



## 2007

### THE IMPORTANCE OF PICKING A 'GOOD' MARK

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## Foreword

Dear friends, partners and clients

We hope you enjoyed reading our second issue of Law @ Nanyang in November 2006.

For the third issue, we focus on one of the more commonly neglected issue: the importance of picking a good mark for your business and the financial repercussions of picking a unregistrable mark.

We further hope you will find this issue informative. Please do not hesitate to contact us if you have any queries relating to this newsletter.

Happy reading!

Ng Kim Tean  
Managing Director

## THE IMPORTANCE OF PICKING A 'GOOD' MARK

When you start a business, there are many decisions that you have to make. Most of the time, one is preoccupied with the day to day running of the business and overlook one of the more important decisions required to be taken: The selection of a mark identifying your products or services.

There are many ways of picking a logo or a mark. The mark identifying your products or services is the 'face' of your business to consumers and the world at large. A good business with long-term plans will place more emphasis on picking a good mark. Unfortunately, some businesses pick one that cannot be registered as a Trademark, and this will lead to problems which comes back to haunt these businesses.

A Trade mark is just simply a sign that is capable of being represented graphically and is capable of distinguishing goods or services you deal in or provide to consumers. Some well known local examples include marks like "Singtel", "Old Chang Kee" & "Sentosa". When consumers see one of these marks, they immediately associate them with the

businesses and identify them with the product or services they provide.

Overtime, as a business grows, the reputation and goodwill generated by a business become intertwined with its Trade marks and come to signify a certain quality of products or services in the minds of the consumers.

When coming up with a new mark for your business, you must be mindful that not everything can be trademarked. For example, "Nokia" is certainly unique and is a mark that is capable of being trademarked. When a consumer sees the word mark "Nokia", he knows from experience that it refers to mobile phones that's in almost every pocket nowadays.

However, what if 'Nokia' was simply called 'handset', 'handphone' or 'mobilephone' instead? These words are already commonly associated with portable personal communication devices and with all other mobile phone manufacturers. As such, it cannot be trademarked for the exclusive use of a single business as this would deprive other businesses from using it to describe their handsets. The mark cannot be registered as a Trade Mark.



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The corporation's experienced lawyers can help your business leverage its Intellectual Property by providing all-rounded advice to allow you to Protect, Project and Profit from your Intellectual Property Rights on a global basis.

To propel your business into the next level in this knowledge based economy and to fast-track the exploitation of your IP strategic synergies and energize your enterprise, please contact us using the contact information in the box on the front page for a discussion on how we may help you identify and develop your existing, hidden and potential Intellectual Property Assets.

If Nokia's mark cannot be trademarked, every other cell phone manufacturer can use the mark in their advertising and publicity materials and on their products. Consumers will be unable to distinguish between Nokia and their competitors' products and may unwittingly purchase one of Nokia's competitors' products, which in turn hurt Nokia's profitability.

How would a disaster like this affect your business? Look into the future development for your business. If your business grows in the future into a major player on the market with a mark that cannot be trademarked, your business competitors will be able to cash in on the substantial goodwill and reputation you have painstakingly built up over the years by using your mark and free riding on your success.

Hence when you are trying to come up with a new mark, try to come up with a distinctive name and logo that is as original as you can think of. Avoid the temptation to incorporate descriptions of your products and/or services into your new mark. Register your trademarks early, have your lawyers conduct conflict searches to ensure that your mark is not in conflict with another mark already registered on the register.

Early registration and conflict searches will save you the trouble of having to change all your marks (and losing all the goodwill associated with it) when you realize that your mark is cannot be registered, perhaps due to conflicts with an earlier mark on the Trademark Register, or due to a lack of distinctiveness.

It is often much cheaper and easier for you to change your marks at an early stage than having to do so after investing huge sums of money into marketing your mark. Imagine the finance, opportunity and logistical costs involved in changing all your office stationery, advertisements, signboards, packaging, business cards, product labels and various other items!

As you use your mark, your Trademarks will become a depository of the goodwill and reputation generated by your business and consumers will come to associate your mark with your products or services, making it easier to generate repeat sales and building long-term relationships with your customers. As such, every single cent invested in picking a good mark will generate returns far outweighing the initial setup costs involved, and should be a priority in every business venture.

### **THE UNREGISTRABLE TRADE MARK: IT'S NOT AS UNCOMMON AS YOU THINK!**

The plight of unregistrable Trade Marks is not unheard of. Below, we list two cases to illustrate the fact that unregistrable marks are not as uncommon as one may think.

In 2005, the United States Patent and Trademark Office's Trademark Trial and Appeal Board ("TTAB") refused to register the marks LAWYERS.COM & SPORTSBETTING.COM In re Reed Elsevier Properties Inc. 77 USPQ2d 1649 (TTAB 2005) ("Lawyers.com case") and In re DNI Holdings Ltd. ("Sportsbetting.com case") respectively.

In the Lawyers.com case, TTAB affirmed the examining attorney's findings that the mark is descriptive of the services

provided. In addition, the TTAB supported the examining Attorney's view that the mark is generic and found that the relevant public *would readily understand the term [Lawyers.com] to identify a commercial web site providing access to and information about lawyers.* As a result, the TTAB upheld the Examining Attorney's refusal to register the mark.

In the Sportsbetting.com case, the TTAB affirmed the Examining Attorney's view that the mark is generic and held that even if the mark was found not to be generic, the mark is merely descriptive and the applicant would need to prove acquired distinctiveness.

All in all, it would be good and prudent business practice to first talk to your lawyer to conduct a conflict/registerability search before spending huge sums of money marketing your mark.

*The legal information provided in this newsletter is not the same as legal advice, although we do our best to make sure our information is correct and constructive. We strongly recommend that you consult a lawyer if you want professional assurance that our information and your understanding of it is suitable to your particular situation.*