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10 TO WATCH

THE CASES SHAPING TRADE MARK LITIGATION

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How fluid trade marks can enhance your brand

IP owners used to insist that their marks be used consistently. Now the most innovative companies are adopting fluid marks. **Lisa Pearson** explains how to ride the marketing wave without compromising your rights

A fast taxi ride through the media blitz of Times Square pales by comparison to the information surfeit on the internet and its digital and electronic spawn. Consumers today absorb ever more information, ever faster and in ever smaller bits and bytes. Companies seek to make their marks flashier to catch attention, more interactive to keep it.

When you navigate to the Google search engine, for example, you are no longer surprised to see a new version of the Google logo. For the Fourth of July, the logo may appear in red, white and blue, while the "L" morphs into the Statue of Liberty. An O may become a profile of Alfred Hitchcock (with a bird on his head) to celebrate his birthday. Or a virtual ice sculpture of the logo may melt into a virtual sea on Earth Day. (See the whole collection at www.google.com/intl/en/holidaylogos.html.) The tweaked logos are often a delightful, an "in" joke between the search engine and its users. They project Google's exuberant, innovative brand identity.

Google and many other brand owners are flouting conventional wisdom that the best way to build trade mark rights is to use the same presentation of a mark, without significant change, over and over. In fact, the failure to do so may result in abandonment of rights under US trade mark laws. Although the trend does have the potential to jeopardize trade mark protection, there are various ways to use fluid trade marks to strengthen trade mark rights, rather than destroy them.

Identifying the trend

People typically think of a trade mark or service mark as a static, two-dimensional term (like Apple) or design (like Apple's stylized apple logo) used to identify a product or service. Of course, even static, conventional trade marks get updated up from time to time. Aunt Jemima, Betty Crocker and the American Airlines logo are just a few examples of design marks that have evolved considerably over the years.

Nor are less traditional, more interactive trade marks such a cutting edge trend any more. NBC registered its three note chime as a trade mark in 1950; more recent examples of sound marks include the roar of a Harley-Davidson bike (which has since been abandoned) and Tarzan's yell.

The moving image sequences that identify Pixar and Dreamworks movies qualify for US trade mark protection. And at least two fragrance marks – one for a yarn that smells like plumeria blossoms and one for a cherry-scented fuel exhaust – may not have caught on in the marketplace but have been registered as US trade marks.

In all of these examples, though, the constant is that the mark, conventional or not, remains constant for an extended period of time.

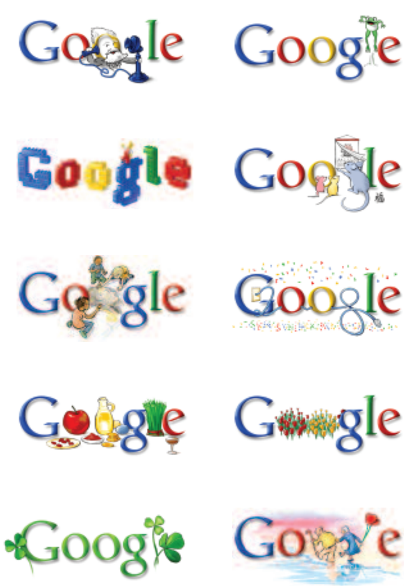
Today, many brand owners seek to energize their marks by making them less constant and less static. They want to refresh their marks frequently, rather than over a matter of decades. They want to interact with consumers, but not necessarily with gimmicks like thunderous roars and cloying scents. You can see some examples of fluid marks on the next page.

A new age in branding

Fluid trade marks are a natural outgrowth of new media and information technology. As a 1998 article about the internet put it: "Like hyperactive children, Internet marks do anything they can to get attention. They move, sing, dance, undress, explode and change. Internet marks cannot be static. If a mark fails to capture attention, Web surfers quickly move on" (Erik H Kahn, *On the Net, Unusual Marks Gain In Importance*, Nat'l LJ, October 19 1998, at C13). Fluid trade marks reflect the information overload and hectic pace of our times.

One-minute read

Fluid trade marks – that is trade marks that are not presented in a static, uniform format – are the wave of the future. Consumers today absorb ever more information, ever faster and in ever smaller bits and bytes. Companies seek to make their marks flashier to catch attention and more interactive to keep it. Fluid trade marks are intentially dynamic and interactive, but trade marks by their very nature beg consistency. Companies want consumers to become emotionally attached to their marks, but at the same time want to keep their marks fresh and fun. With proper management and attention to some key elements of trade mark law, fluid trade marks can enhance both a mark owner's portfolio and brand identity.



On a less kinetic note, fluid trade marks help develop long-term relationships (even love affairs) between consumers and their favorite brands. Today's marketers seek to create emotional connections between their products or services and their customers. Kevin Roberts, the CEO of ad agency Saatchi & Saatchi and the author of *Love Marks: The Future Beyond Brands*, characterizes consumers as "cynical, savvy, and selective": "You have a famous brand? I couldn't care less! You've got three seconds to impress me, to connect with me, to make me fall in love with your product." According to Roberts: "You can plot any relationship – with a person, with a brand – by whether it's based on love or based on respect. It used to be that a high respect rating would win. But these days, ...[i]f I don't love what you're offering me, I'm not even interested."

One way brand owners can build relationships with consumers is by abandoning the traditional view of a trade mark as a two-dimensional symbol. "In the industrial age, a logo was just a signature. It should be a message," comments Marc Gobé, CEO of Desgrippes Gobé and author of *Brandjam: Humanizing Brands Through Emotional Design* (2007). Fluid trade marks communicate. They invite consumers to interact, project and connect the dots.

Breaking with tradition

Designers and marketers who think outside the box effuse over fluid trade marks. Trade mark lawyers who don't may put the kibosh on the whole approach. Fluid trade marks call for close collaboration between trade mark lawyers who think outside the box and creative and marketing teams who will listen to them.

Trade marks are the modern equivalent of the ancient hallmarks used by silversmiths, chops by Asian artists and brands by ranchers. They function as a signature or, in trade mark law terms, as a source identifier. Just as you would run into trouble signing your signature differently each time, brand owners can run into trouble if they present their trade marks differently each time. For example, its trade mark lawyers would cringe if the "John Hancock Life Insurance Company" – whose motto is John Hancock – A Name You Know and Trust – offered its services under the name John on Monday, Hancock on Tuesday, J Hancock on Wednesday, John Hancock on Thursday and JH Insurance on Friday, each time in a different handwriting. Of course, a company can own more than one mark, but a mark is by definition a source identifier, and the public may not recognize a particular designation as a source identifier if the designation is not used repeatedly and consistently to identify the same source.

Under the broad definition in the Lanham Act, the US federal trade mark law, the term "trade mark" includes "any word, name, symbol, or device, or any combination thereof" that identifies and distinguishes the goods and services of one person from those of another and indicates their source. According to *Qualitex Co v Jacobson Products* Co (1995), a landmark US Supreme Court decision recognizing that an individual color can function as a source identifier, a trade mark may be "almost anything at all that is capable of carrying meaning". Qualitex involved a professional drycleaning pad in a special shade of green-gold. A better-known example is Owens Corning's fibreglass pink, at least for all of us who grew up in the US watching the Pink Panther commercials promoting it.

Trade mark rights in the US arise from use, not registration. Registration has many advantages, and it is possible to reserve rights in a mark not yet in use by filing an application to register it on the basis of a bona fide intent to use. But it is not necessary to register a mark to own trade mark rights. The first user of a distinctive mark is said to have "priority" and it can enforce its trade mark rights against later comers.

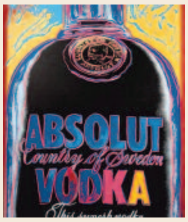
Typically, a mark becomes stronger when it is used consistently over an extended period of time, because the public then comes to recognize it as a signifier of source. (Frequency of use may now trump length of use in building brand recognition, as shown by the number of American toddlers who already have strong preferences.) Trade mark rights are theoretically perpetual in duration, as long as the mark remains in use.

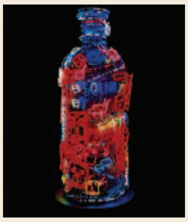
Fluid trade marks must be carefully controlled because changing a mark can weaken or even destroy it. Non-use of a mark may result in its abandonment. In fact, under the Lanham Act, a mark is presumed abandoned after three years of non-use, and the owner must prove that it always intended to resume use of the mark in order to hold onto its rights.

Fluid trade marks that are recognizable riffs on the same underlying mark can enhance the strength of the underlying

Fluid marks in practice

Here are some other examples of brand owners that, like Google, are experimenting with change as a built-in element of their branding strategies:

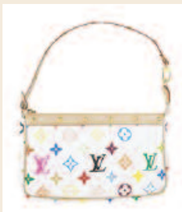




One trendsetter was Absolut vodka, which adopted a marketing campaign in which artists and designers reinterpreted the now iconic shape of its bottle in scores of different images.

Perrier raised the stakes in an unusual campaign in which it transforms the Perrier brand name into words like Healthier, Sassier, Crazier, Sexier and Riskier on bottle labels, ads and promotional items.

Saks Fifth Avenue has adopted an award-winning new branding initiative that resembles the jumble square games used to occupy restless children in the back seats of cars in the days before iPods and Gameboys. Designers from Pentagram Design streamlined the typography of Saks' classic script logo, cut it up into 64 tiles, and reshuffled them to transform what was essentially a signature into a striking new graphic image.



Louis Vuitton reinvigorated its brand when it started recasting its classic LV toile monogram in new presentations created by fashion designer Marc Jacobs and artist Takashi Murakami. Murakami, for example, created a modified version of the monogram in 33 bright colors, the multicolore pattern. Dooney & Bourke, an American handbag company with its own signature logo, found itself on the wrong side of a protracted federal trade mark infringement suit when it started selling its It-Bag collection, with bags featuring its DB monogram in a similar array of bright colours.

mark rather than undermining it. The test of infringement of a mark, whether registered or not, is likelihood of confusion. Will the public be confused or deceived into thinking a later comer's goods or services come from or are authorized by the owner of the mark (even if they don't know the owner by name)?

Where a mark is presented in mutating forms, this may be useful in proving infringement against a broader array of non-identical marks because the public is not conditioned to expect to see the mark in the exact same presentation every time. Absolut, for example, has established a broad scope of protection for its well-known bottle shape, which consumers recognize as an Absolut bottle by its outline alone. (By analogy, a brandowner who uses parody in its own marketing campaign may have an easier time stopping unwanted parodies because the public is more likely to be confused as to whether the parody was authorized.) However, an iteration of a fluid trade mark such as Perrier's Riskier variant may be considerably weaker than the underlying mark, making it harder to police and enforce against infringers.

Fluid trade marks must be carefully controlled because changing a mark can weaken or even destroy it

These basic legal principles suggest a number of best practices to follow with respect to the conception, adoption and use of fluid branding devices.

Best practices

The most suitable marks for use as templates for fluid marks are strong, established marks with a history of use and strong consumer recognition. That way the public will understand the variant as a play on the underlying mark, enhancing the fame and strength of the original.

Ideally, the underlying mark should be registered. That official certificate can be particularly useful in this context because the interactivity of fluid marks invites others to come up with their own creative iterations. It may not be necessary to register each variant of a fluid mark, but this should be considered on a case by case basis.

Regardless of whether or not it is registered, the underlying mark should continue to be used. Ongoing use of the underlying mark will keep it alive and avert litigation as to whether it has been abandoned. It will also establish that the brand owner's priority dates back to its first use of the underlying mark (or the date it filed an application to register the mark, if the application was filed on the basis of an intent to use), rather than first use of the new variant.

Be fluid, be nimble – but don't be random. The new presentations of the mark should retain the basic characteristics of the underlying mark. Absolut's ad campaigns created widespread recognition of the vodka bottle's distinctive shape, thereby strengthening the protectability of the bottle as trade dress. Similarly, Google generally retains enough features of its registered logo so viewers instantly recognize that today's variant is a tweak.

It also makes good sense to be fluid in a signature style. For example, if Disney decided to give Mickey Mouse a well-deserved rest as a logo and offer some of its other characters their 15 minutes of fame, it could design a uniform frame for each of the character's portraits and couple it with the Disney house mark. Disney might thereby enhance trade mark protection for the mothballed characters and establish additional intellectual property rights in its new presentations.

This is an important point. The new matter in each variant of a fluid trade mark may be protectable under trade mark or copyright law in its own right. As previously mentioned, Louis Vuitton sued Dooney and Bourke for trade mark infringement when the latter came out with a handbag without an LV, just a colorful pattern that evoked the popular Louis Vuitton *multicolore* bag. And US copyright law protects the new and original artwork with which Google decorates its logo even if that artwork is not used often enough to function as a source identifier in itself.

Conversely, the new matter in a variant may violate someone else's rights. Edvard Munch, if living, might not be amused to see The Scream recast as a Google logo – as it was for his birthday on December 12 2006. (It is hard to tell from his work whether or not he had a good sense of humour.)

Fluid trade marks invite people to engage, and they probably will. Be prepared for fan use and parody. Imitation may be the sincerest form of flattery, but it may also be an infringement. Too much infringement is never a good thing. Terms of use, such as those posted at Google's website, may check some abuse. Many brand owners try to corral the energy and creativity of their fans by providing an authorized forum for submissions (Google and Absolut have both sponsored official contests).

Brand owners need to consider how vigorously they want to police and enforce their marks in this context because they risk alienating their most loyal customers. Word demand letters carefully and, should litigation be inevitable, pick the right test case. Otherwise, this marketing strategy may backfire and permanently singe the brand.

Fluidity can be fun

Jerre Swann, my senior partner at Kilpatrick Stockton and the author of many articles on the intersection between trade mark law and other disciplines observed some years back: "Consumer attitudes can shift dramatically overnight; and only strong brand stewardship and continual investment, not reliance on old fortresses, can preserve a position in the market place." (*Trade marks and Marketing*, 91 Trademark Rep 787, 805 [2001]).

Fluid marks offer unique opportunities for brand owners to deepen and broaden the emotional connections between their brands and consumers. Fluid marks also present unique risks from a trade mark law perspective and therefore require strong brand stewardship. Designers, brand managers and intellectual property lawyers should work hand in hand from conceptualization of the fluid mark through the clearance, adoption, use, possible registration, policing and enforcement of each iteration. Their common goals should be to do no harm, have some fun, and, by doing it right, enhance both the brand owner's intellectual property portfolio and the appeal of its brand.

Lisa Pearson

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