

To: General Counsel
From:
Date: October 13, 2008
Re: Branding of New Python Beverage Product

ISSUE

How should Python Beverage Company's new light caffeinated beer product be branded so that there are the strongest possible trademark rights in its product name, logo, packaging and flavor?

BRIEF ANSWER

Python Beverage Company should name its product and design its packaging in such a way that it can register these trademarks with the United States Office of Patents and Trademarks, so that it can enjoy immediate, nationwide protection of these trademarks from infringement by competitors. Of the names suggested by Python Beverage Company, P^E and Iguana Light are the strongest potential trademarks because their relation to the product is arbitrary rather than suggestive or descriptive. As for packaging, the suggested use of a slimline can associated with energy drinks should be acceptable, but the coloration and logo design of the can must be carefully constructed so as to not infringe on existing trademarks by other beverage producers, notably Red Bull. The new product's fruit-flavored aftertaste cannot be protected with trademark rights.

FACTS

Python Beverage Company is developing a new product, caffeinated light beer with an element of fruit flavor. Python wishes to rely on trademark rights to protect the intellectual property of this new product and support its marketing.

DISCUSSION

Product Name

Of the names it suggested, Python Beverage Company is best served by choosing P^E or Iguana Light. Trademarks are available to product names that are source-identifiers, that is, reveal to customers the specific manufacturer of the good. 15 U.S.C. § 1127. The rights available to a potential mark depend on the mark's distinctiveness. Arbitrary, fanciful, and suggestive marks are inherently distinctive and presumptively registrable for trademark protection, but merely descriptive marks need to acquire "secondary meaning" in the market before these rights can be afforded. Abercrombie & Fitch Co. v. Hunting World, Inc. 537 F.2d 4 (2d Cir. 1976). Python Beverage Company should aim to brand their new product with an inherently distinctive mark so they can register their trademark and benefit from trademark rights immediately, without needing to allocate time, effort and resources on developing a secondary meaning for the mark among consumers.

Arbitrary and fanciful marks have no preexisting connection to the meaning of the product they describe. Zatarain's Inc. v. Oak Grove Smoke House, Inc. 698 F.2d (5th Cir. 1983). While suggestive marks are also presumptively distinctive and entitled to registration, this category blurs with that of descriptive marks, putting Python at risk of having to defend the legitimacy of their trademark. Of the suggested names, "Buzz Beer," "Kick Beer," and "Liquid Charge" are closest to descriptive of the product of caffeinated beer- it is possible that any one of these names "standing alone conveys information as to the characteristics of the product." Id. "Third Rail," "Moonshot," and "Sparks" are more firmly in the "suggestive" category, because while these names evoke energy, they require some thought on the part of the consumer to connect the mark to the product of caffeinated beer. These suggestive names might have more

marketing appeal, but from a trademark law perspective the more arbitrary the name, the better chances the trademark has of being protected. This leaves P^E, which as written is a fanciful mark, and Iguana Light, which is arbitrary. Python can choose between these on the basis of other marketing concerns outside the scope of trademark law.

Product Packaging

Python Beverage Company can use a slimline can for its new caffeinated beer if it carefully designs the colors and logos on the can to avoid the potential infringing on existing energy drinks' trademark rights. The color and shape of product packaging is afforded protection under "trade dress," which follows the same standards of distinctiveness as verbal marks. Two Pesos, Inc. v. Taco Cabana, Inc. 505 U.S. 763 (1992). While product packaging design can be inherently distinctive, § 2 of the Lanham Act, which governs registration of trademarks, will not allow registration of a mark which is likely to cause consumer confusion with a preexisting registered mark. 15 U.S.C. § 1052(d). The combination of Python's corporate colors of silver and blue and the use of a narrow can could be considered too close to Red Bull's registered mark on their product package design. To avoid infringing on Red Bull's mark, Python can use a bottle, a different shape can, or can design the logo and coloring on the can in such a way that it clearly does not resemble a drink produced by Red Bull.

Product Formula

Python Beverage Company should not rely on trademark rights to protect its idea of a fruit-flavored aftertaste for the caffeinated beer product. Because trademarks are meant to be product source identifiers, a design feature eligible for trademark protection cannot have any functionality – that is, it cannot offer any utilitarian improvement in the product that offers a competitive advantage. Qualitex Co. v. Jacobsen Products Co., Inc. 514 U.S. 159 (1995).

While in In Re Clarke, 17 U.S.P.Q.2d (BNA) 1238 (TTAB 1990), a floral fragrance added to embroidery floss was determined to be source identifying and given trademark protection, it is unlikely this rule would be extended to an aftertaste in a beer. In that case, the USPTO took into consideration that no other thread manufacturer was adding scents to its product, and that the traditional uses of thread were not affected by the addition of fragrance. In contrast, all beers have some combination of tastes and flavors, and as noted in the manufacturer's memo, several existing beers incorporate fruity notes to their formulas. As such, a chemically produced cherry-blackberry aftertaste is extremely unlikely to be considered a source identifier for Python's new beer product, and furthermore is too functional to be afforded trademark rights. This is in line with the Court's decision in Wal-Mart Stores, Inc v. Samara Brothers, Inc. 529 U.S. 205 (2000), which held that product design, in contrast to product packaging, cannot have inherently distinctive trade dress. Python can choose to emphasize the fruit flavors through its marketing, and even incorporate the colors and imagery associated with cherries and blackberries into its package design, but it cannot secure a trademark on the formula's fruit aftertaste alone.

CONCLUSION

Python Beverage Company should choose an arbitrary or fanciful name for its caffeinated light beer, such as the suggested P^E or Iguana Light, and register that name as a trademark with the USPTO to enjoy immediate nationwide protection of the mark. The product packaging design can use silver and blue and a narrow can if carefully tailored to avoid infringing on Red Bull's existing trade dress rights in their energy drink's product packaging. The proposed fruit aftertaste of Python's new product cannot itself be protected by trademark rights. Registration of a fanciful name and an original product packaging design will best protect the ability to Python to attract consumers to its new product with minimal additional marketing and legal expenses.