



What's in a Name? Five Tips to Build and Protect Your Winery's Brand

By Joseph J. Porcello, Esq.

Brand. What does it mean in the wine industry? Everything. An overstatement? Maybe. But not by much.

A winery's brand tells the story of its wine, from the vineyard to the bottle to the table, and builds connections with consumers that form the very foundation of the enterprise. It is front-and-center on every single bottle. It is plastered across the winery's website. It is the winery's identity in the marketplace. Put simply, a winery's brand is one of its most important and valuable assets.

An asset this valuable and critical to the long-term success of a winery deserves careful attention and protection, even as the everyday hustle and bustle of running a vineyard and winery pulls owners and their managers in different directions. The purpose of this article is to provide winery owners with several tips to help focus their brand protection efforts, protect their investment in their brand, and, should they choose to exit the business down the road, maximize their returns in a sale by developing a strong, enduring brand.

Tip 1 – Identify a Unique Name Before Investing in a Brand

One of the first orders of business for a new winery owner is choosing a unique, distinctive name. For the unwary, however, this process, if not handled properly, can produce many headaches down the road and even endanger the very existence of your winery. A winery owner that selects a brand name that infringes on a third-party's intellectual property rights risks an expensive lawsuit that could result in a court judgment barring your use of the brand and ordering you to pay substantial money in lost profits and damages.

Prior to investing significant funds in developing a brand around a winery name, a winery owner should conduct diligent clearance searches to identify other wineries or other alcoholic beverage makers who have registered a trademark with the U.S. Patent and Trademark Office, or USPTO, which is the same or confusingly similar to the proposed name. The owner should also investigate whether another winery has adopted the proposed name as its operating trade name, bottling trade name, or brand name with the Alcohol and Tobacco Tax and Trade Bureau, or TTB. Lastly, the owner should look for unregistered uses of the same mark or a similar mark in the marketplace. The purpose of these searches is to identify potential practical and legal impediments to the successful development of a new winery brand. To be effective, it is advisable to consult with experienced counsel early and often during this process.

If these searches reveal potentially conflicting trademarks, TTB permits, or commercial uses of the winery's proposed name, the winery owner should generally move on to other options to avoid investing in an infringing brand or a brand that will be difficult or impossible to protect. It is important to understand that the USPTO often takes the position that all alcoholic beverages are related in evaluating winery trademark applications and may deny registration on that basis. These issues can sometimes be circumvented with the assistance of counsel, but whether anything can be done to allow a winery to use its preferred name (for example, a co-existence agreement with a craft brewery with a similar name) is highly dependent on the specific facts and circumstances.

Make no mistake: a winery that builds its brand based on an infringing name risks everything. Trademark infringement can mean a lawsuit and a legal ruling depriving the winery of its brand, regardless of how much time and money has been invested, and requiring the payment of significant lost profits and damages.

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Tip 2 – Register Your Trademark with the USPTO

The most important step that a winery can take to protect its brand is to register the winery's name, logos, and any unique wine name as trademarks with the USPTO. While a winery that uses a mark to sell its wine may enjoy certain limited common law rights in its brand, a federally registered trademark confers nationwide rights on the owner to prevent another business from using similar marks likely to cause consumer confusion. It also places other wineries and alcohol beverage makers on notice of your rights and, hopefully, deters infringement of the winery's brand.

It is not uncommon for wineries to face budgetary tradeoffs, but the relatively low costs associated with registering a trademark (brand) should be considered in light of the potential downsides of failing to register a mark.

In the absence of a registered trademark, a competitor could quite literally steal your winery's brand for its own use. For example, the competitor could apply for and obtain a trademark for your brand and then go to court to enforce it against you. This means that the competitor could legally stop you from using your own brand. Again, counsel may be able to help mitigate the negative impacts to your winery business, but this is dependent on the specific facts and circumstances and is not guaranteed.

On the benefit side, a trademark registered with the USPTO is a valuable asset, not only to the current winery owners, but also to potential buyers. With strong trademarks as the foundation of a winery's brand, a savvy owner may achieve a premium price upon the sale of the winery because it has a name that is "protected."

Tip 3 – Try to Avoid Geographically Descriptive Names

While it is tempting to have the local geographic area or a local geographic feature in your brand name, it is important to use a distinctive name, slogan, or logo that differentiates your products in the marketplace. The most distinctive and therefore most easily registered and enforced trademarks for any business, including wineries, are arbitrary or fanciful. Fanciful marks are made-up or coined terms, such as Rolex or Polaroid. Examples of fanciful wine brand names include Goats Do Roam and Gnarly Head. Arbitrary marks are words that have a real, common meaning, but which ordinarily would not be associated with the products sold under the mark, like Apple or Shell. Wine-specific examples include Cupcake and Fat Bastard. Suggestive marks are weaker than fanciful or arbitrary terms, but they still may be sufficiently distinctive to obtain USPTO approval. This type of mark includes words that refer to a characteristic of the product or service, such as Airbus, Netflix, or Jaguar. A winery example is Cherry Pie. Wineries can maximize their ability to protect their brand by building it around fanciful, arbitrary, or suggestive marks.

In contrast, generic terms can never be trademarked. Descriptive terms, which merely describe the goods or services sold, can obtain substantial USPTO protection only if the brand has acquired a distinctive secondary meaning through use in commerce over time. A geographic brand name is generally considered descriptive if it describes the geographic origin of the products or services offered. For example, a winery named "Cayuga Lake Winery" located on Cayuga Lake in the Finger Lakes Region of New York would face challenges to USPTO registration of a trademark for its brand name because "Cayuga Lake" is primarily geographically descriptive. Thus, a winery owner, in consultation with counsel, should carefully consider the potential limitations of adopting a geographically descriptive brand name. For owners whose geographically descriptive winery name is well-established in the marketplace yet lacks trademark protection, there may be more options to protect the brand, if the public has come to associate the mark with your particular winery.

A special issue for wineries using geographically descriptive names arises as a result of the establishment of TTB-recognized American Viticultural Areas, or AVAs. If a brand name overlaps with a new or existing AVA, TTB may find that the brand name has viticultural significance and, depending on the facts and circumstances, prohibit and deny approval of labels using the brand on wines derived from grapes outside of the applicable AVA.

Tip 4 - Take Care When Allowing Third-Party Use of Your Trademarks

A winery may decide that it makes business sense to permit another winery to use its trademarked brand name (which may or may not be the same as the winery's TTB trade name) and wine names. For example, if a client winery enters into a custom crush arrangement with a host winery, the host will be responsible for, among other things, obtaining a Certificate of Label Approval, or COLA, from the TTB. Assuming that the client winery would like its brand/TTB trade name in the "Bottled By" section of the label, this will require the host winery to add the client's trade name to the host's federal basic permit.

In this and other scenarios where a winery allows third-party use of its trademarks or copyrighted material, the winery owner should always memorialize the arrangement in a written agreement that sets strict controls on the third-party's use of this valuable intellectual property. As to custom crush arrangements in particular, the agreement should clearly state that the use of the winery's trademarked brand/TTB trade name or wine names is limited to production of wine bottled for the client, and never for use for the host winery's own wines. In the absence of a written agreement, a winery owner risks misuse of the winery's brand/TTB trade name, damage to its reputation, dilution of its intellectual property rights, and, potentially, lost revenue.



Tip 5 – Monitor the Marketplace and Consistently Enforce Your Trademark and Other Intellectual Property Rights

Regardless of whether you register your brand name, slogan, or logo with the USPTO (but you really should), a winery should always be "on the lookout" for others improperly using its intellectual property. This includes monitoring the marketplace for the use of your brand or something confusingly similar. Even if you register your mark, the USPTO does not police the marketplace for infringement of trademarked brand names, slogans, logos, or wine names. Likewise, the Copyright Office does not monitor the marketplace for violations of copyrights on wine label descriptions and artwork or other original works created by a winery in the course of its business. The TTB also does not monitor or regulate marketplace infringement of a winery's intellectual property. A winery is therefore solely responsible for monitoring the marketplace to identify and address any potential infringing uses of its trademarks, copyrights, or other intellectual property, whether by another winery, a craft brewery, a distillery, or the like. In other words, brand protection is up to the winery, not the government. If a winery fails to police infringements, it can lose its trademark rights and suffer damage to its reputation and brand. Legal counsel can assist winery owners to develop a strategy for cost-effectively responding to possible infringements and enforcing your rights.

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At the end of the day, it is the wine itself that you want people to remember, but if they cannot remember your name, then it does not really matter how good the wine was. Focusing early on brand protection, particularly through the registration of strong, protectable trademarks, is critical to the success of a winery. While there are associated costs, this upfront attention and investment is likely to reduce frustration and produce significant cost savings from a long-term perspective. Building a strong, legally protectable brand is also a key selling point for potential winery buyers. Experienced legal counsel can help guide winery owners through each step of the brand development and protection process. You want to make great wine and you want the customer to walk into a store or restaurant and remember your name. So, make your name a good one and protect it.

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