



Trademark Basics for Nonprofits and Small Businesses

You want your business or nonprofit to have a unique identity. If another entity uses your name or brand, clients and customers can get confused and your reputation may suffer. Consider the following:

- You do not have to register your mark to be its owner; you have common law trademark rights as soon as you start using it. But, legal protections for an unregistered mark are limited and may be more difficult to enforce than a registered mark.
- Filing a formation document with the state or an assumed name certificate with the county is not the same as registering your trademark.
- As long as you continue to use your trademark (and you were using it first), you can prevent someone else from using a mark that is so similar to yours that could cause some people to be confused.
- Whether your mark is registered or not, you, not the government, are responsible for preventing others from using your name or business goodwill.

What is a trademark?

Nonprofits and businesses can both use trademarks. A trademark is the words, symbols, phrases, numbers, designs, and even scents, colors or sounds used to identify goods or services as distinct from those of others. You can trademark the name or logo you use in business. Texas also recognizes a “service mark,” used to identify and distinguish the provider or source of services.¹

What cannot be trademarked?

There are many factors that affect whether a trademark application will be approved. You cannot trademark a name, logo, picture or other mark that is already registered at the state or federal level. You also cannot trademark:

- a URL
- a general business name
- proper names or likenesses (without consent from the person)
- generic terms or phrases (for example, “Web Graphics” is not trademarkable)
- merely descriptive (for example, “Texas Wine” is not trademarkable)
- government symbols or insignia
- the likeness of a U.S. President, former or current
- sounds or short motifs (these are covered by copyright laws)

¹Tex. Bus. & Com. Code §§16.001(8); [16.001 \(10\)](#)

I registered my business or organization with the Texas Secretary of State (or a d.b.a. with the county). Is the name protected?

No; because your name and logo are not registered *as a trademark*. However, the dba or other filing with the Secretary of State is evidence of when you started doing business with your name or logo. Entities such as nonprofit corporations, LLCs and other “filing entities” must file a certificate of formation with the Texas Secretary of State.² Entities such as sole proprietors, general partners, unincorporated associations and other “non-filing entities”, while not required to file with the Secretary of State, may need to file an assumed name certificate (d.b.a.) with county clerk.³ For filing and non-filing entities alike, the legal name and/or assumed name (“d.b.a.”) must be “distinguishable” from the names already on file with the county or the state.⁴ If the name is already taken, or not sufficiently distinguishable from one already on file, it cannot be used.

The “distinguishable name” requirement does not give trademark protection, and does not impart any real legal protection for your business name or “mark.” The purpose of state and county filing is to inform the public of your registered agent and business address so that your business or organization can be notified of lawsuits, tax delinquencies and other matters affecting your right to operate in Texas. Common law trademark rights are limited, and filing a formation document or assumed name certificate does not protect your mark. The surest way to protect your mark is to register it.

How do I register my mark?

Initial Considerations

Before you start the registration process, consider the following:

- *Geographic Restrictions* - Texas registration protects your mark within the boundaries of the state. If your business or nonprofit operates in another state as well, consider federal trademark registration.
- *Distinct Mark* - Choose a mark that is strong, unique and easily distinguishable from other marks. The strength of a mark is determined by how unique the word, logo, or picture is compared to the product for which it is used. The more unique the mark is, the less likely it will be infringed and the more likely your application will be approved.
- *Trademark Search* - Conduct a trademark search to see if your proposed mark is already in use. For federal registration, check the [Trademark Electronic Search System](#) (TESS), on the [United States Patent and Trademark Office](#) (USPTO) website. For state registration, call 512-463-5555, or send a request by or [email](#) (both free). Alternatively, use the online search tool, [SOS Direct](#) (\$1 a search).
- *Categories/Classes* - Both Texas and federal trademark registrations organize goods and services to be trademarked according to specific categories, or “classes.” If you want your trademark to cover more than a single product or service and they fall into more than a single class, (for example, clothing and garden tools), you must pay an additional fee for each class.

² If they do business under a different name (an assumed name, also known as a “dba”, trade name, corporate name, or business name) must file an assumed name certificate with the secretary of state *and* the county where they do business. Tex. Bus. & Com. Code [§71.002\(2\)](#).

³ Non-filing entities must file a dba with the clerk of the county where the business site is located, or if there is no physical location, in each county where it conducts business.

⁴ The “distinguishable name” law is effective June 1, 2018. At the time of this writing, the law prohibits use of a name that is “identical or deceptively similar”. Tex. Bus. Org. Code [§5.053](#)

The Registration Process

- *Texas Registration* – Texas registration protects your mark within the boundaries of the state. You are entitled to use the ™ symbol regardless of whether your mark is registered. You already must be using the mark in commerce before you apply for Texas registration. Use Texas Secretary of State [Form 901](#). The fee for each single trademark is \$50 per class. For example, Rosetta Stone’s computer software may be registered under two classes – Class 9: Electrical and Scientific Apparatuses and Class 41: Education and Entertainment. An examiner reviews the application to make sure the mark meets legal requirements, and then compares it with marks already registered in Texas and with United States Patent and Trademark Office (USPTO) to evaluate whether the mark will cause a likelihood of confusion.
- *Federal Registration* – Federal registration protects exclusive rights to your mark nationwide, and entitles you to use the ® symbol next to the trademark. You cannot use ® without registration. Unlike Texas, for federal registration there is no requirement that the mark be in use before applying. Filing a single trademark with the USPTO can cost between \$225 and \$400 per class and can take many months. If approved, the mark will be published in an official gazette. Anyone who opposes the registration has 30 days to file an opposition statement or to request an extension of time.

How do I protect my trademark?

- Use the mark regularly in commerce and if your mark is registered, make sure to pay the renewal fees for as long as you want the mark to retain ownership of the mark.
- Monitor the use of your mark or similar marks by other individuals or businesses.
- Send a “cease and desist” letter to the person infringing on your mark requesting that they stop using your mark immediately. You may also sue them to stop the manufacture, use, display, or sale of any counterfeits or imitations of your mark.

What is infringement?

Infringement occurs when someone uses a registered mark without the consent of the owner and the use causes confusion in the mind of the public.⁵ Infringement can also occur when someone imitates or counterfeits the mark on a label or advertisement.⁶ Infringing on a registered mark is illegal. The owner can sue the violator for all of the profits derived from or the damages resulting from the infringement. The court can order the destruction of counterfeits and imitations of the owner’s mark. In addition to money damages, a court can order the violator to pay the owner’s court costs and attorney fees.

What are the advantages and disadvantages of a common law mark?

An unregistered mark has protection under the common law, but legal remedies against unauthorized use are limited. Here are some advantages and disadvantages to relying on the common law to protect your mark:

- *Automatic ownership.* Common law ownership of the mark begins as soon as you start using it in connection with your goods or services; no trademark registration is required. You can use the letters ™ without registration, which puts the public on notice that you are claiming ownership of a mark.

⁵ The infringing party uses a “reproduction, counterfeit, copy, or colorable imitation” of a registered mark for the “selling, distributing, offering for sale, or advertising of goods or services” and the use causes confusion between goods or services.

⁶ The infringing party “reproduces, counterfeits, copies, or colorably imitates” a registered mark and “applies the reproduction, counterfeit, copy, or colorable imitation to a label, sign, print, package, wrapper, receptacle, or advertisement” to sell or distribute goods or services.

- *Common law enforcement.* To enforce against unauthorized use, you must prove that the mark is “famous and distinctive” and that the other’s use of the mark would likely dilute your name or brand.⁷ A mark is “famous” if it is widely recognized by the public throughout Texas or in a geographic area of Texas.⁸
- *Geographic limitations.* At common law, your enforcement rights are geographically limited to the area where you can prove that the mark is in active use. If your business is active only in Central Texas, you cannot prevent someone from using the same mark in West Texas.
- *Remedies are limited.* Your common law relief for an unregistered mark may be limited to an injunction (a court order for the violator to stop using your mark).⁹ If your mark is registered, the court can order an injunction but also money damages, statutory attorney fees, damages and the potential destruction of the violator’s products, among other remedies.¹⁰

Does the trademark registration ever expire?

Yes. Both Texas and federal registrations can expire if the owner fails to renew.

- *Texas Renewal* - A Texas mark remains registered and protected for five years. Use Texas Secretary of State [Form 902, Renewal Application for Trade or Service Mark](#) by mail or online no earlier than the 180th day before the date the registration of the mark expires. The application must include a verified (sworn) statement detailing the goods and services used in connection with the mark, a sample of how the mark is used, and a filing fee of \$25 per class. If accepted, the mark is renewed for another 5-year term.
- *Federal Declaration and Renewal* - A federally registered trademark is protected for 10 years if the owner timely files the appropriate declaration and renewals.
 - Declaration of Use (Section 8 Declaration) -To show that the mark is being maintained and is in use, the owner must submit a [Section 8 Declaration](#) between the fifth and sixth anniversaries of the registration, and within the year before the end of the 10-year term or the registration will be cancelled.¹¹
 - Renewals (Section 9 Renewal) – To renew your mark for another 10-year term, submit a [Section 9 Renewal](#) within the year before the end of the 10-year period of registration (or within a six-month grace period with an additional fee). The filing fee is \$300 per class if filed electronically through the [Trademark Electronic Application System](#) (TEAS). Failure to renew will result in cancellation of registration.
- *Abandonment* - At both the state and federal level, a mark is considered to be abandoned when the owner has stopped using the mark for three consecutive years and has the intention to never use it again or the owner’s actions causes the mark to lose its significance by not monitoring or policing the use of their mark.

Can a mark be transferred and assigned to a new business or owner?

Yes. A mark can be transferred and assigned to a new business or owner if the assignment is properly recorded. Once recorded, the transfer of the mark will last for the remainder of the mark’s current term.

⁷ §16.103(a)

⁸ The court may consider factors such as 1) the duration, extent, and geographic reach of the advertisement and publicity of the mark in this state, regardless of whether the mark is advertised or publicized by the owner or a third party; 2) the amount, volume, and geographic extent of sales of goods or services offered under the mark in this state; 3) the extent of actual recognition of the mark in this state; and 4) whether the mark is registered in this state or in the United States Patent and Trademark Office. §16.103(b).

⁹ § 16.103(c)

¹⁰ There are some exceptions. An unregistered trademark may receive protection under the federal "Lanham Act" (15 USC § 1125), which includes prohibition against commercial misrepresentation of source or origins of goods. Unlike other trademark statutory provisions, a claim under the Lanham Act may permit a party to recover attorneys' fees and costs.

¹¹ Or, for an extra fee \$100.00 per class, you may file within the six-month grace period following the sixth anniversary date. For more details and information, visit the [USTPO’s Registration/ Maintenance/Renewal/ Corrections forms page](#).

- *Texas* - File [Form 904, Transfer of Trademark Ownership](#) with the Secretary of State's Office, along with a written assignment of the mark, or SOS [Form 903, Assignment of a Trade or Service Mark](#). The filing fee is \$10. When the assignment is properly filed, the Secretary of State will issue a certificate of registration in the new owner's name for the remainder of the mark's current term.
- *Federal* - The owner must file a Recordation Form Cover Sheet with the USPTO along with a copy of the actual assignment either online or by mail. The filing fee is \$40 per document.

Conclusion

If your entity's operations are geographically limited, you can rely on common law rights to keep another person from using a similar mark. Filing a formation document or d.b.a. does not necessarily protect your business name from use by another. Registration can more fully protect ownership rights to your mark and name against infringement. Once registered, you can enforce your mark against infringement and access remedies not available at common law, like recovery of statutory attorney fees. A business or nonprofit that engages in interstate commerce should consider federal trademark registration.

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