

Why Early Registration Of Your Trademark Matters

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Few commercial rights are as valuable, or as recognized, as a trademark. In the United States, trademark rights arise under the “common law” when a mark is used in commerce, even without registration with the U.S. Patent and Trademark Office. These common law rights, however, are potentially limited, often extending only as far as the territorial boundary in which the trademark has been used. For example, a company that used its trademark only in Hawaii, would have a hard time establishing common law rights to that mark in Nebraska.

Because common law rights are limited, registration of a trademark with the USPTO is generally the preferred method of perfecting ownership of the mark. The benefits of registration include (but are not limited to): (1) a legal presumption of ownership of the mark and exclusive right to use the mark; (2) public notice of claim of ownership of the mark, and (3) the ability to bring an action concerning the mark in federal court.[1]



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Although many hastily presume that their chosen trademark will necessarily be eligible for registration with the USPTO, in truth, the decision to register a trademark (or, indeed, to adopt and begin using a trademark) should only be made after significant time and effort has been spent investigating the trademark landscape. This investigation should be undertaken as early as possible. And, it should include an evaluation of whether the desired mark is, itself, sufficiently distinctive to warrant protection as a trademark (i.e., not generic or merely descriptive) as well as whether other registrations exist which might bar registration of desired the mark on the grounds of “confusing similarity.”

The USPTO advises that conducting a thorough search of a mark before filing an application is “very important” because a search: (1) may identify potential problems such as likelihood of confusion with a prior registered mark or a mark in a pending application; (2) may save the expense of applying for a mark which will likely not be allowed registration because another party may already have stronger rights in the mark; and (3) may show whether the mark is generic or descriptive and therefore weak and difficult to protect.[2]

Failure to conduct a thorough search prior to use and registration will not provide a defense to

infringement. Such “willful ignorance” has been compared by one court to “the famous trio of monkeys who, by covering their eyes and ears, neither saw nor heard any evil.”[3] In some cases, not performing a trademark search can even lead to a finding that a mark has been used in “bad faith” — meaning it was used with the intent to exploit the good reputation of another company by creating confusion between two marks.[4] Such a finding of bad faith allows for recovery of profits attributable to the infringement and attorneys’ fees.[5]

Some businesses have learned the hard way that waiting too long to pursue registration of a trademark is not always good. Hardware manufacturer Hargis Industries Inc. and musician Deadmau5 (pronounced “dead mouse”) are among several “brands” that have faced significant delays and legal challenges by attempting to register their trademarks with the USPTO years after they had invested considerable money in those marks.

In 1996, hardware manufacturer Hargis attempted to register its mark “Sealtite” with the USPTO. A rival hardware manufacturer, B&B Hardware Inc., opposed Hargis’ registration attempt, arguing that Hargis’ “Sealtite” mark was confusingly similar to B&B’s “Sealtight” mark — which was registered with the USPTO in 1993. This set off an 18-year legal battle that ended just this year with a decision from the U.S. Supreme Court, a decision that was unfavorable to Hargis.[6]

Similarly, in June 2013, electronic dance musician Deadmau5 attempted to register his “mau5head” logo with the USPTO.[7] The application described the logo as “a caricature of a mouse head with black ears, black face, white eyes and white mouth.” Deadmau5’s application caught the attention of another company with a famous (trademark) mouse head logo — Disney Enterprises Inc. Disney opposed Deadmau5’s registration, describing Deadmau5’s logo as “nearly identical in appearance, connotation, and overall commercial impression to Disney’s Mouse Ears Marks.”[8]

By the time Deadmau5 filed the trademark application, he had “invested significant resources in advertising and promoting his products and services under the Subject Mark and used it openly, continuously and extensively in the United States as well as around the world for years.”[9] Prior to his attempt to register the logo, Disney did not challenge the legality of the “mau5head” logo. In fact, Disney and its subsidiaries had licensed Deadmau5’s music and even approached Deadmau5 to remix music from “Fantasia” and “Star Wars.”[10] These offers were revoked after Deadmau5 attempted to register his trademark.[11] Ultimately, Deadmau5 and Disney settled their dispute, and Deadmau5 abandoned his trademark application two years after filing it. Deadmau5, however, could have avoided both litigation and lost business opportunities by clearing and registering his mark early.

In the face of these unanticipated consequences, businesses and general practitioners should always consult with an experienced trademark attorney and conduct a thorough search prior to filing for registration with the USPTO. In some cases, a thorough search may reveal that the best course is not to pursue registration of the mark with the USPTO.

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[1] See “Protecting Your Trademark: Enhancing Your Rights Through Federal Registration,” United States Patent and Trademark Office at p. 9, available online at <http://www.uspto.gov/sites/default/files/BasicFacts.pdf>.

[2] *Id.* at p. 7.

[3] *Int'l Star Class Yacht Racing Ass'n v. Hilfiger*, 80 F.3d 749, 753-54 (2d Cir. 1996).

[4] See, e.g., *Sorensen v. WD-40 Co.*, 115 U.S.P.Q.2D (BNA) 1128, 1136 (7th Cir. Ill. June 11, 2015); *Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt.*, 618 F.3d 1025, 1043 (9th Cir. 2010); *Tamko Roofing Prods. v. Ideal Roofing Co.*, 282 F.3d 23, 34 (1st Cir. 2002); *Kos Pharms., Inc. v. Andrx Corp.*, 369 F.3d 700, 721 (3d Cir. 2004); see also *Star Indus. v. Bacardi & Co.*, 412 F.3d 373, 388 (2d Cir. 2005).

[5] See, e.g., *W. Diversified Servs. v. Hyundai Motor Am. Inc.*, 427 F.3d 1269, 1273 (10th Cir. 2005).

[6] *B&B Hardware, Inc. v. Hargis Indus.*, 135 S.Ct. 1293, 1297 (2015).

[7] See Application No. 85/972,976.

[8] See Opposition No. 91218136 at p. 19.

[9] *Deadmau5's Answer and Affirmative Defenses to Disney's Opposition* at p. 1.

[10] “Deadmau5, Disney Settle Dispute Over ‘Mouse Head’ Logo” by Eriq Gardner, available online at <http://www.hollywoodreporter.com/thr-esq/deadmau5-disney-settle-dispute-mouse-804072>; see also “Why Deadmau5’ Trademark Battle With Disney Cost Him Dearly” by Eriq Gardner, available online at <http://www.billboard.com/articles/news/6251375/why-deadmau5-trademark-battle-with-disney-has-cost-him-dearly>.

[11] *Id.*