

Protect Your Brand – Benefits of Federal Trademark Registration

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When thinking about intellectual property protection, particularly for startups on a shoestring budget, trademark registration is often a necessary investment that provides substantial “bang for the buck”, as the goodwill associated with a company’s brand often becomes the most valuable asset in the portfolio.

Although an unregistered trademark may receive some protections under state and federal law, the trademark must be used in commerce before those protections attach, and the protections are often limited to the geographic area of use. For a startup that is still in the initial fundraising phase and hasn’t started selling its branded product yet, this provides little to no protection.

Fortunately, the United States Patent & Trademark Office (USPTO)’s federal registration procedure allows for applicants to get in line for registration prior to use in commerce if the applicant has a bona fide (good faith) intent to use the mark at a later date. Federal registration also provides significant additional benefits not available under common law, including:

1. Nationwide protection of the mark, dating back to the earliest date of use;
2. The right to use the registered trademark symbol: ®;
3. The right to file a trademark infringement lawsuit in federal court and obtain monetary remedies, including infringer’s profits, damages, costs, and sometimes, treble damages and attorneys’ fees;
4. A statutory presumption that the registrant has the exclusive right to use the mark;
5. A basis to bar registration of a subsequent application for a confusingly similar mark;
6. Constructive notice of ownership to third parties, eliminating any “good faith use” defenses for putative infringers.
7. The possibility of incontestability for a federal registration that has existed for at least five years, which limits the grounds on which third

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parties can challenge the validity of the registration;

8. A basis for seeking trademark registration outside the U.S.; and
9. Practical benefits in policing and enforcement by third parties, such as U.S. Customs and Border Patrol, which can block imports that infringe the mark once the registration is separately recorded with Customs, and many e-commerce websites like Amazon, which will often remove infringing products from the site on the basis of a federal registration.

It is important to note that federal registration only applies to trademarks or service marks relating to goods or services in interstate commerce. I.e., federal registration is not applicable to goods and services that are offered for sale only within a single state (with a few exceptions). Oftentimes a new product rollout is strategically designed to occur in several states as early as possible so that federal registration can be secured. There are other strategies for product rollout, marketing and other activities that may dramatically affect a company's ability to build value in its trademark assets.

Although these benefits make U.S. federal registration a great investment, getting from application to registration can be a confusing process and can result in wasted time and money if done incorrectly.