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"Hey Barkeep, Pour Me A Pint of...": Trademark Tips for Microbreweries

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For microbrewers, taste and memorable names mean everything. Loyal customers often ask for specific brews and word-of-mouth advertising is indispensable, since microbrews are often purchased in local restaurants and bars.

Like many small businesses though, protecting your microbrewery brand and trademarks often raises a basic financial issue: Is it worth it? This brief article explores

some cost-effective ways to build your own beer brand identity, while also guarding against the possibility that you may be infringing upon the already established trademark rights of others.

The "Knockout" Search

So, before you begin taking that home brewing hobby to the next level and coming up with the perfect name for your craft beer and perhaps your own brewpub, you should take advantage of some readily available

resources to make sure that someone else has not already beat you to the punch.

What you're undertaking is called a "knockout" search in trademark circles. Your goal is to find a brand name that is not confusingly similar to other products already on the market for beers or other products that may be related to alcohol or beer consumption. The goal of trademark laws is to prevent confusion among consumers as to the source or origin of products or services.

While it may seem tempting to be playful and incorporate someone else's famous trademarks[1] on your microbrew label, you should avoid that form of potential instant name recognition. Famous marks are protected from having their commercial impression diluted by even unrelated goods or services.

Likewise, the owners of famous marks can prevent "tarnishment" of their marks by use on products they deem to be unsavory—alcohol being a common such product. Owners of famous marks often have the financial means and incentives to pursue even small-time poachers of their brands.

In the age of robust Internet search engine capabilities, the good news is that a simple

knockout search only requires an investment of your time.



First, visit the United States Patent and Trademark Office [website](#). Running a free Trademark Electronic Search System ([TESS](#)) search will come up with all federally registered trademarks (with a margin of error based on search terms or how marks may have been categorized in that database).

Second, a similar search should be conducted for state-registered trademarks. Each state varies and while there are currently no TESS-

equivalent knock-out searches available^[2] in Washington or Alaska, [Oregon](#) does have its own trademark search. This is another reason why a thorough Internet search is valuable, since it is more difficult to research state-registered trademarks.

Third, because trademark rights under common law accrue automatically when they are being used in commerce, a search on the Google, Bing, or other search engines may also provide useful information about business websites and social media pages that are using trademarks that may be protectable, even though they are not registered in state or federal trademark databases.

You've Explored the World Wide Web. Now What?

There are several scenarios that can happen after a knockout search is performed:

- 1. There is no related product or business out there with the same or similar name.*

This is the best-case scenario. A unique name can be used and registered as long it meets certain criteria, such as not being geographically descriptive (or mis-descriptive), immoral, scandalous, or deceptive.

- 2. There is a microbrewery or other business with the same or similar name in your vicinity or in an area where you might want to expand.*

When two companies have established trademark rights, but have not sought state or federal trademark registration, the boundary of your protectable rights is limited to the geographic area where you engage in business, along with some room for expansion. When either party begins to expand the territorial reach of its respective products, confusion may ensue among consumers.

Neither business usually wants their brand being confused with the other side's different (and potentially inferior) product. In the world of craft beers, one bad sip can mean disaster. The point of a knockout search is to nip any potential disputes in the bud.

3. *There is a brewery or related product elsewhere in the nation with the same or similar name.*

If you find your creative brand name is already registered as a federal trademark, you fulfilled the cautionary purpose of your knockout search. A federally registered trademark means that the owner has presumptive rights across the country and can prevent any use of a confusingly similar mark even if the trademark owner has no established presence in your state.

What's Your Market: Local or National?

In the best-case scenario, no confusingly similar names have shown up after a knockout search. If you begin using your name in selling your beer, your common law trademark rights are already gaining traction. Perhaps this is all you care about.

However, if you are interested in gaining more protection over your brand, and if your current business plan is to brew and distribute only in one state, applying for a state registration may be your most cost-effective move. A state trademark registration will give you presumptive, statewide priority rights over others using the same or a similar trademark in your state on the same or similar goods or services. It is simple, fast, and inexpensive.

For example, in Washington state, the [Trademark Registration and Renewal Form](#) can be found on the Secretary of State [website](#). Once completed, the exclusive right to use that trademark lasts for five years, at which point the registration will need to be renewed.

However, even if the current plan is to stay local, it is important to look toward the future and leave opportunities for growth. Distributing across the country or even to a neighboring state will leave the brand vulnerable if it is only registered in one state.

The Mechanics of Federal Trademark Registration

Trademarks are registered federally under the Lanham Trademark Act by the United States Patent and Trademark Office (USPTO) and registrations are good for ten years, with the option to renew if qualified. There are two

types of applications for registration: "Use in commerce" which is for products that are already in production and are currently being sold in interstate commerce and "intent to use" which is for a *bona fide* intent of selling a product or service in interstate commerce, although it is not currently being sold in interstate commerce.

After the application is submitted, it is sent to a trademark examining attorney for examination. If the examining attorney identifies any issues with the application, he issues an Office Action that identifies the deficiencies and issues. The applicant has six months from the mailing date of the Office Action to respond. The examining attorney may issue additional Office Actions if the applicant does not provide a satisfactory response or if new issues arise.

An application that passes through examination is published in the USPTO's *Official Gazette for Trademarks* for opposition. Once a mark is published for opposition, a party with standing may oppose registration of the mark by filing a Notice of Opposition within the opposition period. One important issue to note is that a third party may oppose an application even on issues not raised by the examining attorney.

If no opposition is filed, and if the trademark is the subject of a use-based application, it proceeds to registration. If it is the subject of an intent-to-use application, it will not be registered until the applicant files a proper Statement of Use.

Federal trademark registrations can be cost-effective and can sometimes be completed for around \$1500 to \$2000. If there is a USPTO rejection of your application that must be overcome or if another person files an opposition to your obtaining a requested trademark, the entire process can become more costly. The point of your prior "knock-out" search efforts is to determine whether others might have prior rights in your chosen trademark instead of finding this out after you have already applied for your trademark rights.

Trademark and Labeling are Not the Same

If you plan to bottle your brews for distribution, there are state and federal regulations regarding the labeling of alcoholic beverages. Labels should not be made to appeal to children or underage persons or mislead

consumers regarding the alcohol content of a beverage. All beer labels need to be approved by the [Alcohol and Tobacco Tax and Trade Bureau](#). States may have additional regulatory requirements as well.

Although your brand name might have made it through the trademark registration process, it will face an additional level of scrutiny in order to be granted a Certificate of Label Approval. Depending on your trademark and your label, it may be prudent to obtain this approval prior to filing trademark applications.

The Necessity of Enforcing Your Brand Rights

Perhaps a few months or years pass by after registering a trademark and you learn through the grapevine (or the hopvine?) that there's a new brewery popping up with a similar name or similar sounding brews. The USPTO only registers trademarks; as the trademark owner, you are responsible for its enforcement. It is important to diligently enforce the use of a trademark because trademark owners run the risk of losing their rights otherwise.

Trademark litigation can become very expensive, so you will consider an entire range of enforcement options. At this point, it may make sense to retain legal counsel to advise you regarding your enforcement rights and an enforcement strategy that best fits your company's needs.

Viral Boomerangs in Protecting Beer Names

In recent microbrewery trademark litigations, there is a key player that parties on either side sometimes tend to overlook: the viral power of public opinion.

Since your goal is presumably to sell more beer and create a great reputation, one way to achieve that goal is to maintain good relations with beer consumers. Given social networking tendencies these days, your aggressive lawyer's "cease-and-desist" letter to an alleged infringer may well go viral.

Whiskey distiller Jack Daniels recently sent what became known as "[the world's nicest cease-and-desist letter](#)" after it went viral and gained the company positive publicity. Companies cannot choose what the Internet

will pick up but it is a good rule to be courteous even when seemingly no one is looking.

Most consumers do not know that a company must actively protect its trademark rights at the risk of losing them. Oftentimes, the side wanting to protect its trademark, often the larger brewery, is viewed as a bully while fans rally around the "little guy" alleged trademark infringer. Additionally, the first side to file suit may be seen by the public as overly aggressive and not living up to the familial spirit of the brewing community.

Some companies find this out the hard way. In 2009, Hansen Beverage Company sent a cease and desist letter to Rock Art Brewery over the name "Vermonster," citing that it was too close to their brand of Monster Energy Drinks. The letter was revoked after public outcry and calls over the Internet to boycott Monster. Hansen stated that the reason for the withdrawal was because "[Vermonster doesn't break into the energy drink market.](#)"

After California's Coronado Brewing won in a settlement against Seattle-based Elysian Brewing Co. in a conflict between Coronado's Idiot IPA and Elysian's Idiot Sauvín IPA, public outcry to boycott Coronado rang out across blogs, message boards, and various social media platforms because they were seen as being unreasonable for not letting the two beer names coexist.

What is Too Close for Comfort in Naming Microbrews?

"In the case of alcoholic beverages, the degree of similarity need not be as high as usual since the likelihood of confusion is greater because drinks are frequently purchased at bars and clubs without the purchaser seeing any bottles or labels." *A. Smith Bowman Distillery, Inc. v. Schenley Distillers, Inc.*, 198 F.Supp. 822, 827 (D. Del. 1961).

Here are how some beer name controversies have been resolved:

Trademark	Alleged Infringing Name	Co
Marble Brewery	Marble City Brewing Co.	Se Ci na Co
Racer 5 & Red Rocket	Red Racer	Ne ler ou ch
Full Sail Brewing Co.	Grey Sail Brewing Co.	He Re

Collaboration Among Brewmasters

Litigation can be costly, time-consuming, and, as discussed, can mar a company's reputation. Most microbreweries would probably much rather put their time and money into brewing more beer. Additionally, making enemies in such a fraternal community may not serve your long-term interests, even if the litigation ends up going your way.

One creative solution was reached by the owners of California's Russian River Brewing and Colorado's Avery Brewing when they discovered that they each brewed a Belgian-style ale named Salvation. Not wanting fight over the name, they decided to have fun with the coincidence and jointly brew a seasonal beer that "blends the brews to catch the best qualities of each." They named the final product Collaboration Not Litigation Ale.

For those who do not wish to blend their beers or brew with their competitors, but still wish to avoid conflict, coexistence agreements may be a good, cost-effective solution. An intellectual property lawyer experienced in trademark law can help draft an agreement that details the rights and obligations of each party.

As a recent Boston Phoenix [column](#) about the Full Sail/Grey Sail dispute observed, a number of similar beer names seem to co-exist presently such

as, "Flying Dog, Flying Fish, Dogfish, Sea Dog, Laughing Dog; High & Mighty, High Noon, High Point; Mad River, Russian River, Snake River." But this may simply be due to ignorance, which usually does not lead to bliss in the world of trademark law.

[1] One can always seek permission or a license from a trademark or copyright owner to use their mark, images or designs; but that permission or license may well not be forthcoming.

[2] There are paid database services that provide state-by-state searching.