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Community Associations Newsletter

Protecting Your Association's Name

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Every community association's (CA) goodwill is tightly bound to their name. Sometimes others use the CA's name without the association's permission. This can range from real estate agents seeking to benefit from the association's goodwill by creating an unauthorized, implied affiliation or sponsorship with the CA, to groups trying to hold themselves out as the authorized agent of the association. Sometimes these groups will obtain domain names and create web sites or publications in manners to suggest that they speak for the association. Many times there are emotionally charged issues behind these activities.

When these types of events occur, associations will often contact legal counsel for advice on how to protect their identity and how to stop the unauthorized user from continuing to use the association's name.

In responding to these inquiries, one of the first questions is what rights does the CA have in its name? Almost certainly the CA owns state tradename rights as part of obtaining their legal organizing documents. This right is somewhat limited in that it is usually only a bar to other entities from creating another organization with an almost identical name in the secretary of state's office.

When a tradename is also used to identify a service, it obtains service mark rights. In the CA world, when the association uses their name, often in a photograph of their community sign as a masthead banner on their web site and on other official documents, the CA will usually obtain common law rights in the mark for the geographic area of actual use for the types of services actually provided. These rights tend to be narrowly construed and the burden is on the CA to prove the scope of its rights, not least of which is proof of the date of adoption of the service mark, the extent of use and their enforcement activities against infringement. These proofs are almost always time consuming and expensive.

This is where the efficiency of the federal trademark registration system shines. As of the filing date of the federal application, assuming the application successfully passes examination and the 30 day public opposition period, the applicant will be granted nationwide priority rights in the mark. Of course many associations would rightly note that the services they provide are primarily local. In this age of the internet, there are few things that are truly local anymore. For example, note the 10 year legal fight over the SC interlocking logo that went to the US Supreme Court between the University of Southern California (winner) and the University

of South Carolina.
http://sports.yahoo.com/ncaa/football/blog/dr_saturday/post/Finally-USC-is-the-real-SC-thanks-to-U-S-Su?urn=ncaaf-274469 In other words, even a locally based CA needs some assurance their rights will not interfere with, or be interfered with, by another entity in the United States.

A federal trademark registration serves as prima facie (automatic) evidence of the ownership, validity, and the exclusive right to use the trademark. 15 USC 1057(b). The obtaining of a federal registration should let a CA avoid the uncertainty and expense of having to prove common law rights in their service mark.

The US Patent and Trademark Office has gotten very efficient at registering trademarks and is very technologically sophisticated. The first step is conducting a trademark search at <http://tmsearch.uspto.gov/bin/gate.exe?f=tess&state=4802:nu2ix7.1.1> to see if the desired trademark is available. While these searches are not perfect, they are free and provide immediate results.

Applications are prepared, filed and processed electronically. The time period from application to registration, assuming no unusual problems is about one year.

Proper use of the mark is very important. A “tm” can be used next to the mark immediately indicating that trademark rights are being claimed in the mark. The circled ® can only be used upon successful registration of the mark.

Also, the mark (for example using a picture of the development sign) should be used prominently on the web site and on documents where the CA’s services are actually being provided to the public.

Rees Broome is happy to assist by providing advice and in securing rights in these important trademarks for CA clients.