



Intellectual Property Issues for the Wine Industry, Part VI

PROTECTING YOUR TRADE DRESS



In addition to trademarks and service marks, wine businesses may use labels and other packaging that could be protectable as “trade dress.” Essentially, trade dress is the combination of elements on packaging, containers, wrappers, or labels that is unique to a particular brand or producer. It may include features such as size, shape, color, color combinations, texture, or graphics. For example, a restaurant’s distinctive décor may be so unique that it is identified with a specific brand. Similarly, it is possible that a wine label’s look and feel, or the distinctive shape of a wine bottle, may be unique enough to constitute trade dress.

Elements of trade dress may be separately registrable as trademarks. For instance, a label may include words and designs that are themselves trademarks. Notwithstanding this overlap, unregistered trade dress is protectable under unfair competition law, much like unregistered trademarks.

The key in determining whether you own protectable trade dress is whether the label art, packaging or design has become unique enough that purchasers associate that design with your particular brand. While it is technically possible that certain types of packaging could be inherently distinctive, this is unlikely to be the case with wine-related products. Proving that would-be purchasers have come to identify your label or design as trade dress is indeed a high threshold. For instance, elements that are commonly used by competitors would not be unique enough to qualify for protection.

Should you believe that you own protectable trade dress and become aware of another party’s potentially infringing use of those materials, you should consider the same enforcement strategies that apply to traditional trademark infringement situations. The expertise of trademark counsel is essential.

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Intellectual Property Issues for the Wine Industry, Part VII

PROTECTING YOUR COPYRIGHTABLE ASSETS



Copyright law is often confused with trademarks, but in fact is a completely separate area of intellectual property law. Copyright protects original works of authorship that are fixed in some tangible form. Traditional examples include books, sculpture, music, video and audio recordings, and photography. For wine businesses, the artwork used on a wine label or certain textual elements may be copyrightable. For instance, a proprietor named Mountaintop Winery may use imagery of a mountain on its wine labels. This artwork could be copyright protectable, depending on the circumstances of its creation. It may also serve as a trademark, as we discussed in previous articles. A key issue, assuming the work is copyrightable, is determining who would own the rights in that work.

Commonly, a proprietor would hire an artist to create original artwork for a label. It is in the owner's best interest to have a written agreement that vests ownership of the copyright in that work with the winery owner as a "work made for hire" or via an assignment. Without this agreement, ownership disputes may arise and the artist may seek to reproduce that work in other mediums or for other businesses. If the winery owner herself or one of her employees is the artist, an agreement should still be drafted.

Caution, however, must be used when considering whether to use another party's artwork already in existence. A common misperception is that any logos, designs, or the like found on the internet are in the public domain and thus usable without permission. A prudent owner should always seek permission before using artwork on a label or website, unless it is explicitly clear that the artwork is available for public use. The cost of obtaining a license from a party such as Getty Images to use a particular copyrighted image is always worth the investment versus risking infringement.

Finally, to the extent you own a copyrightable work, you may seek registration with the U.S. Copyright Office. There are substantial benefits to obtaining a registration, although it is not required. It is a best practice to use language such as "Copyright © 2010, Mountaintop Winery" for all copyright protectable works, registered or not.

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Intellectual Property Issues for the Wine Industry, Part VIII



PROTECTING YOUR TRADE SECRETS

In addition to wine labels, winery names, and original artwork, an additional area of importance to wine businesses is the protection of trade secrets. A trade secret is any type of information that is kept sufficiently secret to derive economic value and which is the subject of reasonable efforts to be kept confidential. Some examples of well-known trade secrets include the Coca-Cola® formula and the recipe for Kentucky Fried Chicken®. For wine businesses, trade secrets may include wine blend formulas, customer lists, or manufacturing processes, just to name a few.

Unlike copyrights or trademarks, trade secrets are protected exclusively under state and common law—there is no federal registration process for a trade secret. Additionally, trade secrets are not merely protected for a set amount of time. As long as the information is kept sufficiently confidential, it may be protectable. Trade secrets also differ from patents because with a patent application, the proprietary information must be disclosed to obtain federal rights. Trade secrets derive their value from the very fact that they are kept secret.

To ensure that your trade secrets remain protectable, you should take measures to ensure that your information remains confidential. Examples of appropriate measures include confidentiality agreements with employees and staff, limiting exposure to trade secret materials through various security measures, and requiring reasonable non-compete agreements from employees with knowledge of your confidential information. Written procedures to maintain the confidentiality of trade secrets should be developed, properly disseminated, and constantly enforced.

A former employer or another party that uses your confidential information without permission may be liable for trade secret misappropriation under the applicable state law (although the exact requirements vary by state). If you become aware of potential misappropriation, consulting an attorney on the best strategy moving forward would be prudent.

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