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Contact Us

We'd love to hear from you. Feel free to send us your questions or feedback.

- **Robert J. Pineau**
rpineau@kerr-russell.com
- **Max Sneyd**
msneyd@kerr-russell.com

Kerr, Russell and Weber, PLC
Attorneys and Counselors
500 Woodward Avenue
Suite 2500
Detroit, MI 48226
313-961-0200

Columbia Center
201 West Big Beaver
Suite 260
Troy, MI 48084
www.kerr-russell.com

Choosing a Name for Your Business: A Trademark Perspective

Businesses spend countless hours and resources to research and develop effective names for their corporate entities, products and services. While much of the consideration properly addresses marketing concerns, there are important trademark issues that should be considered when choosing a name.

Can the name be registered as a trademark?

To fully protect itself from a competitors' unfair use of its marks, a business will want to register its corporate name, as well as the names of its products and services, as trademarks or service marks with the United States Patent and Trademark Office. Registration will give the business the exclusive nationwide use of the name in association with the goods and services offered. However, not every name can be registered as a trademark. For example, marks that are generic terms for the goods and services (such as RESTAURANT for restaurant services or SOAP for soap products) cannot be registered. Similarly, marks that merely describe the goods or services (such as SAME DAY LAUNDRY SERVICE) cannot be registered. Adding a geographic description (i.e. GREAT LAKES LAUNDRY SERVICE) will not render the mark registrable, as it is merely "geographically descriptive."

The strongest marks – those that are most likely to be registered and easiest to enforce – are "fanciful" words that did not exist prior to their adoption as a mark. Examples include EXXON, KODAK and XEROX. "Arbitrary" marks – existing words that bear no connection to the goods and services offered – are also strong marks. Examples include APPLE (for computers), LOTUS (for software) and COMET (for household cleaner). Weaker marks, even if they are registered, are more challenging to enforce than arbitrary or fanciful marks.

Does the name cause confusion?

When analyzing possible names for a corporate entity, product line or service to be offered, a business must ensure that the chosen name will not infringe on any existing marks. It is not sufficient to register the corporate name with the state, as state registries do not cross-check for trademark conflicts. The relevant consideration is whether the mark would cause confusion among the consumers of those goods and services. For example, a local brewery using the name BUDWIZZER would likely cause confusion among consumers of beer, and could be forced by Anheuser Busch to change its name. When considering a new name, a business will want to check all available spellings and all available iterations of its proposed name to be sure there are no pre-existing users with confusingly-similar names.

It is important to note that similar or even identical marks can co-exist as long as there is no likelihood of confusion. For example, DELTA AIRLINES, DELTA DENTAL and DELTA FAUCETS all share the same dominant part of their respective marks. These marks can co-exist because there is no

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likelihood that a consumer is going to confuse the airline with the dental plan or the faucets.

Trademark considerations can be tricky, but should be an integral factor in making the permanent decision regarding the name of a business, product line or service to be offered. The last thing a new business needs is a protracted trademark dispute, or an adverse determination requiring a name change. For advice on picking a name to maximize trademark protection and minimize infringement issues, please contact the Intellectual Property Group at Kerr Russell. ~ *Max Sneyd*

Online Advertising, Keywords and Trademarks

"Everyone lives by selling something." ~ Robert Louis Stevenson

In today's economy, selling products or services invariably involves the Internet in one form or another. The Internet is so large and popular that one of the foremost challenges in using it to make sales is being noticed by customers at all. To get noticed many businesses turn to search engines, such as Google, to drive Internet traffic (i.e., potential customers) to their product or service. Search engines have embraced that role as a means to generate revenue, with many search engines having specific business models (such as Google's AdWords) devoted to that very function.

Business models like these offer up for auction what are commonly described as "keywords". These are words related in some way to the goods or services being sold. When an Internet user searches those keywords the search engine returns the natural or "organic" results as well as the keyword or "sponsored" results. The sponsored results are typically displayed above the organic results.

When keywords are merely general descriptions of a product or service (for example, "cell phones") keyword advertising is not controversial. When the keywords are a competitor's trademark (for example, "iPhone"), however, things change. Trademark owners are legitimately upset when their marks are purchased as keywords by competitors. Trademark owners are even more upset when a competitor is listed above them following a search of the owner's name or mark.

The key to whether this use of a mark by a competitor is infringing lies in the "likelihood of confusion" test. That is, are Internet users likely to be confused as to the source or sponsorship of the goods or services at issue? These determinations are always very fact-specific and several recent high profile cases have analyzed factors unique to the Internet context. In particular, keyword trademark disputes often turn on the manner in which the search results are displayed. Confusion in this context is less likely when the competitor's ads appear in a clearly designated and separate "sponsored results" area and are not part of the "organic" section of the search engine results.

When evaluating the use of your mark by a competitor in a keyword program a business operating in today's online environment must be up to speed on the current state of the law. This is an evolving area of both marketing and law that requires a sophisticated analysis. For guidance on this or other intellectual property issues, please contact the Intellectual Property Group at Kerr Russell. ~ *Dwayne Stresman*

For further information about these and other intellectual property issues, please contact our Intellectual Property Group at 313-961-0200. © 2012, Kerr, Russell and Weber, PLC.