

For Sale or For Family: Why Trademarks are Vital to Your Business and Increase Its Value

These are exciting times for Hispanic publications. Over the past several years, many businesses that had not considered spending advertising dollars in Hispanic print media have added this category to their budget; traditional advertisers in Hispanic print media have increased their budgets for this purpose. Much of this activity coincided with the results of the 2003 census that indicate that Hispanics are now the largest minority group in the United States.

To benefit from this new situation, Hispanic publications must reevaluate their strategies to provide for the enhanced financial positions and increased growth in business opportunities in the U.S. An important part of any Hispanic publication's position in the marketplace is its valuable trademark portfolio.

Three areas that are important to consider regarding a publication's trademark portfolio trends: 1) Several Hispanic publications have been sold during the past year, 2) Hispanic publications are expanding their reach into more cities, states and marketplaces, and 3) Owners of Hispanic publications must consider transition of the publication to younger family members in the future.

Publication for Sale

It is widely publicized that several larger, general newspapers have acquired Hispanic publications to increase penetration in the Hispanic marketplace. While a few members of the National Association of Hispanic Publications have been highlighted in the media, there are certainly other purchases and negotiations now taking place but that are less well known. This activity is highly likely to continue.

During any negotiation, the potential purchaser determines the value of the newspaper it wants to acquire. One of the important criteria evaluated is the ability to maintain and expand the newspaper's established and respected brand into geographically new areas. The ability for brand expansion, which can significantly affect the overall valuation of a newspaper, is directly related to the strength of the newspaper's trademark portfolio.

Why do prospective buyers place a large emphasis on the brand and trademark ownership? Because in the newspaper business there is competition between publication companies. The most important way to distinguish a publication in competitive markets is through brand strength. Readers associate trust and familiarity with a particular named newspaper because they have relied on that source for news and information over the years.

Often Hispanic publications are deeply involved in the community, its businesses, and social and charity events. The publication is intertwined with the community members and culture. This strong community involvement with publications is directly representative of the strength that a particular brand has obtained within that community. This brand strength is reflected in the newspaper's name, which is a newspaper's valuable trademark. Such a valuable asset, perhaps the most valuable asset the newspaper owns, must be protected and must be guarded to prevent others from adopting and using the same or similar names either in the same market place or elsewhere in the United States.

Brand Expansion

Whether a publication is being purchased or not, the current trend is for geographical expansion by moving into new areas including providing the publication on the Internet or by offering new products or services. When a publication performs well in a marketplace, it is common for the publisher to use the same brand on different publications or in connection with different services. A brand initially being used on a newspaper and achieving success should also be used on other publications such as automobile guides, business directories, television guides and entertainment guides.

Also, the brand may be expanded and used in connection with other products and services that are important to the Hispanic community. The importance of the trademark and its proper use in the expanded areas of goods and services enhances consumer recognition. When consumers see a familiar brand of a publication in another geographic area or used in connection with another type of service or product, the goodwill associated with the publication transfers to the new areas, services and products.

Strategic trademark application registration and protection strategies provide and assist companies to maintain and expand upon their existing trademark rights and thereby prevent others from abusing and capitalizing on these rights. For example, if a company that is currently using its trademark on a newspaper publication intends to expand this trademark into other areas, such as a business directory or other publication, there is a federal trademark application procedure called an intent-to-use application. This type of application procedure provides the owner of the application with a method to protect his or her trademark rights in connection with goods and services that are not yet being used.

So when thinking about either selling your company or the general strengthening of its value, consider whether you have actively protected strong trademarks, strong names and strong brands for your company, so that you can get the most value for your growing business.

Keep It In The Family

Even if thoughts of selling the company are not on the horizon like in many family owned and operated businesses, the family should contemplate the value and strength of their trademarks. By acting now and strategically registering and protecting important trademarks, business owners prepare for the time when the business is passed down to the next generation. To ensure that the brands, which have taken many years and a tremendous amount of money to establish and grow strong, are safeguarded for their family members, federal trademark protection should be acquired.

Strategic trademark protection will enable a publication to remain strong within a family from generation to generation and provide future generations the means to expand the family business and carry on the family's legacy.

Therefore, no matter what route a company does take, either to sell, expand, or pass on the business, strong trademark portfolios are vital to your business and increase its value.

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