

What happens to trademark when the owner dies?

Many individuals, especially business owners, have protected their trademarks. But what happens to these trademarks when they die? Do they terminate or can they be passed on? If they can be passed on, who can they be passed to and how is it done?

If a decedent owned a business, it is important to identify who owns it- the business or the individual owner. Trademarks may be registered at the state or federal level and a trademark search should uncover any registrations or pending applications. However, trademarks may also be protected by common law and not registered. These are still trademark assets to be evaluated as estate assets. Common law rights arise from use when, use of a mark distinguishes a product or service from those of competitors. Such rights are geographically limited to the actual market footprint and natural zone of expansion (typically the adjacent counties or region). A professional trademark search may be helpful to identify unregistered trademark assets. When common law marks are identified, the fiduciary will need to evaluate whether the investment of registration makes sense, especially if the business will be carried on or sold and the value is significantly less without the trademark registration.

Trademarks can pass via a will or trust designating who should be the beneficiary of that trademark property. Ideally there is a specific provision in the will or trust disposing of trademark assets. In the absence of a specific bequest of the trademark property, it will pass with the residuary estate according to the will. If the trademark owner died intestate with no will, the trademark property will pass via the state's laws of intestate succession.

Trademark assets can be sold (assigned) or leased (licensed with or without royalty payments). Thus, securing and recording title is an important step for the estate fiduciary and beneficiary. The beneficiary(ies) should file a trademark assignment with the US Trademark Office to reflect the new ownership. The estate's executor or administrator will sign the assignment on behalf of the estate. These assignments must be carefully drafted and contain specific language not generally found in boilerplate assignment documents. (That language is not commonly used in other areas of law.)

Trademark assets present a unique set of considerations. When in doubt, a fiduciary or estate attorney can and should hire knowledgeable IP counsel to advise on these assets. Evans Fox LLP has experienced estate and probate attorneys as well as intellectual property attorneys to help navigate these complex issues. If you find yourself navigating trademarks in your estate matters, reach out to our team for representation or co-counseling.

The foregoing is not intended to be and should not be construed as legal advice. Only after an attorney-client relationship is established in writing may legal advice be given.

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