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Protecting Your Business's Most Valuable Asset

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Protecting Your Business’s Most Valuable Asset

Posted on October 1, 2007 by Editor

By Leonard D. DuBoff © 2007

We wrote the book on small business law.

Several years ago, the then-president of Nike, Inc., Phillip Knight, stated at the annual shareholder’s meeting that the most valuable asset that the Beaverton, Oregon corporation had was its famous trademark.

Businesses often invest a great deal of time, money and energy in promoting their trademarks because they recognize the importance of these forms of consumer identifiers. Unfortunately, some businesses go too far, jeopardizing the protectability of their trademarks by making their marks such household names that these valuable assets may be converted into unprotectable generic terms.

Companies owning the marks Escalator, YoYo, Thermos and Aspirin learned this costly lesson. These were all protected trademarks until they lost their protection by misuse, each becoming the name of the item itself rather than an identifier of the source of the item. These marks are said to be generic, and generic terms are not protectable at all.

Many trademark savvy companies have recognized this problem and have taken steps to prevent their marks from losing protection. Thus, the Chrysler Corporation, owner of the Jeep trademark, reminds the consuming public of the fact that Jeep is a registered trademark belonging to the Daimler Chrysler Corporation. The Xerox Corporation reminds misusers of their protected mark that Xerox is a registered trademark and that you cannot “Xerox” anything—rather, you photocopy using a Xerox machine.

Recently, Google learned that its protected mark had the questionable privilege of being included as a verb in both the MerriamWebster Dictionary and the Oxford English Dictionary. This means that Google is in jeopardy of becoming generic. The company’s attorneys are sensitive to the
problem and are actively attempting to change the use of their protected mark. (See for example www.google.com/permissions/guidelines.html.)

Trademark lawyers are often aggressive in trying to protect their clients’ trademarks, especially when a mark is in danger of being lost. As a result, public relations problems can and do occur. For instance, when threatening letters are sent to trademark misusers, bloggers may post the letter and poke fun at the company responsible for the letter.

In addition to poking fun at companies that demand retractions or cessation of use, some recipients may actually turn the tables on the trademark owner. If the letter threatens litigation, the recipient may file an action for a declaratory judgment in order to determine whether the mark is still protected and whether the recipient is actually infringing. The trademark owner is then put to the expense of defending its mark in what may be a far-off jurisdiction.

It is for these reasons that many trademark owners have adopted a gentler approach. Many companies are trying to prevent their protected marks from becoming generic by educating the public with respect to the protectability and proper use of their marks. It has also become common for companies to write softer and friendlier letters noting that their word mark is still protected and that it should never be used as a noun or verb, but only as the brand name of a product or service.

Another concern for trademark owners, especially with the advent of the Internet, is international trademark protection. If a U.S. trademark is federally registered, then the owner may, by use of a relatively inexpensive procedure, obtain the assistance of the U.S. Customs and Border Protection office in preventing infringing items from being imported into the United States. The trademark owner may allow seized items to be brought back offshore, require that the infringing items be destroyed, or, if appropriate arrangements have been made with the trademark owner, allow the items to enter the United States.

Whether the use of a trademark protected in the United States is improper may be difficult to ascertain, however, since trademark laws are national, and a protected U.S. mark may be owned by one party while a foreign registration of the same or a confusingly similar mark may be owned by another. The rights may very well clash.

Unfortunately, as of the date of this writing, there is no multinational treaty to which the United States is a party that provides international protection for trademarks. The United States is a party to the Madrid Protocol, which provides U.S. trademark owners with the ability to apply for registration in numerous countries throughout the world through the U.S. Patent and Trademark Office. This means that U.S. trademark owners may be able to obtain trademark protection in many foreign countries without having to hire a foreign attorney for purposes of prosecuting the registration.

The most prominent multinational arrangement for trademark protection is available in Europe.
trademark owner may apply for a community mark throughout the EEOC countries by applying for registration in any one of the member countries.

It is not uncommon for U.S. trademark owners to license offshore businesses to use a protected mark within specified territories. Items produced in those territories but ultimately resold in the United States are not necessarily infringing, but the U.S. trademark owner’s rights are certainly being interfered with. These so-called grey market goods can negatively affect the U.S. trademark owner’s market, and steps should be taken through contract provisions to protect trademark owners from grey market activities.

High energy advertising and recognitions, such as inclusion in a dictionary, may be an advertising agency’s dream but are a trademark lawyer’s nightmare. Care must be taken when dealing with protected marks so that they do not become part of the common speech and lose their protection. Companies must also be sure to obtain appropriate international registrations and enlist the assistance of the U.S. Customs and Border Protection department when infringing goods are imported into the United States. A company’s most valuable assets, namely, its trademarks, can become worthless if they are not properly cared for.

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24 THOUGHTS ON “PROTECTING YOUR BUSINESS’S MOST VALUABLE ASSET”

nigeria

on January 30, 2014 at 11:37 AM said:

Hi there! I know this can be kinda off topic even so I’d figured I’d ask. Would you be interested in trading links or maybe guest writing a blog article or vice-versa? My website addresses plenty of the same subjects as yours and I believe we could greatly benefit from every other. In case you happen to be interested feel free to send me an e-mail. I glimpse forward to hearing from you! Terrific blog by the way!

Cleopatra Glessing

on January 30, 2014 at 6:14 PM said:

Thanks for sharing superb informations. Your site is so cool. I am impressed by the details that you
plotka
on February 1, 2014 at 1:47 AM said:

I also, want a followup to this repair. It can be fascinating. I when had a repair produced on a cast iron exhaust manifold for just a 1932 Packard.

best skate shoes
on February 1, 2014 at 2:09 AM said:

I believe that is one of the most vital info for me. And i’m satisfied studying your article. But should observation on few normal things, The site taste is ideal, the articles is actually great :
D. Good process, cheers

Gdansk
on February 1, 2014 at 3:38 AM said:

Peculiar article, entirely what I wanted to find.

folding bike reviews
on February 3, 2014 at 7:28 PM said:

Hey this is somewhat of off topic but I was wondering if blogs use WYSIWYG editors or if you have to manually code with HTML. I’m starting a blog soon but have no coding knowledge so I wanted to get guidance from someone with experience. Any help would be greatly appreciated!

scroll saw reviews
on February 3, 2014 at 7:51 PM said:
Wonderful article! We are linking to this particularly great content on our website. Keep up the great writing.

**best espresso machine**

on **February 4, 2014 at 12:19 AM** said:

Highly energetic article, I liked that a lot. Will there be a part 2?

**clothes steamer reviews**

on **February 4, 2014 at 1:07 AM** said:

I’m not that much of a internet reader to be honest but your blogs really nice, keep it up!

I’ll go ahead and bookmark your site to come back later on.

Cheers

**best rifle scope**

on **February 4, 2014 at 2:14 AM** said:

great submit, very informative. I wonder why the opposite specialists of this sector don’t understand this. You must proceed your writing.

I am confident, you’ve a huge readers’ base already!

**best robotic pool cleaner**

on **February 4, 2014 at 3:29 AM** said:

Unquestionably believe that which you said. Your favorite reason appeared to be on the internet the easiest thing to be aware of. I say to you, I certainly get annoyed while people consider worries that they plainly do not know about. You managed to hit the nail upon the top and
defined out the whole thing without having side effect, people can take a signal. Will likely be back to get more. Thanks

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**vacuum sealer reviews**

on **February 4, 2014 at 4:10 AM** said:

Hi there! This is kind of off topic but I need some advice from an established blog. Is it tough to set up your own blog? I’m not very technical but I can figure things out pretty fast. I’m thinking about making my own but I’m not sure where to start. Do you have any points or suggestions?

Cheers

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**best home gym**

on **February 4, 2014 at 4:23 AM** said:

Great delivery. Sound arguments. Keep up the good spirit.

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**best pressure washer**

on **February 4, 2014 at 5:17 AM** said:

It’s awesome to go to see this site and reading the views of all friends concerning this paragraph, while I am also keen of getting knowledge.

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**best garbage disposal**

on **February 4, 2014 at 5:23 AM** said:

I’m truly enjoying the design and layout of your website. It’s a very easy on the eyes which makes it much more pleasant for me to come here and visit more often.
Did you hire out a developer to create your theme? Exceptional work!

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**community**  
**on February 4, 2014 at 10:20 AM** said:

My husband and I ended up being fulfilled when Chris could conclude his look for from your ideas he was given within your site. It’s now and again perplexing to just possibly be handing out secrets and methods that quite a few some other men and women might were selling. So we recognize we now have got the writer to appreciate due to that. Individuals illustrations you have made, the uncomplicated internet site menu, the friendships you will support to produce it is everything about this content is wonderful, which is undoubtedly specifically essential. Thanks to your whole thing!

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**nigeria entertainment news**  
**on February 4, 2014 at 10:32 AM** said:

Hey quite cool world-wide-web site!! Guy .. Beautiful .. Superb .. I will bookmark your blog and take in the feeds also…I am satisfied to find so many interesting info here from the post, we’d like develop much more ways in this regard, thanks for sharing. . . . . .

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**best vacuum for hardwood floors**  
**on February 4, 2014 at 12:26 PM** said:

Hi there, I would like to subscribe for this weblog to obtain hottest updates, therefore where can i  
do it please help.

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**best electric tea kettle**  
**on February 4, 2014 at 10:17 PM** said:

I simply couldn’t go away your website prior
to suggesting that I extremely loved the standard info a person supply in your visitors?

Is gonna be back continuously in order to investigate cross-check new posts

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**best recumbent exercise bike**

on **February 4, 2014 at 10:56 PM** said:

you are in point of fact a good webmaster. The website loading pace is incredible. It sort of feels that you’re doing any unique trick.
In addition, The contents are masterpiece. you’ve performed a fantastic process in this matter!

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**band saw reviews**

on **February 4, 2014 at 11:52 PM** said:

Nice weblog right here! Also your web site a lot up fast!
What web host are you the usage of? Can I get your affiliate hyperlink for your host? I wish my site loaded up as quickly as yours lol

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**Nigeria social network**

on **February 5, 2014 at 12:18 AM** said:

It is my belief that mesothelioma is most lethal cancer. It’s got unusual features. The a lot more I take into account it the higher I am assured it does not conduct itself like a actual solid tissues cancer. Inside the event mesothelioma is often a rogue virus-like infection, then there is the prospects for developing a vaccine plus offering vaccination for asbestos uncovered those who are vulnerable to high risk connected with developing lengthy term asbestos associated malignancies. Thanks for discussing your ideas about this crucial ailment.

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**Duane Vandivort**
Einige der Kommentare scheint aus propotion aber im Allgemeinen die ursprüngliche Beitrag ist ein gutes kleines Stück Arbeit.

Cheap Nike Free

on February 6, 2014 at 4:48 AM said:

Heya i’m for the first time here. I found this board and I find it really useful & it helped me out much.

I hope to give something back and help others like you aided me.