

Zoom Confusion: The Case for Trademarks

March 29, 2020

The **recent news** about Zoom and the stock market is a great example of why **trademarks** are important, and also why trademark law does not allow similar marks for similar goods or services. Two companies with the same name – Zoom (not counting descriptive wording) – both offer technology goods or services. Zoom Video Communications (ticker symbol **ZM**) is the company behind **ZOOM** video conferencing services, which we have all been using for work meetings, exercise classes, and meetings with friends these past weeks, and has skyrocketed in value. However, investors were also buying up stock in Zoom Technologies (ticker symbol **ZOOM**), which researches, develops, and sells electronic-communication products for mobile phones, but has not updated its financial information with the SEC since 2015. On March 25, 2020, the **SEC suspended trading of Zoom Technologies**, noting the rampant consumer confusion in the stock market and concern about the lack of current financial information for that company.

Within the United States Patent & Trademark Office (**USPTO**), these two marks would probably not be able to coexist without a consent agreement, but out in the marketplace, it is different. There, the prevention of similar marks for similar goods or services is in the hands of the trademark holders. If a trademark owner believes another similar mark is likely to cause confusion amongst consumers, then they need to take actions to prevent further use of that mark. Similar trademarks do sometimes end up coexisting in commerce, depending on whether their owners think that there are other differences between their markets or consumers, or other factors that weigh against a likelihood of confusion. Sometimes, similar marks coexist peacefully until one of them becomes famous, which is what happened with Zoom. Interestingly, although Zoom Video is clearly using their mark and have captured “market share” in terms of brand recognition, their trademark registration for **ZOOM** with the USPTO is being held up by a registration for “Zoom” for an Indian Bollywood television channel. The Zoom Video mark is not causing actual confusion with the Indian Zoom, but the USPTO thinks the services are too closely related. This could and should be worked out between Zoom Video and the owner of the Zoom Bollywood channel, but either way, Zoom Video and Zoom Technologies also need to work something out with their ticker symbols, which are not trademarks necessarily, but are certainly causing confusion.

For more information on how to secure trademark and other **intellectual property** rights, please contact a member of our **Trademark team**.

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