

Protectable trademarks



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When one thinks of the word “trademark” one usually thinks of brand names — GALLO, ROBERT MONDAVI, or SUTTER HOME. Of course, this is logical as the brand name is usually the primary source-identifier for a product.

However, trademark extends beyond just the name of the product and there are legally protectable rights in other identifying elements of a product or service.

The legal definition of a trademark is: a word, name, symbol, or device, or any combination thereof, used in commerce to identify and distinguish the seller’s goods or services from those of others. This is a fairly broad definition, but is entirely appropriate considering the various triggers of brand association in the mind of consumers.

Some symbols may function as trademarks in and of themselves, such as the shape, color, or graphics of product packaging. Others may have no individual trademark significance, but when combined together create a protectable trademark, also known as a “trade dress.” Trade dress represents a certain “look and feel” for a brand or its packaging.

For example, the color pink has been used exclusively by Owens-Corning for its ceiling insulation and therefore functions as a trademark for that product.

However, when not used in an exclusive, source-designating manner, color can have no trademark signifi-

cance, although it may provide functional information about a product, such as the color green for lemon-lime soda. In between these two ends of the spectrum are trademarks for color that provide exclusivity in the context in which they are used, functioning in the manner of trade dress.

Veuve Clicquot owns a U.S. trademark registration for the color “orange-yellow” for its Champagne label, based on its use of this mark in U.S. commerce since 1877. However, Veuve Clicquot’s use of orange-yellow goes beyond its label and is also prevalent in its advertising, marketing, and corporate image.



Thus, if another producer of sparkling wine attempted to make extensive use of orange-yellow for its brand, or even as the dominant color for its label, Veuve Clicquot would surely have a claim for trademark infringement. However, this does not mean a winery’s use of the color orange-yellow in combination with other colors as part of a distinct label design with a distinct brand name would be actionable, unless such use evoked Veuve Clicquot in the mind of consumers.

Like color, other symbols besides logos can also function as trademarks

based on their prevalent use on packaging and in advertising and promotion.

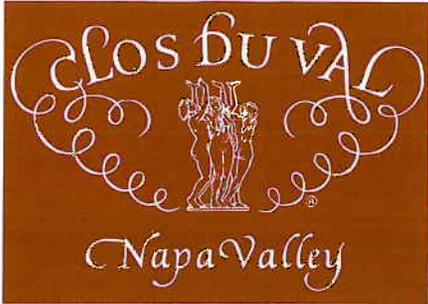
Since the introduction of its first wine in 1972, Clos Du Val has used a distinctive swirling line design, which is found in its Three Graces logo and carried out as a background on back labels, on wine carriers, and in other promotional materials.

The prevalent use of these distinctive swirl designs allowed Clos Du Val to register the swirl design as a trademark separate and apart from the brand name or other elements of its packaging. While Clos Du Val cannot lay claim to all swirly designs, its trademark registration allows it to be able to stop any other winery from using a similar swirly design or swirly design theme.

When discussing trade dress in the wine industry, one must include the famous *Kendall-Jackson versus Gallo “Turning Leaf”* case. In 1996, E&J Gallo Winery debuted its Turning Leaf wine brand. Its label featured a multi-colored, die-cut grape leaf design on a cream-colored background with gold border, a bottle with a flanged-lip,



Packaging at issue in 1997 Turning Leaf dress case.



exposed cork, no capsule, with a brown neck-label (also with a gold border).

For several years prior to 1996, the flagship wine of Kendall-Jackson Wine Estates also featured a multi-colored grape leaf design within a rectangular cream-colored label with a gold border on a bottle with a flanged-lip, exposed cork, no capsule, with a brown neck-label and gold border. Several elements of the trade dress were introduced at different times; the multi-colored leaf

in 1983, other package changes thereafter.

There were obvious differences between the packages, most notably the shapes of the grape leaves and brand names, Kendall-Jackson and Turning Leaf.

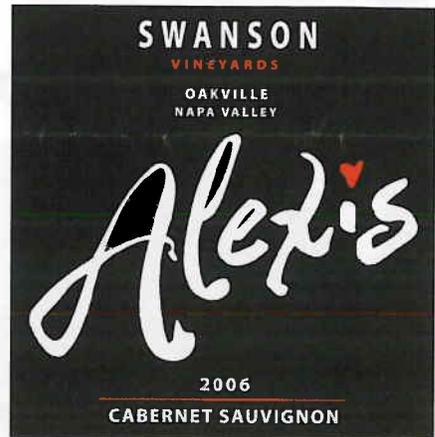
However, there was an arguably similar "look and feel" between the two packages and Kendall-Jackson was receiving calls from consumers suggesting that the Turning Leaf brand was being perceived by them as a second-label brand from Kendall-Jackson.

While the judge found sufficient similarity between the packages to reject Gallo's summary judgment request for a ruling as a matter of law, the jury ultimately found in favor of E&J Gallo and rejected Kendall-Jackson's claims of trade dress infringement.

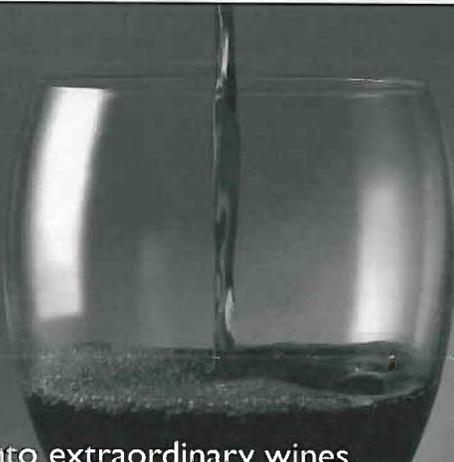
An example of a dispute where the similarity of the trade dress at issue was perhaps more obvious than in the Turning Leaf case involved the label

design for Alexis Cabernet by Swanson Vineyards (Oakville, CA).

In 1996, Swanson introduced a distinctive label design for the Alexis wine. The label featured a black background with the Alexis name in a distinctive white handwriting style with a red heart over the letter "i," with "Swanson" in gold lettering above,



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and the vintage, style, and origin in gold lettering below.

In 1999, Swanson Vineyards personnel discovered a "Nicole" Languedoc red wine from France that appeared to have appropriated all of the graphic elements of the Alexis label, albeit with a different brand name.

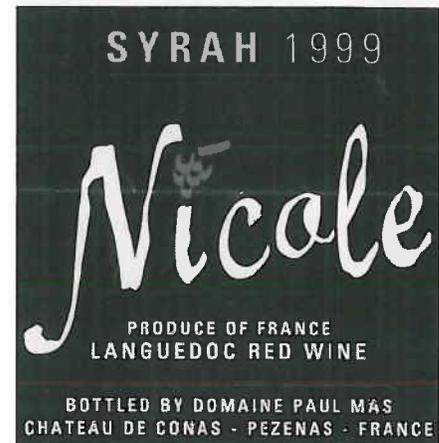
When contacted by Swanson Vineyards, the French producer agreed to change the label on future vintages and Swanson agreed to allow the French producer to sell through the limited amount of offending wine that had already been imported into the U.S.

While there are those people who will undoubtedly take the position that there was no infringement in the Alexis case because the alleged infringer used a different brand name for a distinctly different type of wine, the law clearly suggests otherwise.



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Take-home advice to brand owners

Consumers, in general, have an imperfect recollection of brands. This is especially true in the wine industry, where the total number of wine brands in the U.S. market at any one time easily exceeds 5,000. Accordingly, when a product has a distinctive "look and feel," consumers may be more likely to remember the trade dress than the brand name. Thus, trademark law provides protection for distinctive trade dress and trade dress elements to promote fair competition and safeguard consumers.

Wine brand owners should keep in mind the legal protections for trade dress in defending their own brands and should also respect the rights of others in the adoption of new labels and package designs. This article is not meant to suggest that every label or package design is unique and protectable, because it is not.

However, when a label or package design is "inspired by" that of another, or certain distinctive elements of a label or package design are "borrowed," then you are at greater risk. This is something to be especially mindful of when your labels and package designs are not

created in-house, but rather by outside vendors.

On the other side of the field, to the extent your label or package design is distinctive or unique, be sure to protect that uniqueness or it becomes diluted, non-distinctive, and open to use by others.

Trade dress can be registered in the same way as a brand name, and while it is not necessary, it serves to put others on notice as to your trade dress rights and your intent to protect them against infringement. However, to the extent such rights are disregarded, you must also enforce them to fully protect them.

If Veuve Clicquot had allowed other sparkling wine producers to freely use its orange-yellow trade dress, its consumer recognition and market position would not be what it is today. Undoubtedly, this distinctive trade dress element is as valuable as the Veuve Clicquot name, but only because

Veuve Clicquot has acted to protect its distinctiveness. This is a valuable lesson in brand protection. ■

[J. Scott Gerien has represented wineries and vineyards on trademark matters for more than twelve years. He is head of the intellectual property department of

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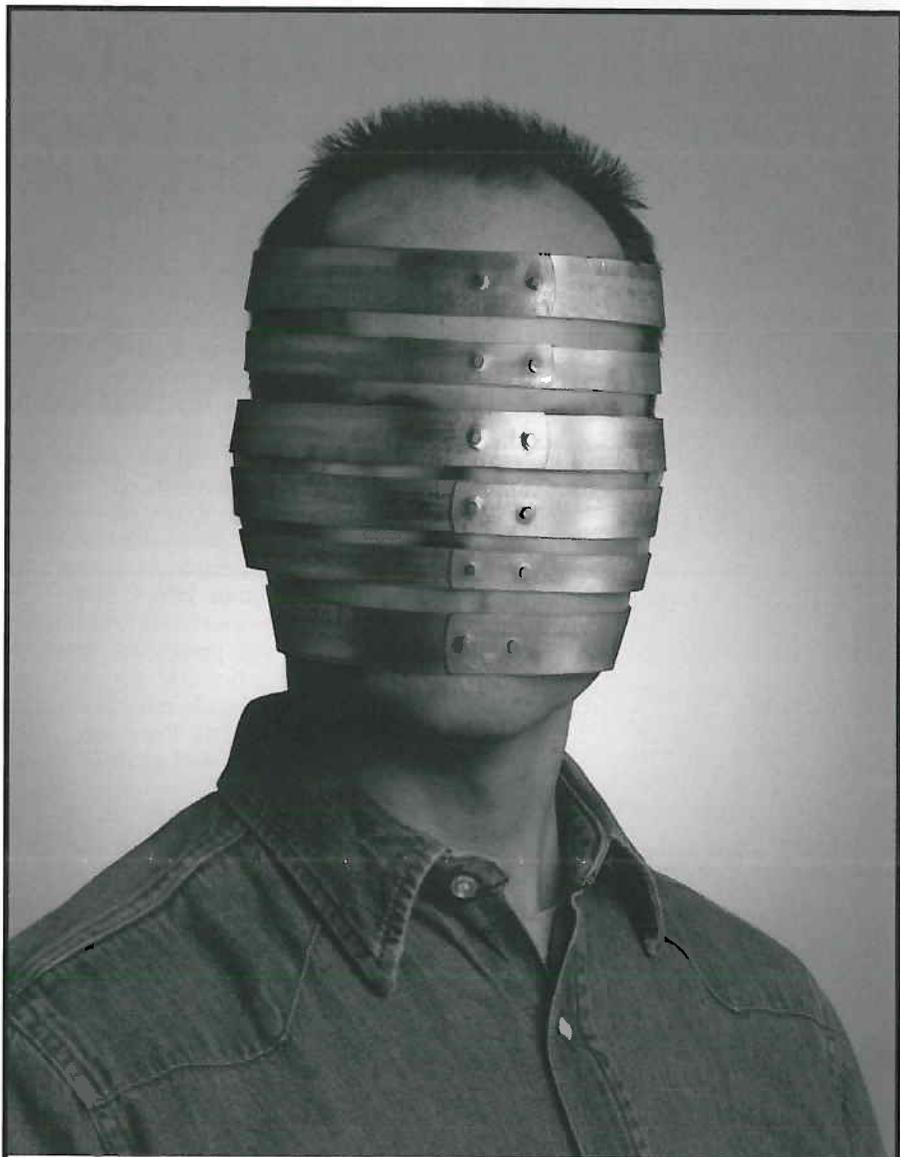
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