is very important for a trademark registrant to be mindful of the steps and procedures required to maintain valuable registrations.

#### I. FOREIGN TRADEMARK PROTECTION

This article is too general in scope to effectively discuss foreign trademark protection. It is important to note, however, that a trademark or service mark user should discuss foreign trademark issues with a trademark specialist any time the potential exists to market goods and services in other countries.

A problem faced by many U.S. companies is that of entering a new foreign market and encountering a trademark or service mark registration in that country that was filed by a person or company who anticipated the U.S. company's entry into that market. In such situations, U.S. companies have paid millions of dollars in "ransom" to permit their continued use of valuable, well-established trademarks and service marks in foreign markets.

At present, there is no truly effective international trademark registration system available to U.S. citizens, although there are such systems under consideration. For now, obtaining foreign trademark protection is a country-by-country, or at least region-by-region process. However, this process is made easier (and much more cost effective) through use of your U.S. trademark specialist's network of foreign associates.

J. SELECTING A GOOD TRADEMARK OR SERVICE MARK (STAYING OUT OF TROUBLE)

Keep in mind that "constructive knowledge" of trademark and service mark rights provided by registrations goes both ways. All have constructive knowledge of the trademark or service mark rights of all U.S. trademark registrants. In many cases, one also has constructive knowledge of the rights of persons who have state registrations.

How can one avoid infringing another's trademark rights and getting sued? It is almost impossible to be completely risk-free any time one selects a trademark or service mark. The truism that anyone can sue anyone and allege almost anything certainly applies in this realm. However, in the trademark context, there is also considerable room for disagreement, even among reasonable minds, concerning the potential of a mark to infringe another. As explained above, the controlling question with respect to trademark rights and the infringement thereof is whether or not there exists likelihood that the consuming public will somehow be confused about any number of factual possibilities relating to the respective users of marks.

When selecting a trademark or service mark one must ask whether or not the trademark or service mark used (or to be used) is so similar to another's mark that confusion is likely (confusion as to source, sponsorship, approval, affiliation, etc.). If there is no likelihood of confusion, there will be no infringement. This, however, is a very difficult judgment to make, and must be made with the assistance of an experienced trademark practitioner. Even with considerable experience in the field, there is no scientific precision to the judgment of trademark availability. A trademark examiner, considering the results of his/her own trademark search, will consider this same question when one attempts to register a trademark or service mark, as will a court and jury in the instance of trademark infringement action.

One can greatly improve the odds against being sued for trademark or service mark infringement by commissioning a competent trademark and service mark search before adopting a new mark. A trademark search, followed by competent analysis, lessens the likelihood that one wastes substantial time and money in promoting a mark (or filing an intent-to-use application) only to find out that a conflicting mark effectively precludes any further consideration of the mark. Trademark and service mark searches are designed to spotlight registrations of trademarks and service marks which are the same as, or which are confusingly similar to the mark being searched. Most searches will encompass marks registered at the state level (in all 50 states) and at the federal level. Some searches also reveal marks which are in use, but which are not yet registered ("common law marks"). Trademark and service mark searches provide very valuable guidance in adopting a trademark or service mark at a very reasonable level of expense.

It is important to realize that trademark searches vary widely in scope and expense. Quite frankly, a certain measure of financial realism figures into the scope of a trademark search in any given case. A large, multi-national corporation seeking a new trademark for a major new product may spend tens of thousands of dollars on trademark searches and to "turn every stone" (though absolute certainty in this context is an elusive goal, no matter the search budget). The situation is somewhat different for the small business or individual. The costs for the most thorough of trademark searches (even if within the means of the client) are probably not justified in most cases involving small businesses and individuals. A point of diminishing returns is reached very early in the progression toward truly exhaustive trademark searches. In many cases, investing around a thousand dollars will reveal likely 95%+ of the reasonably problematic, pre-existing marks (even if only state and federal registrations are reviewed). For slightly greater expense, one can add a reasonable degree of research of common law marks. The substantially greater expense of the most thorough searches is most often directed toward bridging most of the last few percentage points of probability that an unregistered, conflicting mark might already be in use and may cause problems for the new user. At day's end, however, even the most expensive searches do not guarantee trouble-free use of a mark - there

is no perfect trademark search and a certain degree of risk is inherent in adopting any trademark or service mark.

#### K. ARE TRADEMARKS WORTH ALL THE EFFORT?

A trademark or service mark can become the most valuable asset in one's business. Billions of dollars have been paid for the use or transfer of certain trademarks and service marks. If one sells a business (especially if it is successful), trademarks and service marks and the associated goodwill often account for a significant amount of the purchase price.

Most importantly, one's trademark(s) and service mark(s) embody the reputation of products and/or services that are, as applicable, made, sold, sponsored, approved, provided or endorsed by their owners. The ability to protect one's reputation (and one's customers) from the actions of unscrupulous competitors who may use a confusingly similar trademark or service mark ("trading on one's goodwill") can often be of almost inestimable value to a trademark or service mark owner.

#### L. TRADEMARKS AND THE INTERNET

A thorough treatment of the internet-related issues that involve trademark rights is beyond the scope of this article. However, it bears at least brief mention here that there are several new ways for an unsuspecting business person to run afoul of trademark rights – traps that did not exist before the internet.

One of several areas of concern relates to the **Anticybersquatting Consumer Protection Act (ACPA)**, 15 U.S.C. § 1125(d). In the briefest of summaries: purchasing, registering, selling, or even offering to sell a domain name that incorporates another's trademark (or a mark that is confusingly similar to another's trademark) can be the basis of a federal court action against the new user under the ACPA. Actual damages, statutory damages, attorneys' fees, courts costs and court orders for turning over an improper domain name all all things possibly imposed on an ACPA defendant (in addition to the party's own legal expenses). It also bears mention that the factors that a trademark owner must establish in an ACPA case are typically easy to prove.

A good “rule of thumb” to remember is as follows: Just because a domain registry has a certain domain name available, does not mean that one should acquire it, much less use it. Only adopt a new domain name after it (like your basic trademark) has cleared analysis by a competent trademark specialist.

#### M. FINAL THOUGHTS

To prevent confusion between your business's products or services and those of someone else is to properly select and then fully protect your trademarks and service marks. Otherwise, you are playing "Russian Roulette" with your business's public image and with possible lawsuits.

This article is intended to provide an overview of the trademark and service mark field and not to provide specific legal advice for any reader. Each specific situation involves variables, which determine the precise path, which businesspersons should take to properly protect their trademark and service mark rights. Questions in any specific situation should be promptly addressed to an experienced intellectual property attorney (usually a registered patent attorney).

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As part of David's "give-back" to his alma mater, David is now in his 22nd year of teaching patent and trademark courses at Baylor Law School, and more recently joined the faculty of both the Graduate School's EMBA and Baylor Business School's Technology Entrepreneurship Programs in the U.S. and China. David also serves as Principle of TeXess IP and Export Control Consultants ([www.Texess.com](http://www.Texess.com)) and as the Vice Chairman of the Military Child Education Coalition.

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Mr. Henry is a Lieutenant Colonel in the United States Air Force's Auxiliary where his unit flies humanitarian, search and rescue and disaster relief missions under auspices of the U.S. Air Force and a variety of federal and state emergency services agencies. Mr. Henry also channels his passion for aviation into his private practice as he flies, nation-wide, to meet clients and manage his various patent and trademark projects and cases. It is, in part, because of his well-known stance that "geography is never an issue when working with me", that Mr. Henry's practice extends throughout the United States (and beyond).