

# Standing out

How to manage an online presence using trademarks and domain names

In the Information Age, every business has a website that is available to any person in the world who points a Web browser to its address. As a result, businesses must understand how to create an online presence that enables customers to find them and distinguish them from their competitors.

“Basic knowledge concerning trademark rights, website addresses and how they work together is key for any business in establishing and defending its online identity,” says John Haarlow, Jr., an attorney at Novack and Macey LLP.

*Smart Business* spoke with Haarlow about how to establish a strong Web presence.

## What is a trademark?

The term trademark generally refers to a name or symbol used to identify a business or the goods and services it provides. For example, the name Nike and its swoosh symbol are both identified with Nike Inc. The concept of trademarks recognizes that consumers associate symbols and words with particular businesses, goods and services. One reason trademark law exists is to prevent consumer confusion caused by the use of similar words or symbols in association with competing or related goods.

## What is a registered trademark?

A registered trademark is a mark that has completed the federal registration process before the U.S. Patent and Trademark Office. During registration, the proposed registered trademark must pass various substantive standards, such as not creating a likelihood of confusion with other registered trademarks for related goods or services. Registration does not require the assistance of an attorney, but one can be helpful during the process.

## Why should a trademark be registered?

Every trademark used grants some rights automatically, including the exclusive right to use the mark within the user's geographic market area. However, federal registration provides a more powerful group of rights, such as exclusive use of the mark in commerce nationwide in connection with the registered goods and services, so other businesses cannot use a similar mark in connection with similar goods or services. A registered trademark also provides notice to others that it is in use, making it is less likely that they will adopt or register similar



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marks. Should a controversy arise, a registered trademark enjoys a presumption of validity in litigation.

## What is the connection between a trademark and a website?

When looking for a particular company or product website, many consumers expect that typing the company or product name, followed by .com in a browser's address bar will take them to the right place. Thus, owning a domain name that corresponds with a trademark designating the name of a business or product is likely to make it easier for consumers to find them on the Web.

If possible, every business should own domain names corresponding with both its name and its products' names. Consider registering multiple domain names to increase the chances consumers find your business or product on the Web and reduce the chances that others might obtain similar domain names.

## How do companies obtain domain names?

It is easy to find one of the many companies that provide domain name registration. What can be difficult is finding an available domain name, as registration is on a first-come, first-served basis. Thus, while Delta Air Lines and Delta Faucet Co. can coexist in the market-

place because they sell different goods and services, only one of them can own delta.com. Moreover, owning trademark or other rights to a name is not a prerequisite for registration.

Anyone can register any domain name, regardless of whether he or she has recognized rights to the words registered. While there are legal remedies for cybersquatting — the improper registration of a domain name that is the same as or similar to a trademark with the bad faith intent to profit — they require resources that are not available to all businesses. As a result, the availability of domain names should be a consideration when choosing the name for a new product or business.

## How does trademark registration help a business defend its rights on the Internet?

A federally registered trademark provides the exclusive right to use the mark nationwide. Thus, a domain name cannot use a registered trademark in a way that is likely to cause confusion between the domain name and the mark. In such circumstances, the holder of the federal registration will most likely be able to force the owner of the website to relinquish all rights to the offending domain name. This is true even when the two businesses use the marks at bricks-and-mortar locations in two different geographical areas.

For example, assume that the fictitious Beta Widget Co., marketing its products at beta.com, sells widgets in stores in Illinois and Wisconsin and obtains a registered trademark for the use of Beta in connection with widgets. Subsequently, Gamma Widget Co. begins selling a new line of widgets in North and South Dakota that it calls Beta Widgets and launches the website betawidgets.com. Consumers looking for Beta's widgets might type betawidgets.com into their browsers, only to find themselves at Gamma's website and be confused as to the source of the goods.

Should this chain of events come to pass, Beta would likely be successful in forcing Gamma to cease using the name Beta Widgets to refer to its new widget line and would likely be able to force Gamma to stop using the betawidgets.com website. However, if Beta did not have registered rights, these remedies would be in far greater doubt because only registered rights provide a national right to exclude, precluding Gamma from mounting a defense on the basis of the two companies' distinct markets. <<

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