

What's in a Name? Trademarks Identify Brand

You spent a lot of time and money developing your brand. Now you need to protect it by monitoring and enforcing its use in public

BY TJ ROMANO

For the Oregon Beer Growler

When it comes to branding, a wise choice of trademarks is everything. Of course you have unique recipes and great brews, but your trademarks come to symbolize them. In many ways, your marks become the most identifiable features of your brewery. Just consider the consequences of rebranding, such as losing all that current brand recognition. Rebranding is a time-consuming and expensive undertaking, one requiring a new website, signs, advertising, stationery, tap handles, labels, bottles, etc. On the other hand, consider someone using your mark on a competing beer. You may be left feeling ripped off. Imagine if you could not stop them. Now for a few important questions: did your company clear its marks before adopting them? Are its marks registered with the U.S. Patent & Trademark Office [USPTO]?

If the answer is no, then the consequences above are a real possibility. But don't worry, all is not lost! This article provides a basic primer on the importance of clearing and registering your marks.

First, select strong marks and recognize that several types of marks exist. A trademark identifies the source of a good and a service mark identifies the source of a service (although the term "trademark" is commonly used for both types). Traditional marks include words [e.g., FULL SAIL, MIRROR POND], logos [such as Migration's this page], and slogans [e.g., THIS BUD'S FOR YOU: ORDINARY BROTHERS, EXTRADINARY BEERS]. In the United States, almost anything capable of distinguishing ones products/services from others can serve as a mark. This even includes colors, smells, sounds, and product configuration [e.g., a distinctive bottle shape].

When creating a mark, a good rule to follow is that coined words, or words completely unrelated to your product/service, serve as the strongest type of marks. Generic words for a good/service can never serve as their mark. Using a famous example, the term "APPLE" can never be a trademark for apples, but it can obviously be a very strong mark when



TJ ROMANO

T.J. Romano is a partner at Kolisch Hartwell, P.C., which specializes in securing and protecting intellectual property, including trademarks, patents, copyrights, and trade secrets.

used for computers.

Second, don't act like an ostrich when selecting a mark. Investigating the availability of your proposed mark is critical! According to the Brewer's Association, there were 1989 U.S. breweries operating in 2011. This does not include foreign breweries selling in the USA. That is a lot of brands! One of the key considerations is that the first user gets the rights to the mark. Not properly clearing your marks in view of others' existing rights is a recipe for disaster, perhaps leading to a painful, involuntary rebranding down the road. As Irene Firmat, CEO and Founder of Full Sail Brewing Company emphasized, "No brewer would think it is okay to steal a beer recipe from another brewer,

and a trademark deserves the same level of respect. Creating a great brand name requires the same level of creativity, passion, and skill that it takes to create a great beer."

There are several resources available to get a preliminary idea if others are already using your proposed mark. Beyond Google, you can search the USPTO trademark records at www.uspto.gov. Another great resource for brewers

is searching the labels registered with the U.S. Department of Treasury - Alcohol and Tobacco Tax and Trade Bureau at www.ttb.gov. As Mrs. Firmat continued, "It is important that we all take care in selecting our marks to be sure that they are not being used by another brewery. There are so many quick and easy ways to check for a conflict on a name, and that can save a lot of time and problems in the long run."

But you are not done, even if the preliminary results look promising, your company should consult with a trademark attorney for a formal legal clearance opinion. Trademark attorneys typically use professional searchers and also can interpret the search results in view of the U.S. legal standards, such as the so-called "likelihood of confusion" test. For example, a trademark attorney will evaluate whether a given mark is confusingly similar to another mark by evaluating the similarity of the marks, goods/services, and target custom-

ers, among several other factors. Sometimes an unpromising situation is actually fine under the law, but the opposite is also true. The cost of performing a proper legal clearance search is insignificant compared to the hassle of forced rebranding.

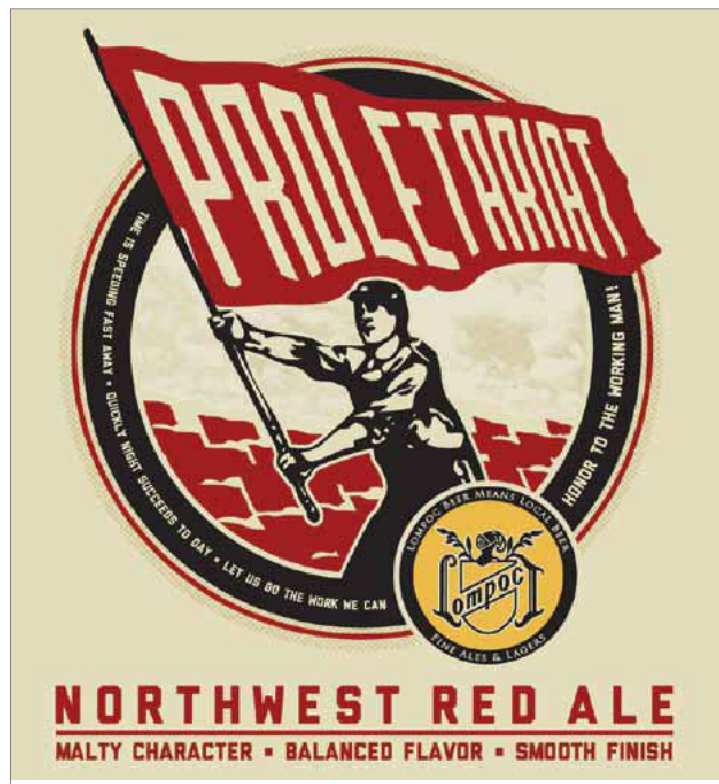
Third, register your marks with the USPTO, which confers trademark rights throughout the USA. Simply registering your domain names and trade names with a state agency is not enough. A USPTO registration is the only type of registration that confers rights throughout the USA. The good news is that your business likely has a trademark, even if unregistered. This is because use of a mark [e.g., sales of products bearing the mark] is enough to confer so-called "common law" trademark rights in the United States. However, these rights are limited only to the areas in which the mark is used. For example, if the mark is only used on products sold in Oregon, then there are no common law rights in any other state. This means that a competing business is legally allowed to use the same exact mark as your company in those other areas. In fact, you could even be blocked from selling your product in those areas if the competing company used the

mark in that area before your company. That would put a crimp in your expansion plans.

That is why obtaining a USPTO registration is so important. Even if your company only currently operates in Oregon, having the USPTO registration gives you rights as if your mark is in use throughout the USA. You can now stop that competing business in California. Expansion possibilities are preserved!

Finally, you built your brand, now protect it. U.S. law requires trademark owners to monitor and enforce their marks. Hence, it is critical that you take action to stop that competing company from using mark that is confusingly similar to your marks. Enforcement and litigation can seem daunting, but oftentimes a civil phone call can be enough to settle an issue.

If this all feels like theory, I urge you to talk with other brewers. You will quickly learn that the above consequences are real and possible. In summary, properly clearing and registering your marks will help avoid the pain and cost of involuntary rebranding and losing those important U.S. expansion rights.



BUSINESS IS BREWING IS WRITTEN BY B.I.N.G. Members of this beverage industry support group meet each second Wednesday at various places in the Portland area.

For information, call Marcus Reed, 503-276-6071.