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A Vintner's Intellectual Property: Protecting the Future of a Winery's Label Through Trademarking

By PHILIP CARTER STROTHER and CHARLES R. SAMUELS

Wyndham Winery's recent name change to "Doukenie" is just one example of a local Virginia farm winery fending off unwanted international trademark scrutiny. In this particular case, it came from a much larger, and deeper-pocketed, Australian winery with a similar name: Wyndham.

As our wine industry continues to grow, and more vintners enter the national and international markets, the integrity of a winery's label and its unique design have assumed considerable importance to the winery owner in developing an economically viable long term business plan.

Regardless of the size of the winery, all owners must consider how to label and brand their wine to set it apart from others in a crowded field, and, as the industry expands, they must also be secure that their label is protected.

For the small Virginia farm winery this can be difficult because the owners may not be considering the long-term effects of certain business decisions. Although all farm wineries must decide how they will label their wine, an owner may not consider the potential expansion into national and international markets.

This situation can cause difficulties in years to come when decisions about expanding beyond the local market are considered, or conversely, when larger international and out-of-state wineries like Australia's Wyndham begin to compete in the local market.

A personal decision

The development and selection of a label is not only a creative and personal decision, but it's also an important strategic business one. In addition to state and federal labeling requirements that mandate strict adherence, owners should consider how the design deci-

sions would affect their initial and long-term marketing strategy.

The goal should be to choose a distinctive name and label that conveys the owner's passion for making wine, develops brand identification and is capable of becoming a federally protected trademark.

When choosing, keep in mind that, without protection, others may be able to use the same name and design in some form. A considerably adverse economic impact can occur when a winery discovers years into operation that it's prohibited from using its name and label because someone else used it first. In California, for example, this was an expensive lesson for two wineries.

The Folie à Deux Winery in Napa attacked Madroña Vineyards of El Dorado County, over Madroña's use of "Mélange de Trois" as a brand name. Folie's insistence that Madroña infringed on its own "Menage à Trois" brand resulted in costly and time-consuming litigation that could have been avoided through the trademarking process.

Moreover, protecting one's rights through trademarks is the first step to ensure that the winery isn't caught in a situation in the future where creative naming and labeling of a new wine becomes the standard name for that wine and no longer associated with a specific vineyard, or, worse, that a winery must stop using their label because someone else has the right to it.

The prudent vintner will take the lesson of former trademarks "escalator" and "trampoline" to heart: Once a trademark, not always a trademark. Both marks became synonymous with the product type and therefore are now considered "generic," causing the companies who owned these marks to lose any exclusive right to them.

Protecting your name

Registering a trademark with the United States Patent and Trademark Office (USPTO) provides many benefits, including the exclusive right to use it in commerce in connection with the specified goods or services, constructive notice to others of a claim of ownership and nationwide protection.

There are four categories: Generic, Descriptive, Suggestive and Arbitrary or Fanciful. The ease or difficulty with which a chosen mark, including labels and names, may qualify to receive protection depends on its category.

Once the owner has selected a desired name or label design, the next step is to "clear" the mark. In other words, making sure that no one else is already using it or something so similar that the new mark could be easily confused with the prior one.

Usually a quick "Google®" or USPTO website search will provide a basic idea if anyone else is already using the mark. Before filing with the USPTO though, a more thorough search is appropriate to ensure that it's available.

After the owner is comfortable that no one else can claim they're using the mark, or that it's so similar as to be confusing to consumers, the winery must make two last determinations.

First, the winery must determine whether the mark runs afoul of any international treaties and, second, if it's a drawing, whether it's just a conglomeration of generic pictures reminiscent of wine.

In addition, a specific trademark rule applicable to wineries is that the USPTO prohibits registration of a mark that includes a geographical reference that suggests the wine is from a location other than its origin.

An ounce of prevention...

While the trademarking process can be complicated, if a winery seeks appropriate legal counsel and is careful in developing its label, registering the mark is relatively painless and it may be protected fairly easily thereafter. Once registered, federally protected trademarks last for 10 years and are renewable in perpetuity for 10-year periods.

The selection of a winery's business identity, as reflected by its label in the marketplace, is an exciting and important business decision. With careful planning and some research, the design an owner creates will follow the winery and its products for many years as a creative instrument that fosters dependable consumer identification.

To ensure the long-term viability of the owner's decision, he or she would be prudent to protect their label's future through trademarking now.

Mr. Strother is counsel to many Virginia wineries. Mr. Samuels, an associate with Strother Law Offices, PLLC, is an experienced business attorney who regularly practices in the area of intellectual property and has secured trademarks for Virginia wineries. ♣



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