

The Marlette Report

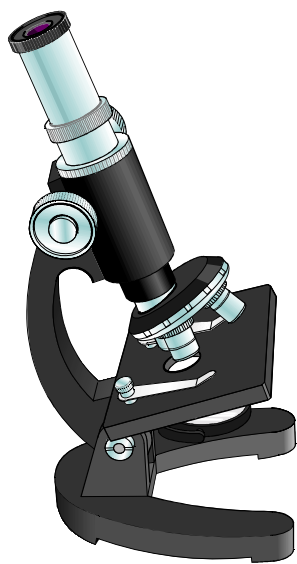
Vol. 5 No. 3

State Trademark Registration and Enforcement

January 2024

State Trademark Registrations Provide Meaningful Protection

The benefits of State Trademark Registration and Enforcement are often overlooked by corporations and trademark practitioners alike. This is due, in large part, to the fact that state registrations have been viewed individually rather than collectively. Like junk bonds, the collective power of multiple, seemingly innocuous, state trademark registrations may be formidable. Historically, state agencies did not conduct pre-registration examinations. Thus, many individual state registrations were not given the effect of constructive notice, or presumptions of ownership and validity -- as in federal registrations. Most state statutes do not particularly codify these rights. However, many other rights are conferred which are often overlooked. Today, most state registration statutes



specifically retain common law rights. Today, state common law rights are enhanced because most states now conduct a search prior to registration. Today, state registrations provide *evidence* of notice, *evidence* of ownership, and *evidence* of validity, in addition to a number of additional rights and benefits set forth below.

A Brief History of State Trademark Law

State trademark protection and practice have existed for over 100 years. Prior to 1900, many states enacted statutes for state trademark registration and enforcement. In 1964 the National Conference of Commissioners on Uniform State Laws approved the Model State Trademark Bill and in 1966 approved the Uniform Deceptive Trade Practices Act. In 1992, the United States Trademark Association (now the International

Trademark Association, "INTA") approved a major revision to the Model State Trademark Bill. The intent of the Model State Trademark Bill, as set forth by INTA, is to provide a uniform system of state trademark registration and protection which is similar to the federal Trademark Act of 1946 ("The Lanham Act"). Today, some states retain the Model Bill of 1964, some have adopted the Model Bill of 1992 and some have individual systems. Collectively, registration in all 50 states provides powerful protection.

Marlette IP
LEGAL GROUP LLC



Todd E. Marlette, Esq.
P.O. Box 129
Nassau, DE 19969
voice 703-231-6600

marlette@marletteip.com
www.marletteip.com

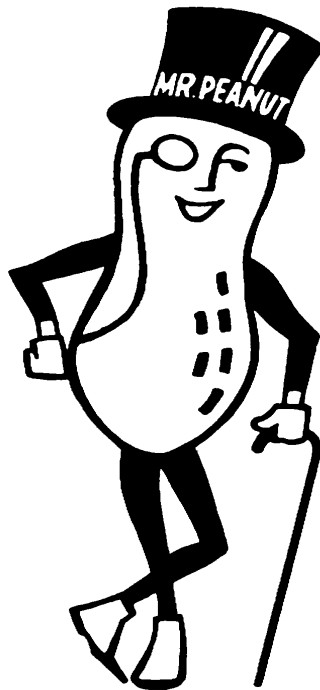
MEMBER MICHIGAN AND MARYLAND BARS
MEMBER DISTRICT OF COLUMBIA BAR
REGISTERED PATENT ATTORNEY, U.S.P.T.O.
NOT MEMBER DELAWARE BAR

Individual Searches in 50 States by 50 Separate Authorities

As a trademark owner, you have a duty to "police" your marks and to take action against unlawful use. A failure to police your trademarks may result in the loss of trademark rights or cancellation of a federally registered mark. As part of the state trademark registration process, 50 different government agencies will conduct 50 separate searches. Even if no infringement is found, your state trademark applications will provide *evidence* that you are policing your marks. The state registration process is also available for service marks and trade names.

Notice to Others via State Trademark Registration Database

When determining if a mark is suitable for use and federal registration, most users will conduct a state trademark search to determine if the mark is available. Through registration in all 50 states, your mark will appear 50 times on computer generated state search reports, such as Dialog and Thompson & Thompson. This discourages others from "overlooking" your single



Planters Peanuts, circa 1916

federal registration and sends a clear message to "back off" from your mark. In addition, many states have codified that state registration provides constructive notice of your mark within their state.

Protection Against State Corporation Filings

Corporations are formed at the state level. However, most state agencies do not check the federal trademark database before granting incorporation status. Nevertheless, most state agencies do check their internal state trademark databases during the incorporation process. Your state registrations will

automatically enter your mark into most state databases for corporate name searches, thereby protecting your mark against confusingly similar corporate name registrations.

Evidence that Your Trademark is "Famous"

President Clinton signed into law the Federal Trademark Dilution Act of 1995. The federal dilution provisions are now part of the Trademark Act of 1946, § 1051, et seq., commonly known as "The Lanham Act." A key component for compensation under the terms of the Act is proving that your mark is "famous." State trademark registrations provide *evidence* that your mark is "famous." Your complaint or *ex parte* motion for injunctive relief will be stronger if it includes 50 certificates of registration from 50 states. The Model State Trademark Act of 1964 is in effect in many states and provides additional protection against "dilution." However, there are some differences from the Federal Trademark Dilution Act. The State Act includes a prohibition against "injury to business reputation" -- the Federal Act does not. The Federal Act describes the marks entitled to protection as "distinctive and famous" and lists factors in determining

whether the marks are entitled to such protection. However, the State Act does not generally require marks to be "famous."

Maximum Protection

When questioned by your board of directors, or in a response to interrogatories, or during a deposition, you may respond that your corporate trademarks have "Maximum Protection." Some corporate trademarks are the most valuable assets of the corporation. Brand identity turns good will into economic assets. When your marks are important to your bottom line, "Maximum Protection" includes registration in all 50 states.

Additional Protection for Federally Registered Trademarks

Your federally registered trademark is vulnerable. An Affidavit of Use under §8 of The Lanham Act may accidentally not be filed, or a Cancellation Proceeding may be instituted against your federally registered mark. By maintaining 50 separate state registrations, you may file state based actions while matters remain pending before the U.S. Patent and Trademark Office. Most trademark conflicts end in settlement. State registrations



Goodyear Tire and Rubber Company, circa 1970

provide clear geographical limitations for trademark licensing and also provide a basis for additional revenue during licensing negotiations.

Minimize the Threat of Litigation

Unfortunately, in today's competitive environment, a major component of litigation is the size of your bank account. Having 50 separate registrations gives you the power to maintain 50 separate lawsuits in 50 separate states

State Certificates of Registration Increase Stockholder Value

which cannot be joined. This power also provides a deterrent against other companies that may seek to tie up your federal registration while continuing to compete in the market. Furthermore, your 50 state registrations will deter others from seeking to file 50 separate state actions against your company.

State Registrations are Economical

The costs associated with filing for state trademark protection are very economical using our State Trademark Registration and Enforcement System. The costs of preparing and filing 50 state trademark applications for registration in *all* 50 states are similar to the cost of preparing and filing a *single* United States patent application.

Corporate Balance Sheet

The valuation of your corporation includes intellectual property. Due diligence requires valuation of your state trademark certificates of registration and related applications *in addition* to your federal registrations. Your state certificates help to turn your good will into tangible assets for your department, your division, and your company. State certificates realize capital gain on your balance sheet and serve to increase stockholder value.

Direct Protection Against Dilution

Most states mandate that “confusingly similar” marks will not be granted state registration status. Thus, your state registrations provide direct protection against registration of other marks which may be “confusingly similar.” This provides a hedge against dilution of your mark.



United Fund, circa 1970

State Level Search and Seizure

State trademark registrations provide state-level authority in support of search and seizure of counterfeit goods. Trademark infringement and counterfeiting are considered criminal acts in many states.

Added Protection for Supplemental Registrations

Marks which may not be registered on the Principle Register of the United States Patent and Trademark Office, but which are capable of

distinguishing one’s goods or services, may be registered on the Supplemental Register. A certificate of supplemental registration is not *prima facie* evidence of ownership, or an exclusive right to use. State certificates of registration provide added protection for all marks which are registered on the Supplemental Register.

What the Experts Say

State trademark registrations are by no means a substitute for federal protection. J. Thomas McCarthy offers in chapter 22 of *McCarthy on Trademarks and Unfair Competition* that “some state registrations have little offensive significance.” However, *McCarthy* continues that “some certificates of registration are admissible as competent evidence of registration,” some state registrations “create *prima facie* evidence of validity,” and “some state statutes create constructive notice.” Moreover, *McCarthy* states that “registration can serve as a valuable card in settlement negotiations with an alleged infringer, or in sales negotiations with a potential buyer of a business.” *McCarthy* also states that “state registrations may have a valuable defensive effect in that they are on public record and will easily be found by others who have a nationwide search made.” Collectively,

state registrations provide protection and value.

Additional Information

There are a number of resources which may provide additional information regarding State Trademark Registration and Enforcement. See J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, ch. 22 (Clark Boardman Callaghan); Gilson, *Trademark Protection and Practice*, §1.104[5] (Mathew Bender); Hawes, *Trademark Registration Practice*, ch. 22 (Clark, Boardman, Callaghan); International Trademark Ass’n, *State Trademark and Unfair Competition Law* (Clark, Boardman, Callaghan); Marlette, *State Trademark Law Handbook* (Todd E. Marlette, Esq.); and Marlette, *State Trademark Law Formbook* (Todd E. Marlette, Esq.).



Todd E. Marlette, Esq.
P.O. Box 129
Nassau, DE 19969
voice 703-231-6600

marlette@marletteip.com
www.marletteip.com

MEMBER MICHIGAN AND MARYLAND BARS
MEMBER DISTRICT OF COLUMBIA BAR
REGISTERED PATENT ATTORNEY, U.S.P.T.O.
NOT MEMBER DELAWARE BAR