Trademark Protection For HOAs: How Can A Condominium Or Homeowners Association Safeguard Its Good Name?

By David R. Ellis

Who steals my purse steals trash;
But he that filches from me my good name
Robs me of that which not enriches him
And makes me poor indeed.

– Shakespeare's Othello. Act III, Scene ***3*****.**

Recently, and on more than one occasion, I have been contacted by condominium and homeowners associations who have encountered problems with one of their owners using the association's name for their own commercial purposes without the permission of the association. In some of the cases, real estate agents living in the community have set up their own unofficial websites to promote their businesses, using variations of the association's name, or established social media accounts, such as Facebook, or published magazines using the association's name in the title of their publications, all without the permission of the association.

Once an association adopts its name, it immediately acquires common law rights in the name. If the association's name is distinctive or has been used for a long period of time, it can be protected as a trademark and registered with the State of Florida or the United States Patent and Trademark Office (USPTO). A trademark is a name, symbol, logo or slogan adopted by an entity to identify its goods and services and distinguish them from competing goods and services provided by others.

When a trademark is used in connection with services, it is called a service mark. The USPTO, State of Florida, and most countries worldwide have adopted an international list of 45 classes of goods and services, of which 34 are for goods and 11 for services. A service mark is a subset of trademarks and cover such services as advertising and business services (Class 35), financial and real estate services, including brokerage and management services (36), education and entertainment services (41), hotels and restaurants (43), and legal services (45).

Examples of trademarks for goods include electronic and computer equipment (9), printed publications (16), clothing (25), sporting goods and toys (28), and food items (29, 30, 31), depending on whether they are derived from animal, vegetable, or grain products or whether they are processed or unprocessed. The USPTO maintains an extensive list of acceptable descriptions of goods and services that can be used when applying for a trademark.

In order to register a trademark on the federal level, the association will have to show that it is engaged in or affects interstate or foreign commerce, but that is not a high bar inasmuch as many condo and homeowners live in Florida only on a part-time basis, and live the rest of the time in another, often northern state. Since many of these snowbirds retain their permanent domiciles in their home states, that is sufficient to establish a nexus with interstate commerce. Also, HOAs sometimes advertise or otherwise communicate with residents of other states, perhaps to entice them to live in their communities, further establishing a connection with interstate commerce.

Adoption and use of a trademark confers on the owner the right to prevent others from using the same or similar mark in a manner that would be likely to cause confusion or mistake or to deceive the public as to the true source of the goods or services. The owner may also have rights under the Federal Anticybersquatting Consumer Protection Act of 1999 to prevent an unauthorized person or entity from using a domain name that is confusingly similar to the owner's. So, for example, a condominium called "Sun and Sky" with a domain name at www.sunandsky.com could bring an action against an owner who is operating an unauthorized website at www.sun-and-sky.com or www.sunsky.com where it would be likely to confuse homeowners as to the true proprietor and operator of the website.

Once the association's trademark is registered either with the state of Florida or the USPTO, the association can send out a cease and desist letter to the person or entity infringing its mark, demanding that they stop using the association's trademark or any confusingly similar mark on their website, social media accounts, publications, and other media. The letter would allege that the infringer was engaging in trademark infringement, unfair competition, deceptive trade practices, misrepresentation, and cybersquatting. It would give the infringer a short period of time in which to cancel its domain registration, terminate or change the name of its social media accounts, and discontinue publication of its magazine or other printed material, or change the name.

If the infringer did not comply, the association would have the right to bring a lawsuit in state or federal court against the infringer. If the court finds the defendant in violation of the association's rights, it can order the infringer to immediately cease its unauthorized use of the mark. The court can also order all infringing items such as printed publications and advertising material destroyed and award money damages to the trademark owner, which can be trebled in certain instances.

In determining the amount of damages, the court may require the infringer to pay to the trademark owner all profits derived from the wrongful use, plus attorney's fees and court costs. We have been successful in more than one case in using these tools to stop infringers from using an association's name and confusing their members and others in the community to the detriment of the association's reputation and its good name.

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