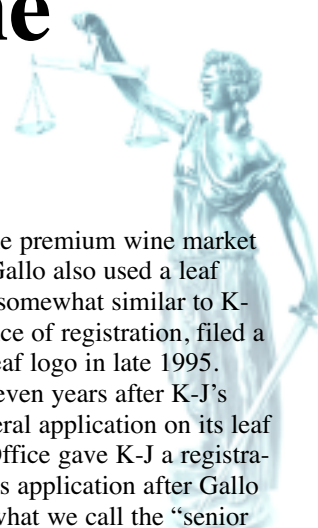


A Wine By Any Other Name Might Not Taste As Sweet

By David Hoffman



Many casual wine drinkers do not readily remember the name of a good wine they have tasted. The best way for a vintner to make a memorable impression is by using a unique logo (images used in connection with a good or service). After all, a picture can make a much stronger impression than most words. For example, the names “3 HORSE RANCH” and “GREAT WHITE WINES” may be unique. When coupled with the images of three horses or a great white shark, the names become unforgettable:

Most people hearing the word “trademarks” think of words that indicate a source or company, such as “GALLO,” “KENDALL-JACKSON,” and others. Without trademark protection, no business, be it winery, vineyard or other business, would be identifiable to buyers. Specifically, the mark is what a buyer remembers and looks for the next time the same product is desired. Logos, one type of trademark, can be used alone, or in combination with words.

To be protectable, a logo must have certain uniqueness. If you have a unique logo, it is best to register it. A good rule of thumb as to whether to register or not is: if a competitor started putting something that looks like your logo on their bottles or boxes, or their web site, would this bother you? If the answer is “yes,” then consider registration. Whether registered or not, you have rights just by using your logo. The strength of those rights depend on a variety of factors, but can be summed up by the following test: If another mark so closely resembles yours that you feel it may cause a “likelihood of confusion” to the buyer, it may be infringing. How close is close? In the case study below, Kendall-Jackson (K-J) found out the hard way that their view was not correct.

CASE STUDY

Kendall-Jackson Winery v. E. & J Gallo Winery dba Turning Leaf Vineyards



Kendall-Jackson Winery entered the wine market fast and furious. K-J was formed in 1983 and by 1994 was selling over \$1,000,000 of its Vintner’s Reserve premium wines and its chardonnay was the number-one seller in the U.S. In the late 1990s, K-J filed for and received a federal trademark registration on the words KENDALL-JACKSON® written through the middle of a grape leaf and “K-J” at the top of the leaf for use on wines. Their application claimed first use in 1988.

E&J Gallo Winery decided to enter the premium wine market as well with its Turning Leaf brand. Gallo also used a leaf logo and the coloring of the leaf was somewhat similar to K-J’s leaf. Gallo, knowing the importance of registration, filed a federal trademark application on its leaf logo in late 1995. Gallo claimed 1995 for its first use, seven years after K-J’s first use. Subsequently, K-J filed a federal application on its leaf logo. The U.S. Patent & Trademark Office gave K-J a registration as well. Even though K-J filed its application after Gallo filed theirs, K-J was the first to use (what we call the “senior user”). The senior user (here K-J) can sue the junior user (here Gallo) for trademark infringement. In fact, K-J did just that.

REVIEW

In a trademark dispute, the senior user has a key advantage. However, there are several factors by which “likelihood of confusion” is tested. In many cases, three are important: the similarity/dissimilarity of the marks; the strength/weakness of the senior user’s mark; and the similarity/dissimilarity of the goods or services. Here, the goods (wines) are obviously the same, and there is some similarity of the marks in that they

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David Hoffman has been an attorney practicing exclusively in intellectual property law (patents, trademarks, copyrights and unfair competition) since 1985. Mr. Hoffman represents multinational companies as well as numerous start up to medium size businesses. He both litigates and procures rights for his clients, and with his philosophy of procuring the broadest rights possible, performing good clearance procedures, and negotiating, has successfully avoided and minimized litigation for clients he counsels.



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both have leaves. The similarities, however, are too general and generic: a grape leaf logo for a grape vine product (wine) is not a strong, unique logo. Moreover, K-J's leaf has a straight on view while Gallo's leaf is rolled or "turning" and positioned at an angle. The question is, "Would there be a likelihood of confusion in the mind of the buyer?"

On the claim of infringement of the grape leaf logo, the trial court found that the image of a grape leaf was so commonly used throughout the industry that it was not protectable. To grant K-J the decision would be to prevent the entire wine industry from using the grape leaf. The appeals court focused more on the fact that Gallo's leaf did not look enough like K-J's leaf logo. For example, the most distinctive aspect of K-J's logo was the words "Kendall-Jackson" passing through the leaf. Of course those words were not present in Gallo's leaf. In addition, Gallo's leaf is rotated, points at an angle and has somewhat different coloration. Therefore, K-J's logo was not strong and K-J lost the suit.

CONCLUSION

Even if you have a federal registration on the words, consider protecting the words and the logo together and also consider protecting the logo alone. Each trademark, words alone, logo alone, and words plus logo provides different protection which can be very valuable. For logos, consider copyright protection as well. A good selling product can make tens of thousands, hundreds of thousands or even millions of dollars and that is well worth protecting.

K-J did the right thing by federally registering their mark. K-J should have filed its application earlier, but that is not why they lost. Their mistake was that they overestimated the strength of their wine leaf logo. They had extensive advertising and sales, which helps for showing a strong mark. However, the more common the image you want to use as a logo in the industry you are in, the narrower your protection. The more unique, the stronger your protection. If you can, pick a unique image.

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