



by Wendy Buskop  
Buskop Law Group, P.C.

# Trademark Basics Protect Your Brand

## What is a trademark?

A trademark is any word, name, symbol, or device that identifies goods of one company and distinguishes them from goods of others. Trademarks may also consist of the shape of the goods or package, slogans, colors or any combination of these. A trademark is a proper adjective that modifies a generic name of a product. As a proper adjective it should always be capitalized. For Example, “Budweiser” is a trademark; “beer” is a generic name. A trademark should never be used as a noun or a verb. The Xerox Corporation fights to preserve its trademark by discouraging the use of the name of their company’s trademark products as nouns or verbs. It is inappropriate to say, “Make a Xerox,” or “Xerox the document;” the company uses advertising and actively pursues those who misuse its trademarks to prevent their mark from becoming an unprotectable generic name for photocopies. Some examples of words that were once trademarks but became generic names through usage as nouns are “aspirin,” “shredded wheat,” and “escalator.”

A trademark is not a trademark until it has been used to identify goods. Using the mark in advertising, on business cards or the like is not enough. The mark must be affixed to the goods or the packaging in order to be entitled to the legal status of a trademark.

An advertising agency may not file for marks it does not have a bona fide intent to use with the sale of a good or service from its offices.

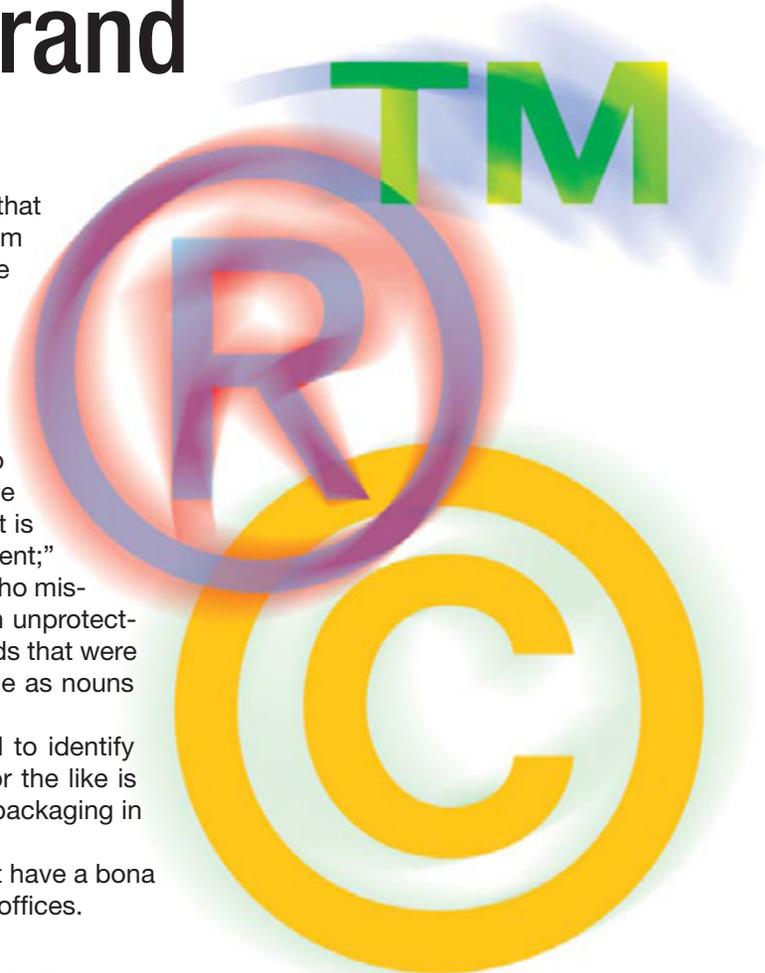
## How do you choose a trademark?

A good trademark is one that the public will easily remember and associate with goods of a given company, as contrasted to other goods of the same generic kind. A trademark should be readily distinguishable from the generic or common name of the goods. Cute variations of generic names usually do not make good trademarks. Trademarks should also be different from the marks of competitors and should not sound the same or look the same. The strongest trademarks are those, which have no dictionary meaning, such as EXXON or XEROX.

When a tentative trademark has been selected, a search should be done to find out whether anyone else is using a similar trademark for similar goods. Often the process of selecting tentative trademarks and searching for conflicting uses must be repeated several times before a suitable trademark is found.

## What is a trade name?

A “trade name” is the name of a business. It may or may not be the same as a trademark that identifies a product of that business. For example, “Cadillac” is a trademark for automobiles made by a company whose trade name is “General Motors Corporation”; “Ford” is a trademark for automobiles made by a company whose trade name is “Ford Motor Company.”



Corporate names are the most widely used form of trade names. A trade name may or may not be the legal name under which a business is registered in its state of incorporation. A trade name does not have the same legal status as a trademark.

### **What is a service mark?**

A service mark is any word, symbol, phrase or device, which identifies services, rendered by a company and distinguishes them from services rendered by others. For example, “Fly the Friendly Skies” is a service mark for air transportation services provided by United Air Lines.

A service mark must be used in connection with the rendering of a service in order to be entitled to the legal status of a service mark. However, one cannot very well affix a service mark to a service, and hence use of the mark in advertising, on business cards or the like can sometimes be sufficient to entitle a service mark to legal protection.

## **TRADE SECRETS**

### **Do companies have trade secrets? Yes – they do!**

A trade secret is any compilation of information which is used in one’s business and which gives one an opportunity to obtain an advantage over competitors who do not know it. The owner of a trade secret must take measures to prevent it from becoming available to persons other than those selected by the owner to have access for limited purposes. Examples of trade secrets include salary information, customer and vendor lists, unpublished works of authorship, software, marketing and sales plans, and marketing forecasts and pricing information.

### **Do you protect trade secrets?**

By definition, a trade secret must be kept “secret” or the trade secret becomes public information and anyone is free to use it. Therefore, the key to a trade secret is secrecy. As long as the company guards the secret, the courts will protect the secret from misappropriation by others. A court will penalize one who steals or wrongfully appropriates a secret.

### **How to protect a trade secret?**

The one sure way of protecting a trade secret is not to disclose it to anyone.

Unfortunately, that is not always practical, at least not if the trade secret is to be used to commercial advantage. Therefore, the best way to protect a trade secret is to disclose it to as few persons as possible and to be sure those persons know they are to keep it secret.

Use Secrecy Agreements! Use them with employees of and vendors to your company!

The following are some techniques that have been found to be of value in keeping information secret and in persuading a court that “reasonable” steps have been taken:

- Mark information as “company confidential” or “secret”;
- Restrict access to the information, for example, by maintaining it in a secure place;
- Establish a system of physical plant security (clip-on employee ID tags, do not allow cameras onto the premises, card-key doors);
- Control visitors (keeping a visitor log, issuing visitor ID tags, not allowing visitors access to the premises unescorted);
- Control access to photocopy machines;
- Destroy or shred waste materials containing trade secrets;
- Require written employee secrecy agreements (these are often combined in a single document with patent and copyright assignment agreements); and

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- Conduct new hire and exit interviews emphasizing to newly hired and departing employees that they have a legal duty to maintain the secrecy of the company's trade secrets.

Someone who steals or wrongfully acquires a trade secret may be subject to civil and/or criminal action (usually in state court). They may then be subject to payment of damages and fines, an injunction or imprisonment. Trade secrets are property, and those who steal them may be prosecuted under the same statutes that cover other thefts of property or under special statutes dealing specifically with the theft of trade secrets.

Except as covered by a confidential disclosure agreement, the company should avoid receiving information on a confidential basis from anyone outside the company. Wrongfully using another company's trade secrets can expose the company and employees receiving the secrets to legal penalties. Observing the following guidelines can help prevent such problems:

- Do not assume the company has any right to use another company's secrets;
- Do not hire a competitor's employee to gain access to the competitor's secrets; and
- If a competitor's employee is hired, instruct the newly hired employee in writing that the company expects him or her to protect the former employer's secrets.
- Many companies encourage their employees to publish articles in professional and trade journals and to make

presentations at meetings of professional societies. Such activities enhance the professional career of the employee and the company's prestige. However, the company should guard against inadvertent disclosure of trade secrets by such activities. Some ways to protect trade secrets from inadvertent publication are:

- Screen abstracts and drafts of articles by the employee's supervisor for appropriateness for publication;
- Require clearance by the company's communications or public relations office;
- Submit technical publications to a review committee that will approve the subject matter, type of publication and the publishing entity, forum or society for all employee papers or articles suggested for publication; and
- Clear the proposed publications through the company's legal department.

Most companies protect their company name and the names of their major products or services with trademarks. Make sure you do!

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*Ms. Wendy Buskop is Managing Patent Attorney of the six attorney patent boutique, the Buskop Law Group of Houston, Texas. Ms. Buskop drafts and files energy related patents including fuel cell and wind power patent applications for clients in the United States and overseas. Ms. Buskop also writes patent for offshore drilling and production clients on testing instruments, controls technology, valving technology, lifting devices, and safety devices. Today the firm handles matters for clients in 20 states and 12 foreign countries, including the Netherlands, Canada, Mexico, the United Kingdom, Japan and China. Ms. Buskop can be reached via email at [wendy.buskop@buskoplaw.com](mailto:wendy.buskop@buskoplaw.com).*