

# A DUCK BY ANY OTHER NAME IS STILL A DUCK

By David Hoffman



**I**n 2001, St. Helena Wine Company dba Duckhorn Vineyards of California and Duck Walk Vineyards, Inc. of New York each accused the other of trademark infringement. Duck Walk filed a federal lawsuit in New York in essence saying: “Duck Walk is too close to Duckhorn. Tell Duckhorn to change its name.” Duckhorn countersued for trademark infringement saying in essence: “Duck Walk is too close to Duckhorn. Make Duck Walk change its name.” After two years of some very expensive procedural wrangling and discovery, the parties settled.

According to Duckhorn, it was formed in 1976 and released its first wine under the Duckhorn label in 1980. Since then Duckhorn released a variety of wines under the Duckhorn label using duck-themed names and duck images. Along the way, Duckhorn obtained a federal registration on DUCKHORN VINEYARDS for wines. In 2000, Duckhorn also filed on just the name DUCKHORN for wines. A smart move although probably not a factor in the

current case. Duck Walk was founded in 1994. Duck Walk never applied for or registered its mark.

A search of the federal trademark registry shows that there are other registrations where the mark is two words and starts with DUCK, and the goods are wine:

**DUCK POND** registered in 1994;  
**DUCK TAPE** registered in 2010;  
**DUCK SHACK** registered in 2008; and  
**DUCK DOWN** registered in 2014.

Possibly, if push came to shove, Duck Walk could have prevailed in the original trademark lawsuit. However, continuing to fight would have cost significant money and been a huge risk that they might lose in the end. So Duck Walk entered into a settlement agreement whereby Duck Walk agreed to limit distribution under the DUCK WALK label and duck images to no more than 84,000 gallons per year, and no more than half the production being sold outside of its tri-state area (New York, New

Jersey and Connecticut). Moreover, Duck Walk had to put its appellation “on the front label of all of the Gross Production.” This agreement is a fairly reasonable settlement for both parties at the time.

But in time the situation may have changed. It is quite possible that the following scenario occurred: Duck Walk recently decided this agreement was limiting its sales too much. The agreed-upon appellations “The Hamptons,” “South Hamptons,” “South Fork” or “Long Island” on the front label do not have the panache of “California,” or various other popular viticultural regions, and may best be left on the back label. Possibly, Duck Walk or its attorneys then took a close look at the agreement, term 3 below, and decided that if they submit a COLA to the BATF and switch what would normally be called the “front label” (the larger one with the pretty picture) and the “back label” (the smaller one with the surgeon general warning and other detailed information), then the “front label” as approved by BATF would have the appellation and satisfy the agreement. In their court papers, the parties are arguing over what is the “front label” and what is the “back label.”

Duck Walk says the front label under the agreement is what was termed “front label” in the COLA application and Duckhorn says what is the “front label” is what the industry understands to be the front label (the bigger label with the pretty picture). From a review of the key language in the settlement agreement, my opinion is that the term “front label” means the industry standard front label. The language of the agreement refers to the BATF only with respect to the geographic designation:

The words “The Hamptons”, “South Hamptons”, “South Fork” and/or “Long Island” or other geographic designation of like import as may be approved by BATF (the prefatory language) shall be added on the front label of all of the Gross Production. Such words will be added to the front label immediately above the words “Duck Walk” or other use of the word “Duck” in size and font lettering reasonably legible to persons looking at the front label, and in accordance with approval by BATF. (Emphasis Added)

Duck Walk so badly wants the front to be the back and the back the front that it has some wine bottle pictures on its web site showing what looks to me to be the back label:

Right now the parties are waiting for the court to decide this issue. The lesson of this case is that when you select a mark, not only should you do a

trademark search, but also carefully consider the results of the search and whether or not you are too deep into the “gray zone.” The gray zone is where it is possible for you to think your mark is fine, but also possible for an earlier trademark user (here Duckhorn) to think your mark is not fine. While you may be able to settle a trademark dispute if it arises, what you have to give up to settle it may be more than you can live with as you grow over time.



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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.



Mr. Hoffman has taught for a patent bar review class, has authored articles and given lectures on intellectual property, and has been named to Who's Who Millennium Edition and Who's Who Among Rising Young Americans in American Society &



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