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What's In a Name? – A Practical Lesson On Name Selection

By Darya I. Haag

When a local credit union decided to launch its mobile banking program a couple of years ago, the question "How should we name it?" was on the staff members' to-do list. The decision was made in favor of a catchy phrase that drew a strong association with the credit union's new service. The credit union conducted its own investigation and determined that no other credit union in Maine is using the same name. Having concluded that the name is available, the credit union began to promote its mobile banking program under the new name, including online and in print, and released a software application under this name for download and use by the credit union members.

The credit union members were pleased with the new service and everything was running smoothly until two years later when the credit union received a letter from an out-of-state law firm. The letter demanded that the credit union immediately cease and desist from using the name of its mobile banking program. Even though no one in Maine was using the same name, it turned out that a Massachusetts credit union had registered this name with the United States Patent and Trademark Office ("USPTO") as a mark long before the credit union adopted the same name for its program. As the owner of a federally registered mark for the same services as offered by the local credit union, the Massachusetts credit union had a legal right to seek to enforce its exclusive rights in this name in Maine.

Faced with a choice of either paying the Massachusetts credit union a license fee for the right to continue using the same name or changing the name completely, the credit union chose the latter. This time the credit union relied on Norman, Hanson and DeTroy to guide it through the process of name selection, availability assessment, and putting the applicable protection mechanisms in place. The credit union also had to spend time and resources on responding to the Massachusetts credit union's legal counsel and on removing the original name from all of its print and online contents, including its mobile app. Fortunately, the Massachusetts credit union did not seek monetary compensation for the local credit union's prior use of the mark.

This experience demonstrates how choosing a new name – for a service or for a product – is a very important decision that should be handled with care. If someone has already started using a name that is the same or confusingly similar to the name adopted by another, the senior user may assert claims of trademark infringement against the junior user, especially if the senior user has registered the name as a mark with the USPTO. Remedies for infringement range from cease and desist orders to monetary damages, and in some cases even attorneys' fees. This is one of the reasons why it is always best to conduct a full trademark search before adopting a new name, especially the name of a business, product or service which will surely require a lot of effort and investment, and that will be burdensome to change down the road. A trademark search also helps to show how strong or weak the desired name is based on how many uses of a similar mark there are. Of course, the reverse is also true. Careful selection, protection, and enforcement of one's trademarks generate consumer recognition, strengthen reputation and accumulate goodwill, which in turn will surely foster growth and success.

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