SUCCESS BY THE NUMBERS

3 Risks and 3 Rewards of Using the Family Name
By Regina M. Robson, J.D.

You know the names: S.C. Johnson, Hershey, Mars, Tommy Hilfiger. Great brands and great families. While any business impacts the family that operates it, the impact becomes even more pronounced when the company brand name is the family name.

Family names that are used as trademarks or service marks qualify for legal protection and can be registered with the federal patent and trademark office. However, beyond the question of whether a family name can be trademarked, is the question of whether a family name should be used as a trademark.

Many of the benefits of using the family name as a trade or service mark are subtle, but real:

1. **Fostering trust**: a brand name that is identical with a family name builds trust with all stakeholders implying that the family “stands behind” the brand.

2. **Enhancing Connectedness**: utilizing the family name as a trademark can foster continuity *within the family*, encouraging cohesion among all family members, even those who are not directly involved in the operation of the business.

3. **Encouraging Institutional Identity**: Identifying a family name with core company values can ensure that personal values and company values are in alignment.

But use of the family name also comes with potential risks. For example:

1. **Potential “blow-back”**: when the family name and the brand name are closely identified, negative publicity or scandal which affects one can easily have repercussions for the other.

2. **Projecting “smallness”**: until a company reaches a certain scale, the use of the name of a single individual – for example, John Jacobs Website Design – may suggest a sole proprietorship with limited personnel.

3. **Losing Control**: companies who build brand recognition based on a family name can expect the family name to be transferred as part of any transaction that sells the business. Unless restricted in the transaction documents, family members will lose control on how the trademark is used and what products it becomes associated with.

The decision to use a family name as a trade or service mark is intensely personal and one which merits serious thought. As the playwright once remarked, “What’s in a name?” Plenty – especially when it is your family.

ABOUT THE AUTHOR

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