

Goodwill for Nonprofits: Why Your Name Is Your Most Valuable Asset and How to Protect It

Description

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Your name and brand communicate trust to donors, partners, and communities. That trust is goodwill, built over time, and is directly tied to how effectively you can raise funds, attract volunteers, and deliver programs. If another group starts using a confusingly similar name or even misuses yours, the trust you have earned can be diluted or damaged.

What Is Goodwill and Why Should You Care?

In trademark law, goodwill is the value of your reputation and the public's recognition of your work, and it is attached to your name and brand. Nonprofits develop goodwill through consistent service, community impact, donor relationships, and other acts of reputation building. Goodwill is inseparable from the company itself, and should be considered amongst an organization's most valuable assets.

The Misconception: "We're a Tax-Exempt, Registered Non-Profit, So We're Protected"

Many nonprofits assume that having IRS recognition or state nonprofit status protects their name. It does not. Registration as a non-profit for tax purposes is entirely separate from trademark rights and registration, which are about protecting your brand.

Why Federal Trademark Registration?

A federally registered trademark with the U.S. Patent and Trademark Office (USPTO) provides:

- **Right to Exclude:** Third-parties cannot use your mark, or a confusingly similar mark, in connection with identical or related goods and/or services.
- **Nationwide protection:** Your rights extend to the entire country, not just where you currently operate. If you are operating solely within one state, your trademark is not eligible for federal registration, but you may consider a registration at the state level.
- **Legal presumption of ownership:** The ® symbol and registration puts the public on notice of your rights.
- **Enhanced remedies:** Including statutory damages and attorney's fees in infringement cases.
- **Domain dispute leverage:** Strengthens UDRP and cybersquatting claims.

Filing fees are modest, especially when compared to the cost of a forced rebrand or a contentious enforcement fight.

Steps to Take Now

Ideally, **before** launching a program or committing to a name or logo, commission a trademark clearance search to ensure that you are not potentially infringing someone else's trademark. Then, if available, file applications with the USPTO for your organization's name, logo, tagline, and any program names that matter to your donors or the public. Your organization should also audit any chapter or affiliate agreements to ensure clear trademark licensing terms and requisite quality standards. Finally, as a trademark owner, you have the obligation to keep an eye on the marketplace for confusingly similar uses by third parties and to take enforcement action, as necessary.

Your Mission Deserves Protection

You and your organization have likely already invested significant time and resources building public trust and developing goodwill. Protect it so your mission can keep growing. Connect with our experienced nonprofit and

trademark attorneys at Partridge Snow & Hahn to learn more about how we can help.

For guidance on [Nonprofit & Tax-Exempt](#) matters, contact [Elizabeth Manchester](#). For [Intellectual Property](#) considerations, including trademark protection, contact [Hannah Amadei](#).

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