Branding 101: Legal Issues and Practical Considerations

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I. Choosing a Strong Brand

II. Protecting Your Brand

III. Using Your Brand

IV. Brand Policies

V. Policing Third Party Use

I. Choosing a Strong Brand
Choosing a Strong Brand

- Distinctiveness
- Due Diligence
- Foreign Considerations

Spectrum of Distinctiveness

- Arbitrary
- Suggestive
- Descriptive
- Generic

Demonstration

- IVORY
  - Computers = arbitrary
  - Soap = suggestive
  - Paint = descriptive
  - Jewelry = generic
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Choosing a Strong Brand

- Due Diligence
  - Clearing Rights in Your Mark
  - Avoid Legal Challenge

  - Gateway claimed that defendant’s use of the GATEWAY.COM mark allegedly infringed its mark GATEWAY
  - Lower Court refused to grant preliminary injunctive relief

**Holding:** Court refused to grant computer manufacturer a preliminary injunction against a computer consultant who had been using the domain name “gateway.com” since 1988

DUE DILIGENCE

- Adopting a new brand
- Use of existing brand for new products
  - Kellogg’s Tony the Tiger v. Exxon’s Tiger
  - APPLE computer v. APPLE records
  - Johnson & Johnson v. Red Cross
- Use of existing brand in a new way
  - New logo or design
Choosing a Strong Brand

- International Considerations
  - Descriptive
  - Meaning/Connotation

II. Protecting Your Brand

- Registration
- Portfolio Review
Protecting Your Brand

- Federal Trademark Registration
  - Important Protections
  - Intent to Use
    - Saves Your “Place in Line”
  - Persuasive Effect
  - Counterfeiting
- Copyright Protection for Logos
- Design Patent Registration for Trade Dress

Protecting Your Brand

- International Trademark Registration
  - Some countries are “first to file”
    - Trademark “Pirates”
  - Physical Presence
  - Where Products are Sold or Offered
  - Location of Licensees, Manufacturers, Distributors, or Sales Agents
  - Where Negotiating with Potential Licensees
  - 5-Year Plan

Protecting Your Brand

- Domain Name Registrations
  - Immediate/Before Public Announcements
  - Defensive/Offensive
  - Identify most important marks
  - Identify likely formatives
    - Hyphens
    - Misspellings
Protecting Your Brand

- Identify most important countries
- Identify TLDs most applicable
  - .com/.biz/.info/.net
  - “sucks”
- Would you object if a third party registered (and used) this domain name?

Part III

Using Your Brand
Using Your Brand

• Proper use is critical
• Death of a Trademark
  - CELLOPHANE, YO-YO, ESCALATOR
  - ASPIRIN
  - Rampant Third Party Use
  - Improper Use
    * “Googling,” “Rollerblading” and “Xeroxing”

Which of the Following Are Trademarks?

• Thermos
• Corn flakes
• Saran wrap
• Saltine
• Krazy glue
• Hoover
• Windcheater
• Shredded wheat
• Frigidaire
• Surround sound
• Rollerblade
• Frappuccino
• Tabasco
• Esky

Those Marked with ™ or ® Are Trademarks

• Thermos® insulated drink container
• Corn flakes
• Saran™ wrap
• Saltine
• Krazy Glue® adhesive
• Hoover® vacuum cleaner
• Windcheater® outer garments
• Shredded wheat
• Frigidaire® refrigerator
• Surround sound
• Rollerblade® in-line skates
• Frappuccino® coffee drink
• Tabasco® sauce
• Esky® cooler
Using Your Brand

- Adjectives Modifying Nouns
  - Always Use Generic Noun
    - SPACLUB® facility
    - BAND-AID® bandage
    - KLEENEX® tissue
Using Your Brand

- Never Pluralize
  - Incorrect: KLEENEXES
  - Correct: KLEENEX facial tissue
- Distinguish from Surrounding Text
  - Font, Size, ALL CAPS
Trademark Protection
Maintaining Rights

• Distinguish from Surrounding Text
  – *Font*, *Size*, *ALL CAPS*
• Trademark Symbols
  – ® Registered Mark
  – ™ Unregistered Mark
  –℠ Service Mark
• Never Alter/Mutilate

Trademark Protection
Maintaining Rights

• Trademark Legends
  – Legal notices
  – Last page of materials
  – KLEENEX® is the registered trademark of General Mills

Which of the Following Were Initially Registered Trademarks?

• Nylon
• Kerosene
• Trampoline
• Zipper
• Cola
• Escalator
• Cellophane
• Linoleum
• Gramophone
• Aerobics
• Super Glue
• Yo-Yo
• Aspirin
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- Super Glue
- Yo-Yo
- Aspirin

They All Were

Protecting Your Brand

- Portfolio Review
  - Once a year check portfolio against actual use
  - Marketing materials, website and marketing personnel
  - Ensure marks registered for all goods and services
  - Consider breadth of foreign protection

III. Brand Policies
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Brand Policies

External Policies
- How to Use Trademark
- How to Obtain Permission to Use/License
- Post on Website

Internal Policies
- How to Use Trademarks
- To Whom to Report Problems
- How to Seek Permission to Implement New Brands
IV. Policing Third Party Use

- Watch Services
- Policing Program

Why?
- Protecting the Company’s Valuable Assets
- Protecting the Company’s Reputation
- Avoiding Consumer Confusion
Policing Third Party Use

- Informal Watching
  - Can be performed in-house or by outside counsel
- Watch Services
  - Traditional
    - Different Levels
      - US
      - Worldwide
    - Registrations Only Versus Common Law
  - Online Watch Services
    - Domain Registrations
    - Website Use
    - Chat Rooms/Bulletin Boards

Policing Third Party Use

- Policing Program
  - Develop Consistent Plan
    - Aggressiveness
    - Importance of Brand
    - Resources

Policing Third Party Use

- Policing Program (continued)
  1. Select trademarks to enforce
    - Prioritize core trademarks
  2. Create an enforcement team
    - Employees, vendors, legal counsel
  3. Categorize potentially offending uses
    - Uses likely to cause immediate harm
    - Annoying uses that may cause harm over time
    - Improper media use
    - Benign, trivial uses
  4. Identify and implement monitoring techniques
Trademark Protection
Causes of Action

• Infringement
  – Likelihood of confusion
    • Similarity of marks
    • Similarity of services
  – Dilution
    • Famous marks only
    • Identical or nearly so
    • Tarnish or dilute distinctiveness

Questions?