

Trademarks in Vermont

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In early September, 2009, McDonald's eight year legal battle against a Malaysian restaurant came to an end. The issue? McDonalds sued to keep the restaurant from calling itself "McCurry." The result? The Malaysian Federal Court (that country's "supreme court") ruled against McDonalds, holding that the corporation did not have a monopoly on using "Mc" in its name. The restaurant successfully argued that its use of "Mc" in its name stood for "Malaysian Chicken" curry and convinced the court that the products were different enough that there was little likelihood that consumers would confuse a "Big Mac" with fish-head curry. The ruling may have an impact on international trademark and brand law, but it will probably have little, if any, impact on applicable law here in the U.S. It remains unlawful in the U.S. to use in commerce any word, term, name or symbol which is likely to cause confusion as to a connection or affiliation between one company and another or between the companies' products. Interpretation of our trademark law typically favors the company already established, and as a general rule, the more well known the company the more its trade name will be protected.

Here in Vermont it is unlikely that McDonald's would have had to sue McCurry in the first place. Unless you are operating your business under your own name, you must register the name of your company with the Vermont Secretary of State Corporations Division. Upon receipt of your application for a trade name, the Secretary of State will search its database of Vermont registered businesses to determine if your proposed trade name is the same name, a deceptively similar name, or a name that is likely to be confused with or mistaken for another business's name. If your proposed trade name falls into any of these categories, you cannot lawfully use the trade name. Some similarity may be permissible, but only when the Secretary of State is convinced that the likelihood of confusion between two companies is very small. Typically this only happens when the two companies are operating either in industries that are worlds apart, (for example, "Happy Time Concrete" versus "Happy Time Dental Services") or if the scope of business for one or both companies is very limited and specific in geographic scope. Using these general parameters, the Malaysian restaurant would never have gotten permission from the Vermont Secretary of State to conduct business under the trade name "McCurry." McDonalds has maintained a statewide presence in Vermont for decades, and both businesses are in the restaurant industry.

The purpose of registering a trade name is to allow the public twofold: a) it allows the public to know who is actually doing the business behind the name; and b) it makes sure that one company isn't taking unfair advantage of another company's name (and all the hard work that goes into getting the company name out into the public.) It's one more bit of paperwork (and a \$20 fee) necessary when starting your own business, but it's an important first step. The Secretary of State's database can be searched before submitting your application for trade name registration, and a search can help you figure out whether it's even worth trying to register the name you have in mind. But unless the proposed trade name is so unique and/or unusual, there is always the possibility that you won't be allowed to use the name.

For this reason it's never, ever, a good idea to order stationary, signs, business cards or the like until you have a company name formally registered with the Secretary of State as it could be rejected. While it's natural to want to start getting your company name out there and start drumming up business, you may end up needlessly spending more time (and money) if your proposed trade name is rejected. It's a good idea (and it saves time) to include one or two alternatives on your

application. If the first name isn't available, an alternative can be approved without your having to submit a new application and fee.

Please feel free to contact me for more information on trade names or in getting your business started. Robert A. Brazil rbrazil@vtlegalhelp.com