

# Protect Your Business Name in the Information Technology Era

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There is a popular misperception among many small and closely-held business owners regarding their business name. State law demands that any corporation formed within that state must “have a name unique from others” within the state. Therefore, many business owners mistakenly assume that their name registration confers unlimited rights to that name. Unfortunately this is not true and can lead to expensive legal issues.

In order to correct this misconception, it is important for business owners to have a basic understanding of certain intellectual property terms. A trade name is essentially the name used by an entity to conduct business and is defined as “a name which by user and reputation has acquired the property of indicating that a certain trade or occupation is carried on by a particular person. Using a tradename does not necessarily grant you any trademark or servicemark rights, unless the name is being used in a manner that fits within the definition of those terms. A trademark is defined as “a distinctive mark, motto, device, or emblem, which a manufacturer stamps, prints, or otherwise affixes to the goods he produces, so that they may be identified in the market, and their origin be vouched for”. Additionally, a service mark “is a mark of identification or a brand that is associated with a service the way a trademark is associated with goods”. Those definitions were taken directly from Black’s Law Dictionary based on very basic research in two minutes time. The ease of finding this information online, coupled with electronic filing procedures has greatly added to the volume of trademarks and intellectual property filings. There are hundreds of trademarks filed daily and more litigation over the use of those trademarks than ever before. The area of intellectual property has exploded in the past ten to twelve years.

Unlike the late eighties and early nineties in a world with far less means of communication, when landline telephone was your source of contact and the Yellow Pages served as today’s Google. Today, however in the information technology era, everything you need is at your fingertips. If you need a number, Google will find anyone or any business you want to call. If you need a business name, enter in something close to the name in an area close to the businesses location and Google will more than likely locate your search target. While the efficiency today is unmatched, so is the increase in litigation regarding intellectual property and trademarks. For example: if a small to midsized business had a company in Illinois, such as Ben’s Pizza perhaps, in the eighties or nineties, another company known as Ben’s Pizza (in California) would never have the knowledge the two coexisted. Now, with the use of an internet search engine, the two can learn of potential conflict in no time. This search revealed 584,000 hits and according to a USPTO search only one “Famous Ben’s Pizza of Soho” related trademark exists on record. Does the owner of this trademark, NAP, Inc. have some work to do to protect its name?

Trademarks can be filed at the state level, typically with your respective Secretary of State’s office. However, it is not the best option for protecting the mark and the brand. In order to provide maximum protection to a trademark, it should be filed at the federal level. Federal trademarks are governed by the United States Patent and Trademark Office, commonly referred to as the USPTO. The USPTO uses four

categories to determine the basis of a trademark's use, but the most common bases for filing a trademark are either an "intent-to-use basis" or "use in commerce basis". Under the intent-to-use basis, the trademark applicant has a mark, but the mark is not yet being used in commerce. The use in commerce basis is the complete opposite; under this basis the mark is already being used in commerce of either goods or services.

Once basis is determined, an applicant must determine the appropriate classification for the mark. While there are only forty-five classes available, there are endless options available within those classes. For example, chocolate milk and milk-based beverages with chocolate are in a different classification than milk chocolate and chocolate-based beverages with milk. This proves that classification is very important, but take note that your trademark can be classified in multiple ways. Take the word mark "PETCO" for example. It is classified under twelve different classifications from Class 5 (Pharmaceuticals) to Class 41 (Education and Entertainment Services) and each classification is still applicable to the mark of "PETCO". Thus, the filing process can be complex but extremely effective when you need to protect your businesses name.

There are potentially thousands of conflicts in intellectual property that exist right now. If you are in business and incorporated or organized in any particular state, I challenge you to run a name search on any search engine. How many other companies are using your identical or name eerily similar to the one that you choose? If you have concerns regarding your intellectual property rights, or you have a business name that derives value, are you doing everything you can to protect the longevity and use of such name? Are you able to expand into new territory using such name? These are question that should be answered if the name of your business plays an integral role in your businesses success. The experts at The Center are always available to help at (618)997-3436 or visit us inline at [taxplanning.com](http://taxplanning.com).