



BORDEN
LADNER
GERVAIS

EFFECTIVE BRANDING

A brand for a business is like a reputation for a person - it identifies the business and its products and services, and tells consumers something about them. Branding is both an art and a science. Following are ten important legal considerations regarding the creation and protection of an effective brand.

■ **Distinctiveness:** The ideal brand is comprised of highly distinctive words, names, and symbols that have no inherent meaning or message in relation to the wares or services with which they are used, but rather acquire meaning through extensive use. For example, GOOGLE for Internet services and Häagen-Dazs for ice cream. A descriptive brand might provide some initial benefit and can become distinctive over time through extensive use and aggressive protection, but will usually remain vulnerable to encroachment.

■ **Clearance Searches:** Before adopting a brand, it is important to ensure that it does not conflict with other brands. Conflicts can reduce the business value of a brand and present legal risks and liabilities regarding its use and protection. Free online databases and Internet searches are a cost effective first step, but are not a substitute for professional clearance searches that cover both registered and unregistered brands and other sources. Searches should address both English and French language versions of the brand, and should be conducted in all countries in which the brand will be used.

■ **Domain Names:** A brand and its common variations should be registered as domain names in all top level and relevant country code domains, and all registered domain names should be used for an active website that promotes the brand. Blocking registrations (such as <xyzsucks.com> and <ihatexyz.com>) might also be appropriate. All domain names should be registered in the name of the brand owner, and the administrative contact should be a senior representative.

■ **Registrations:** In Canada, the protection of a brand through trademark registration is not required. An unregistered trademark can be protected against infringement in the geographic areas where it has a reputation. Nevertheless, trademark registration is recommended because it provides significant benefits, including protection throughout Canada and additional protection against infringement. An application to register a trademark may be filed before the mark is used, as a basis for priority over subsequent users in Canada and other jurisdictions (based upon timely foreign registrations). Multiple trademark registrations may be appropriate to obtain optimal protection for complex brands (i.e. brands with designs and different language versions).

■ **Proper Use:** To remain valid and protectable, trademarks must be properly used. Trademark registrations can be attacked if they are not supported by consistent and appropriate use. Further information regarding proper trademark use may be found in the *BLG Trade-mark Use Guidelines*. Use of a trademark with all appropriate wares and services should be accurately documented.

■ **Licensed Use:** Brands should be used only by the registered owner or licensed users pursuant to a written license agreement that gives the brand owner control over the use of the brand and the nature and quality of the wares or services with which it is used. Failure to implement appropriate license agreements can render a brand invalid and unprotectable. This requirement applies even to uses of brands by related companies.

■ **Related Rights:** Brands are often comprised of artistic works (designs and logos) protected by copyright and other intellectual property rights. The brand owner should acquire ownership of those related intellectual property rights through written assignments and waivers from the creators and artists. This will protect the brand owner against claims for infringement of those rights, and provide additional ways to protect the brand.

■ **Other Jurisdictions:** Each country has its own trademark registration system. Canadian trademark registrations give rights in Canada only. Brands that may be used or infringed in other jurisdictions should be registered there as well.

■ **Corporate Structure:** An appropriate corporate structure for the ownership and use of a brand can result in tax benefits and protect brand assets against liability claims.

■ **Police the Market:** Markets should be monitored for conflicting brands that cause consumer confusion and exploit and erode customer goodwill. Failure to stop the unauthorized use or infringement of a brand can result in the brand becoming invalid and unprotectable. Disputes over conflicting brands can often be resolved through negotiating appropriate co-existence agreements, and need not always result in costly litigation.

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