



BUYNAK LAW FIRM

TRADEMARK SEARCHING

(Intellectual Properties Advisory 2009-10)

This Advisory discusses the purposes of trademark searches as well as the general procedures and costs to conduct preliminary and full trademark searches. It is neither exhaustive nor tailored to your specific situation. You should discuss your personal situation with us or with your own attorney. Our representation is only undertaken through a written engagement letter and not by the distribution of this Advisory.

Before applying for registration of or beginning to use a trademark or service mark, it is important to determine whether another person or entity owns rights in the proposed mark. This determination is particularly important in the United States, where (with some important exceptions) first use of a mark trumps first registration of a mark, i.e., rights in unregistered marks can be enforced against later-adopted registered marks. This investigation typically takes the form of a two-part search.

PRELIMINARY SEARCH

This search eliminates from consideration those proposed marks that are identical or too close to marks already registered (or in the application process) for the same or similar goods or services.

Source and Coverage. A preliminary search can be done on the U.S. Patent and Trademark Office database, which covers only federal registrations and applications, or through an online searching service, which includes the federal material along with state registrations.

Cost. The cost for a preliminary search depends on the number of hits to be examined and whether any of these need to be researched to determine, e.g., whether a company is still using the listed mark or has abandoned it through non-use. Analyzing the hits and discussing them in a phone call is likely to range from \$375 - \$600 per mark, with some economy of scale for checking several marks containing the same word or words. When there are many problematic hits, it is sometimes clearer and more efficient to do a brief email report than to review them in a phone call; the email report can add \$375 - \$700 to the cost. The total cost for a preliminary search can therefore range from \$375 to \$1,300, depending on the number and type of hits disclosed by the search and the type of report.

Comfort level. The preliminary search discloses marks for which persons or companies have sought or are seeking registration, with a small gap in timing based on the frequency with which the databases are updated. It does not cover unregistered, common-law uses of a mark, which, as noted above, can block use of a later-adopted registered mark. The downside of not proceeding to a full search is that a person or company may invest significant resources in marketing and in the production of collateral, only to find out later (sometimes when the product is launched, sometimes years later) that another party has prior rights. In a worst case scenario, use of the later-adopted mark could be stopped by the prior user, and all of the brand recognition built up over a period of time by the later user would be lost.

FULL SEARCH

Once bad bets are eliminated through a preliminary screening search and the list of potential marks has been narrowed down to one or two favorites, we strongly recommend doing a full search.

Source and Coverage. We order a full search from an outside service that has developed huge proprietary databases for searching unregistered uses of marks. The search covers common-law uses of similar marks, as well as similar domain names; it also provides a broader review of federal applications and registrations and state registrations, taking into consideration marks that sound like the mark being searched, or that contain identical components. The common-law portion includes a search of targeted trade publications and listings, (e.g. business names in Dun & Bradstreet databases). A prior-adopted business name can also preclude use of a similar mark, if the lines of business are similar.

Cost. Again, the cost depends on the number of hits to be examined and whether any of them require further research. The cost for a search report for one mark is \$685, assuming a regular (not rush) turnaround, and that the search is for the U.S. only (foreign searching is also available). For a brand expansion search, which is recommended if you plan to license your mark for use with a broad range of goods and/or services, the cost is \$1,000. For alcoholic beverage marks, we recommend an extended search of online references, which brings the total search report cost to \$750. To review and analyze a search and to report the results will generally cost \$800 - \$1500 on top of the search. The lower end of the range assumes a report by phone, and the upper end reflects the time needed to write a detailed advice letter. The total cost for the search and analysis can therefore range between \$1,485 and \$2,500, depending on the type of search and the type of report. If substantial research is required regarding one or more of the hits, the cost could be higher.

Comfort level. Although no search can realistically disclose all activity in the marketplace or provide a guarantee that a mark is available for use or registration, this is the most thorough search available and provides the highest comfort level.

Conclusion. Because first use of a mark generally determines ownership of that mark, trademark searches are an essential protection for persons considering use of a trade or service mark.

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This Advisory is one of a series of business, real estate and tax advisories prepared by the attorneys at the Buynak Law Firm. Should you have further questions regarding the information provided in this Advisory, please contact the author at the number listed above.

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