

FOR YOUR PROTECTION...

New Jersey Incorporation Does Not Confer Tradename or Trademark Rights

You own a company properly incorporated or authorized to do business in the state of New Jersey under the name of XYZ Corporation. You sell widgets stamped with the mark XYZ, or you provide services using the XYZ designation in your advertising, letterhead, business cards and signs. So you think you have nothing to worry about regarding tradename, trademark or servicemark rights. You are wrong.

In fact, in New Jersey the filing or issuance of a Certificate of Incorporation or a certificate of authority to do business is not conclusive as to the right to use a particular name. In *B. DiMedio & Sons, Inc. v. Camden Lumber & Millwork Co.*, 23 N.J.Super. 365 (Ch. 1952), the Court held that the statutory requirement that the certificate of incorporation set forth the corporate name affords no right to exclusive use of a name.

Of course the name of a domestic or foreign corporation doing business in New Jersey must be such as to distinguish it from the names of corporations of any type or kind or a duly filed fictitious name of an authorized foreign corporation. However, in no event may a corporation with intent to deceive or mislead the public use as a name or any part of a name which will mislead the public. *American Shops, Inc. v. American Fashion Shops of Journal Square, Inc.*, 13 N.J.Super. 416 (A.D. 1951).

Therefore, incorporation by the State of New Jersey is not a valid defense to tradename, trademark, servicemark infringement or unfair competition claims. N.J.S.A. 14A: 2-2(5). In *Interpace Corp. v. Lapp, Inc.*, 574 F.Supp. 1072 (D.C.N.J. 1982), the Court held that the filing in the office of the Secretary of State of a certificate of incorporation shall not preclude an action by any person adversely affected to enjoin the use of a corporate name in violation of the rights of such person, whether on principles of unfair competition or otherwise.

On the other hand, the mere fact that a party's corporate name contains a word that is a part of another's trademark or mark does not, of itself, make the name substantially similar so that it may not infringe on another party's rights. *Armstrong Cork Co. v. World Carpets, Inc.*, 203 U.S.P.Q. 119 24-25 (5th Cir. 1979). The basic issue is the likelihood of confusion. In some situations a party's corporate name is not before the public so as to cause confusion with another's mark. In such cases, the junior user may be enjoined from use of the name as a mark, but not from use as a corporate name. See *Sunbeam Furniture Corp. v. Sunbeam Corp.*, 191 F.2d 141 (9th Cir. 1951); *Liberty Mutual Ins. Co. v. Liberty Ins. Co.*, 185 F.Supp. 895 (D.Ark 1960).



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