WHAT'S IN A BRAND? MORE THAN JUST A NAME!

BY STEPHEN R. BAIRD
Winthrop & Weinstine, P.A.

Illustration by Carl Darden

As competition grows and the marketplace of goods and services becomes increasingly crowded, the ability of businesses to cut through the clutter and successfully differentiate from others has become critical for success. Obviously, smart and strong brands can help achieve this necessary differentiation. Less obvious and often overlooked is that brands can be composed of more than names and logos. There are few legal constraints on what can function as a brand, opening the door to much more than names (e.g. NIKE® and McDonald's®) and logos (e.g. Swoosh® logo and Golden Arches®). Today, creatives are challenged to develop novel and distinctive ways of achieving meaningful differentiation beyond the traditions of naming and logo design.

Trademark Law

Trademark attorneys are equally challenged to collaborate with creatives in this cluttered and competitive environment to help ensure that a client's substantial investment in creating meaningful differentiation through non-traditional branding is protectable. Otherwise, what's the point? Trademark law is the best existing legal framework for protecting a company's brand investment and the public from being confused when others tread too close. The primary tool of U.S. trademark law is the Lanham Act. It contains various rules: some govern the registration of trademarks others govern their wrongful use. Probably the most important rules for a company seeking to establish a brand are those governing federal registration of trademarks.

Trademark Registration

Although the law doesn't require that trademarks be federally registered to enjoy some level of protection, it provides substantial benefits to those who do promptly register their marks. For example, when federal registration is not pursued, any existing legal rights are limited to those local geographic areas where there has been real and sufficient use of the mark that creates an association in the minds of consumers. These rights are called common-law rights. Courts can be quite skeptical of them, especially when non-traditional trademarks are being claimed. When recognized, however, common-law trademark rights will stop similar subsequent uses that are likely to confuse consumers.

Federal registration extends those rights nationwide to places even where there may be no use, or where the use is insufficient enough to create valid common law rights. Properly pursued, federal trademark registration allows a brand to grow without fear of having geographic expansion stopped in its tracks by another who has acquired common-law rights in other locations. Perhaps most importantly, for our purposes here, federal registration makes it easier to prove and enforce trademark rights and it eventually can render those rights "incontestable" – a benefit that can be especially useful when branding occurs outside the traditions of naming and logo design, where courts more closely scrutinize such proprietary claims.

Non-Traditional Trademarks

So what kinds of subject matter satisfy the legal requirements of a trademark? The Lanham Act very broadly defines a trademark as "any word, name, symbol, or device, or any combination thereof" that identifies goods or services, distinguishes them from those of others, and indicates the source of the goods or services. If these three critical elements are present, the possible subject matter available for trademarks is virtually unlimited. Indeed, single colors (CORBOND® Lavender™ insulation), product shapes (ZOVIRAX® tablets) and configurations (Apple® iMac® computer), product containers (HEINZ® ketchup bottle) and packaging (TOOTSIE ROLL® wrapper), vehicles (Porsche® 911® automobile), clothing (Dallas Cowboys® cheerleading uniforms), building exteriors (White Castle® restaurant) and interiors (Taco Cabana® restaurant), sounds (NBC® chimes), fragrances (cherry scented motor oil), and other attention-getting devices (Mystic Lake Casino Hotel® projecting into the sky light beams resembling the conical framework of a tipi) are all protectable as non-traditional trademarks. Interestingly, motion marks, tactile marks and taste marks seem to be getting the most attention lately. Surely the motion of the SPRINT® pin-dropping action could be a protectable trademark. Although an attempt to register the orange flavor of a drug was recently denied as "functional" because it masked undesirable taste, the case made clear that properly pursued, taste trademarks are possible.

The Functionality Exception

Functionality is the only real limitation the law places on viable trademark subject matter. If a claimed trademark device is found to be functional, no exclusive rights can ever exist and it resides in the public domain for anyone to use. In that way, functional devices are like generic terms (e.g. escalator and aspirin). A trademark device is functional if it helps the product perform its purpose (LEGO® building blocks or OBSESSION® perfume), if it communicates non-source information (DIPPIN DOTS® colored ice cream beads indicate flavors), or if awarding exclusivity would put competitors at a significant competitive disadvantage (color black for outboard motors is functional because it best coordinates with a variety boat colors).

The Challenge

The exceedingly broad legal definition of trademarks provides creatives with a great deal of power as they go about their work in different businesses. The law rewards creativity and uniqueness. By developing branding tactics that extend beyond mere naming and logo design, creatives who collaborate early with competent trademark counsel can assist their clients in finding new ways to accomplish the goal of differentiation. The non-traditional brands of tomorrow will only be limited by the creativity of those involved in the process. Who will be the first to brand eyeglasses by the taste of the tip that rests above the ear? Who will be the first to brand ballpoint pens by the taste of the cap?

The possibilities are endless! ■

Stephen R. Baird joined Winthrop & Weinstine, P.A. as a shareholder in 2003 with over a decade of experience in the intellectual property arena. He heads the Intellectual Property and Trademark and Brand Management practice groups, and his practice emphasizes trademark law, related unfair competition law and copyright law. Baird counsels clients on trademark usage and clearance, branding strategies, domestic and worldwide portfolio management, litigation and enforcement, Internet domain name disputes, licensing and prosecution. He also handles trademark litigation matters in federal district court and in proceedings before the U.S. Patent & Trademark Office. In addition, Baird manages both large and small U.S. and international trademark portfolios for a wide variety of companies