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# *School Districts Practice Information Memo*

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## **SCHOOL DISTRICT TRADEMARKS: PROTECTING AND NURTURING A POTENTIAL REVENUE STREAM**

In these difficult economic times, every dollar counts. There is, however, a revenue source that many school districts may have overlooked – trademark license royalties. Over the last few years, many retailers, including some national and regional chains, have begun offering clothing and other merchandise branded with names and logos of local schools. A school district that adequately protects and licenses its trademarks can easily turn these sales into a modest revenue stream.

Trademarks can be words, names, symbols, devices, or other designations that are distinctive of particular goods or services and that are used in commerce in a manner that distinguishes the source of the goods or services from those of others. The name of a school or school district, including the name of its sports teams, certainly qualifies for trademark protection under this broad standard. While universities have proven to be adept at capitalizing on their trademark rights, school districts have generally left this source of income untapped.

Developing and maintaining trademark rights can be a relatively straightforward matter. In order to ensure that its trademarks remain distinctive and continue to distinguish the source of goods and services, a school district needs to monitor for use of its marks by third parties and maintain control over the quality of the goods and services sold by requiring those and any other users to enter into licensing arrangements.

While it is not necessary that every licensee pay a royalty, maintaining strong trademark rights requires that the district control the quality of non-royalty bearing goods or services sold in connection with the marks. Regardless of how the trademarks are being used and whether the district expects monetary compensation, a simple written licensee agreement can suffice to protect the district's rights.

For example, the commercial suppliers or retailers of branded merchandise are usually willing to agree in writing to maintain the district's quality expectations and to pay a percentage of their sales price as a royalty for the use of the marks. Districts should also ensure that entities typically allowed to use trademarks for free, such as booster clubs engaged in fundraising for student efforts, also agree in writing to maintain the district's quality standards.

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The strength and value of a district's trademark rights are directly related to how proactively the district approaches its marks. By taking the basic measures explained above, a school district can develop strong trademark rights that can be used to tap into an income stream that may already be in place.

**If you have any questions regarding trademarks or other intellectual property, please contact David Nocilly (315-218-8530, [dnocilly@bsk.com](mailto:dnocilly@bsk.com)), a member of the Bond, Schoeneck & King, PLLC Intellectual Property Practice Group,**

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