

## Protecting your design:



## is the bottle

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**W**hat does the shape of your wine bottle say about your wine? For most American producers, it tells the consumer the variety featured in the bottle — Cabernet Sauvignon or Merlot when using a Bordeaux-style bottle with straight sides and tall shoulders; Pinot Noir or Chardonnay when using a Burgundy-style bottle with gradually sloping side shoulders and a wider girth. These bottle shapes are industry standards, with different bottle manufacturers and wineries using small variations on these generic designs.

The wine industry offers nowhere near the variety of bottle designs found in other beverage industries, such as for vodka, spring water, or energy drinks. Nevertheless, there is still some innovation and creativity.

While some people in the industry may view the use of unique bottle designs as trendy or not suited to the nature of the product, one need look no further than Coca-Cola, Absolut, or Voss for proof that bottle designs can create strong brand imagery in the minds of consumers, especially today's Generation X and Millennial consumers. This lesson was recently taken to heart by Foster's Group in the repositioning of its Rosemount brand.

Throughout its history, the Rosemount brand has featured a diamond-shaped label that consumers have come to associate with the brand. In 2006, Foster's extended this diamond imagery to the design of the Rosemount bottle. The new bottle design reflects a modern aesthetic featuring a diamond base, tapering upward, to create a prism-like effect. This bottle design was sufficiently unique that Foster's was able to obtain an Australian trademark registration for the bottle shape, and a design patent in the U.S. and design registration in Europe and Canada.

### ***Bottle design as intellectual property***

Beverage bottle designs occupy a unique position within the intellectual property world. They are functional items; their purpose is to hold and pour beverages. Yet they are also packaging, which may be uniquely associated with the beverage contained within. Their industrial function allows them to receive a utility patent where they offer some type of unique utilitarian advantage, such as allowing the beverage to be poured in a manner that will result in less dripping.

If a bottle design does not offer any utilitarian advantage, but offers some type of unique design element, such as being shaped like a boot, then that design element may be protected by a design patent. Such patents provide the owner with a monopoly on the utilitar-

ian function or design covered by the patent, but are of limited duration — utility patents have a term of 20 years and design patents a term of 14 years.

Fortunately for beverage producers, because the bottles serve as packaging for the beverage product, which can be associated with the beverage brand, their shapes may also be protected as trademarks if they are unique or shown to have become recognized by consumers as unique to the particular producer. It is this trademark protection which prevents soda companies from using the Coca-Cola bottle design long after any patent for the bottle design would have expired.

Since trademarks remain valid and in effect as long as they are used in commerce, a bottle design protected as



**Rosemount Estate (Australia) introduced nine wines with a diamond-shape label and diamond-base bottle (with design patent) in 2006.**

a trademark may be exclusively used by the producer in perpetuity.

For example, The Wine Group owns both a design patent registration and a trademark registration for its unique "olive-oil-type" bottle design for its Corbett Canyon wines. The design patent for this bottle design expires on March 3, 2012. However, The Wine Group also obtained a trademark registration for the bottle design as used with wine, which means The Wine Group can continue to exclusively use the registered bottle design as long as wine is being sold in the bottle.

### Conflicting ownership issues

This dual protection scheme available for bottle designs also has the potential to create conflict between parties with different interests in the same design, specifically the bottle manufacturer and the wine producer. A patent right belongs to the inventor of the bottle design, while a trademark right belongs to the user of the design in commerce.

If a wine producer goes to the bottle manufacturer with a concept for a design (such as a bottle shaped like a pyramid) and the bottle manufacturer puts that concept to paper in creating the specific design, the bottle manufacturer will own the design patent as the inventor.

However, the parties may agree that the patent will be assigned to the wine producer pursuant to the production agreement, or that the wine producer will have some type of exclusivity to the design (such as exclusive use in the beverage field).

While a wine producer may claim trademark right in the design through

use of the design in commerce, absent some exclusivity arrangement, the bottle manufacturer, relying on its patent, may choose to make the design available to other wine producers. While this would lead to an interesting legal issue relating to conflicting interests in different types of intellectual property, most successful business plans for wineries do not involve budgeting for creating new laws concerning bottle design. Accordingly, wine producers and bottle manufacturers should be sure to determine such ownership and exclusivity issues in the production agreement for a bottle.

### Importance of protecting a design

Unlike a trademark right, which takes effect based upon the use of the trademark in commerce, a patent right can only be secured via registration of the design with the U.S. Patent and Trademark Office through application within one year of public disclosure of the design. If the inventor does not act to obtain the patent, no patent right can subsequently attach to the design.

In the context of a bottle manufacturer creating a unique design as part of its general line of bottle products, or on an exclusive basis to a particular customer or customers, not obtaining a patent means that other bottle manufacturers are free to use that same design, or a wine producer with interest in the design may legally bring it to a competing bottle manufacturer to be copied. This highlights the value of protecting the unique design from both sides of the bottle supplier/wine producer relationship.

While an exclusivity arrangement between the winery and bottle manu-

facturer is certainly necessary for the winery to keep the design restricted for its use, this does not prevent another winery from having the same design produced by a different bottle manufacturer. For this reason, a winery should obtain a design patent and/or trademark registration for a unique bottle design.

Absent a patent, there can be no claim for patent infringement, and absent a trademark registration, there



Homard bottles 1,000 to 2,500 cases per year of white Zinfandel (sourced from Madera, CA) and white Merlot (North Fork, Long Island, NY) in lobster-shaped, trademarked bottles. Wines are sold in New England states for \$9.99 to \$12.99.

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is a very high burden in demonstrating that the bottle design is sufficiently unique so as to serve a brand identifier for the winery.

### Bottle design as branding strategy

Undoubtedly the design of a unique bottle mold, preparation of exclusivity agreements, and filing for patent or trademark registration are not inexpensive endeavors. However, this does not mean that the protection of unique bottle designs is limited only to high-production wineries. Small wineries can create strong branding through the use of unique bottle designs and thereby stand out from the crowd. Take the example of Homard Wine.

Homard Wine is a Cape Cod concern that sells California White Zinfandel and New York White Merlot under its Homard brand in a bottle shaped like that most ubiquitous of New England icons, the lobster. The lobster bottle design is the subject of a U.S. trademark registration for wine, which means that Homard owns the exclusive right to use a wine bottle shaped like a lobster.

While this may seem more like a novelty than a sustainable brand, Homard's owner, Bruce Wolf, reports that annual production of the wine is between 1,000 and 2,500 cases. As there are many wineries out there that have great difficulty in moving 1,000 to 2,500 cases of wine, even if one views the Homard lobster bottle as a novelty, it is clearly a successful branding strategy.

### Bottle design trends

What is most surprising about the wine industry relative to other beverage sectors is the fact that unique bottle designs have not been used more prevalently to attract market share through brand presence.



Wine Group registered the Corbett Canyon bottle design in 1999.

One need only visit the wine aisle in a supermarket or liquor store to see the sameness of wine bottle design and how no wine bottles really stand out from the crowd. Go around the corner to the liquor aisle and it's a completely different story, with vodka bottles carrying the same 750 ml volume in a vast array of shapes and dimensions.

Undoubtedly, there are those wine drinkers who prefer the generic wine bottle design because they view wine as very serious and traditional.

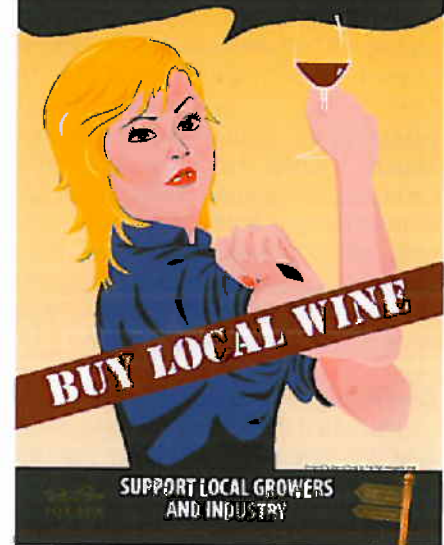
However, with the shifting wine demographic and growing influence of Generation X and Millennial consumers, producers may wish to consider a different bottle aesthetic in establishing or re-establishing their brand. Probably they should look less to the Homard

lobster bottle and more to the Rosemount diamond bottle as this demographic tends toward a cool sophistication — more iPod, less Walkman.

What is clear, though, is that wine bottle design remains an untapped resource for brand building in an overwhelmingly crowded market, especially with the newest generation of wine drinkers. ■

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## Fight The Recession!



## FINGER LAKES wine posters evoke WWII spirit

How can you market your wines during a recession? Look to former recessionary times and try a modern take on a campaign that worked then.

Dan Mitchell of Fox Run Vineyards (Penn Yan, NY) had an idea for marketing Finger Lakes wines during the current economic recession that started with World War II's "Rosie the Riveter" image, and grassroots efforts of the era encouraging consumer support in tough times.

Graphic designer Joanna Purdy, who created three labels for Fox Run and is married to winemaker Peter Bell, incorporated the modern, popular "Buy Local" slogan in the poster art. Finger Lakes Wine Country printed 500 11x17-inch posters and spread them throughout wineries in the Finger Lakes region. 2,500 more posters have been distributed to wineries and wine associations in California, Oklahoma, Texas, Washington, and the Hudson Valley and Long Island, NY.

Fox Run sells the poster for \$5 in its tasting room and \$6 on its website, [www.foxrunvineyards.com](http://www.foxrunvineyards.com). ■