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Trademark Clearance is a Sound Business Decision for New Business Names or Product Lines

Before investing in a new business name or product line, it is a good idea to evaluate whether the proposed trademark conflicts with preexisting marks. There is no legal duty to perform a search for other trademarks before adopting a mark. However, failing to perform a search can result in adoption of a mark that infringes a senior user's rights. Additionally, failure to perform a comprehensive search for preexisting marks can lead to inferences of willful infringement and additional exposure to damages.¹ Conversely, performing a comprehensive search for preexisting marks can suggest a mark owner did not willfully infringe a preexisting mark.² Thus, it makes sense—as a “defensive” strategy—to diligently clear your proposed trademarks.

Clearing a new trademark is a sound “offensive” strategy as well. You should choose a mark that you can register with the United States Patent and Trademark Office (USPTO) because federal registration confers many benefits, such as a right to use the mark (and expand your business) nationwide and enhanced remedies against infringers. However, federal registration is not available for new marks that are likely to cause confusion with another registered mark or a mark or trade name previously used in the United States that is still in use.³ Therefore, evaluating whether your proposed mark is likely to cause confusion with another mark, before paying for a registration application, is highly recommended.

The scope of a trademark clearance strategy will depend on the size of your investment, your budget, and the level of risk you are willing to take. There are many different “pools” to search for preexisting

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The Closely-Held Business Team attorneys at Harrang Long Gary Rudnick are committed to serving the needs of business owners in a responsive and proactive manner. They understand the challenges and the opportunities provided by the law in today's business climate, and are focused on the advancement of each client's success in business.

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marks, including basic internet search engines, the USPTO's electronic database, and proprietary databases of state trademark registrations, common law tradenames, and domain name registrations. There are also different "depths" to search, from a "knock out" search that looks for direct matches to a more comprehensive search of all derivatives of a particular mark.

Whether your proposed trademark is likely to cause confusion with a mark that turns up in a search result depends on a variety of factors, including the similarity of the marks, the similarity of products or services associated with the marks, and the overlap of marketing channels. For these reasons, you should consult with legal counsel to devise a trademark clearance strategy that fits your business plan, or to obtain advice about whether any search results—or other marks of which you are aware—are a cause for concern.



For more information about setting up, monitoring, and enforcing your trademark rights, or for any questions about your intellectual property, contact [John C. Rake](#) (pictured above) or Randy Duncan at 503.242.0000.

¹ *Int'l Star Class Yacht Racing Ass'n v. Tommy Hilfiger, U.S.A., Inc.*, 80 F.3d 749 (2d Cir. 1996).

² *W.W.W. Pharm. Co. v. Gillette Co.*, 984 F.2d 567, 575 (2d Cir. 1993).

³ 15 U.S.C. § 1052(d).