Lowndes

Insights

A Trademark Search for My Real Estate Development? Really?!?!

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With the increasing number of real estate developments in the United States comes an increasing number of trademark infringement claims based on the similarity on the names of some of those developments. In general, this is an issue that is easy to avoid by engaging the assistance of a trademark attorney.

Trademark rights in the United States – and in individual states – are generally established based on seniority and not necessarily registration. The first to adopt and use a mark in commerce has priority in the mark and considered a senior user. No, one does not need a registration to have enforceable trademark rights, but registration can provide additional rights and remedies under both federal and state law. Unregistered rights, usually referred to as "common law" rights, are enforceable under federal and state unfair competition statutes and have virtually identical elements to those establishing trademark infringement, namely, "likelihood of confusion" of "confusing similarity".

The initial test for confusing similarity has two parts: 1) is there a similarity in the marks; and 2) is there a similarity in the goods and services associated with the mark. Seems simple enough, right? One would think, but far too many businesses run afoul of the rules, by using shortcuts. That is why it important to understand the spirit and scope of the test. Each of the parts has its own considerations.

To determine whether there is a similarity in the marks, we look at whether the marks are similar in sight, sound, meaning, and/or overall commercial impression. Any one of these can give rise to a finding of similarity in the mark. Changes in spelling, such as substituting or deleting letters thereby creating a non-conventional spelling, making changes to an existing logo, switching similar words around, or amalgamating words are all actions that do very little to overcome a similarity in marks as again we must look at how they look, how they sound, what they mean and whether they convey the same commercial impression. If they are similar in any one of those respects, we move to whether there is a similarity in the goods or

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services associated with the mark.

To determine whether there is a similarity in goods or services, we cannot look at them in a vacuum. This is because goods or services do not have to be identical, they only have to be similar or even related in some form or fashion. Therefore, two parties do not even need to be direct competitors to have similar goods or services. So long as the goods or services are related, there could be potential liability for trademark infringement or unfair competition. Conversely, if either the similarity in marks or similarity in goods or services are absent, then there is no confusing similarity.

To determine whether confusingly similar marks exist, we conduct trademark searches. Cursory and comprehensive searches are both available. Cursory searches generally include searches of: 1) the records of the United States Patent and Trademark Office; 2) Florida state business and trademark records; and 3) common law uses of the subject mark using a number of available search engines. Comprehensive searches include all of those items listed in a cursory search, but are performed by commercial search firms and include far more databases, including the business and trademark records of almost all states, domain name registrations, and many newspapers.

Each of the results found in either cursory or comprehensive searches must be viewed in light of the confusing similarity test above. While there are additional considerations that can be made upon finding of a similar mark, it is usually best to avoid a similar mark altogether and go in another direction. Trademark damages can include actual damages, statutory damages, enhanced damages in cases of willful infringement, injunctive relief, attorneys' fees, and costs. A Plaintiff in a trademark infringement action will claim that all of the profits that came from your development came from the use of the confusingly similar mark and will want that money. Even if they are not entitled to it, they will likely be entitled to see it during discovery. Damages are one thing, but defense costs and the disruption to your business often lead to additional undesirable issues and monetary losses. With damage demands and defense costs often exceeding the six-figure mark, this is one circumstance where an ounce of prevention is worth far more than a pound of cure.

If you are naming a new development, Lowndes strongly recommends that you seek the advice of experienced trademark counsel to ensure that your proposed name is available for adoption and use. Feel free to reach out to Jon Gibbs or a member of the firm's Intellectual Property Services Group for help.