

TRADEMARK REGISTRATION PROCEDURES AND COSTS



By Michael A. Doctrow

When considering the adoption of a trademark, companies should be concerned about whether they can protect the mark against third party infringement and whether they may be sued for infringement for using a mark. Both factors should be addressed simultaneously before significant expenditures are made in connection with the development or use of the mark. The costs associated with the clearance and protection of marks are fairly nominal when compared to the cost of litigating a trademark infringement action or developing a new mark.

In the United States, trademark rights may be based either on use or registration of a trademark. Therefore, when deciding whether to adopt a trademark, one must consider both existing trademark registrations and unregistered marks. The United States Patent and Trademark Office (USPTO) will conduct a search of federally registered marks before permitting a registration to determine if the proposed mark is likely to be confused with an existing registration or pending application. It is advisable to search and clear a mark before the application is filed to avoid the time and expense of attempting to register a mark which is not available for protection. This search and clearance process is essentially the same procedure used to determine the likelihood of a third party opposition to the use of a trademark. A search of both registered and unregistered marks is essential to identify all potential challengers to the use or registration of a mark.

Several search resources are available depending upon the importance, and nature and scope of use of a proposed trademark. Simple searching of federally registered marks can be conducted on the United States Trademark Office Website, www.uspto.gov. This is a free search tool. However, the search engine is not particularly easy to use or effective. Our firm has access to fairly inexpensive commercial search engines that provide better, more accurate, search results.

There are a variety of commercial searches available which vary in their level of comprehensiveness. Screening searches usually consider only federally registered marks used with a narrow group of goods or services (or classes of goods or services). Enhanced screening searches can include state registered marks and internet searching. When a mark is important, it is advisable to obtain a comprehensive search from a search service together with an opinion of trademark counsel regarding that search. Comprehensive searches include federally and state registered marks, domain names, and unregistered marks identified through a variety of sources, including corporate name and industry directories. A full search is necessary to identify all potential challenges to a mark.

The **approximate cost** of two typical searches conducted by McNees professionals, including the opinion analyzing that search, is broken down as follows:

- Commercial online screening search of federally registered mark and memorandum report - approximately \$375. Again, there are significant economies of scale when searching multiple marks. Also, on occasion follow-up searching conducted at standard hourly rates may be necessary when problems are identified.
- Comprehensive search of federally and state registered marks and common law marks, and McNees legal opinion regarding the protectability and registrability of a mark – approximately \$1,750 (including the cost of the search report, approximately \$600). While no searching is foolproof, we have found these searches to be quite reliable.
- Additional searching, such as internet searches, and consultations are billed on an hourly basis.

Any additional consultations, including consultations regarding search reports, are billed on an hourly basis.

If a decision is made to protect a mark through a registration in the United States, the additional costs are \$325 per mark per class for filing fees (\$275 with TEAS Plus filing), plus an additional approximately \$1,000 in legal fees to file and prosecute an application. This cost estimate assumes that the application will not be rejected by the USPTO or opposed by a third party. Should either of those events occur, the cost of the registration could increase significantly.

Since the federal trademark application procedure can take 18 to 24 months, and because even registered marks can under certain circumstances be canceled by third parties, the search and clearance procedure selected and the opinion of counsel provided are quite important.

Under certain circumstances a company may elect to use a mark without seeking registration, or may decide to protect a mark through only a state registration or through international filings. We are available to discuss these potentially relevant alternatives to federal filing.