Chapter 8

Creating Brand Names and Protecting Trademarks

After completing this chapter, you will be able to:

- Identify various approaches to generating an effective brand name and other IP assets.
- Develop strategies to promote and protect brand value, including out-of-court settlements.
- Assess how legal outcomes vary in different countries and courts.

"*Going to court to defend your trademark should be a strategy of last resort*"

Tiffany & Co. vs, Costco Wholesale

The Brand Assets

Chapter 7 focused on the brand as a marketing and financial asset. The value of a brand's contribution was underscored by the various strategies that strong brands can support for sustainable business development. Given this, it seems reasonable that creating and protecting brand names and supporting elements needs to be approached strategically. Chapter 8 focuses on these three components and their dynamic and interdependent relationship.

Brand elements, including logos, icons, taglines and any other identifiable and trademarkable brand attributes (i.e. color) are called **Intellectual Property (IP).** These items are assets that can be given a valuation, and need protection much like physical property that one might own. Consequently, the answer to the age old question that Shakespeare posited "What's in a name?" can now be answered. In brand naming and in its counterpart, trademark law, quite a lot is in a name![1] This section explores this value proposition.

Generating an Effective Brand Name and Other IP Assets:

Generating a name, logo, tag-line, or icon (IP assets) that conveys a brand's unique identity needs to be a strategic undertaking.[2] Begin by asking, *who is your core consumer*?

- What do they value in their life and lifestyle?
- What problem are you solving for them?
- What concrete need or aspirational desire will be served?
- What core business competencies can you bring to help realize this?
- How can you, as an enterprise, do it best?

Then, think of what solution to wants or needs you are offering your target consumer; combine that with a consumer profile and factor in your company's competencies. The consumer profile should be derived from your target customer's lifestyle (how they live and their priorities) and your core competency which is what your company does best (could be an aspirational or a functional solution). So, for example, if you know your customer's lifestyle is as an avid outdoorsman and your product specialty is rugged raingear (your competency) what special solution can you offer? How can you be highly relevant to this lifestyle and highly different from your competitors? As you begin to answer these questions, names will emerge for this solution; mixing in prompting questions e.g. "What is it called when..." When he uses it, how will he feel", How might our customer refer to it, how might he describe it to his friends etc. will generate added names.

This line of thinking will set the stage not only for an appropriate brand name but also for a tag line that states the promise you wish to make to your consumer. As you begin to gather these IP assets revisit our discussion of the Brand Promise in Chapter 6 and be aware that the tag-line will have to be concise enough to fit under the logo. Also, you'll recall, if you already have a mission statement, the tagline should be consistent with the values and promise of the mission. Assembling and unifying these elements (name, tag-line, and icon) is what creates the brand architecture again which we first presented in Chapter 6.

Although we tend to think of the above as a linear thought process (mission first, then the other assets) this isn't always the case. Often a more random process prevails; what's important is the organic consistency in image and meaning among all the elements.

Although brand architecture is usually thought of as a framework for brand portfolio management, it also can serve as a metaphor for integrating and building the IP assets of a single brand. It also is a reminder to maintain the internal integrity of its structure[3].

There is an abundance of evidence, confirmed by empirical research[4], that names that are easy to recall and easy to say correlate more positively with business success.[5] All things being equal, this is the result of human perception as people's cognitive assessment biases kick in. Later in this chapter, we'll present a framework for assessing which brand names are the most salient and we'll offer a way to rank their differences.[6]

Brainstorming

Another approach to name generation is a classic **brainstorming** session (a process of group idea generation where concepts and strategies are subjected to critical assessment until a consensus is reached). Here, key members of the organization are brought together to participate in a name generation process, which is preceded by the distribution of a brainstorming workbook (for an actual workbook, see your ancillaries at chapter end). The workbook has a variety of exercises designed to trigger ideas and each workbook is customized for the particular company (given the product and the positioning); all are filled out prior to the meeting of the group and returned to the brainstorming moderator prior to the meeting, who will then use them to frame and conduct the meeting that follows. In order to engender the most creative results, each participant is instructed not to share their thoughts with their colleagues prior to the meeting.

This process begins by taking a market perspective. How is the product or service positioned as a solution vis-à-vis the competition? What attribute and/or benefit drivers have we decided defines the essential value of the product/service offer? Here are some examples of what might be the "essential value".

- A "convenience" service
- A "comfort" product
- An "aspirational" service
- An "affordable luxury" experience

Next, the focus is on the target consumer. Demographics, lifestyle values and psychographic attitudes all combine to provide a backdrop for the new brand name's creation. How, where and why would the typical consumer use your product or service? Write these profiles as "personas", that is, people profiles that bring the target customer to life. Include their names, types of shoppers and even pictures of what they might look like. The brand name is one that will appeal to the people it serves as well as reflects them. What might they call such a product? Here, in the absence of market research findings, we turn to a **jury of executive opinion** or the experience of senior managers and draw upon their insights.

Finally, think of which product attributes align with which product benefits and set up a grid, which reflects this. For example, if your product is a new soft drink positioned as a weight loss drink, you might graph the dynamic as follows:

Attribute: Benefit

- Tastes great chilled or warm: Convenient Refreshment
- Can't spoil: Low Maintenance
- Works while you drink it: Instant Gratification
- Tested for Optimum Results: Peace of Mind

In all four of the approaches above, you will be building an inventory of words that you'll be writing on a flip chart or white board. Hopefully, this will help you see word combinations that relate to appropriate brand meaning. If, at this stage of the brainstorming, you find that you are not generating enough fresh, relevant ideas, reverse the process by generating antonyms which then will enable you to search for their opposites or new synonyms – we call this "reversing your engines". It allows you to get rid of "seaweed" obstructing the free flow of ideas so you can move forward by freeing your creative propeller! Throughout this process you should practice using analogies and metaphors. Using **Associative Projective Techniques**, a method using word or image stimuli which generates creative thinking, are also employed such as asking, "if the brand were an animal which would it be and why"?

The Volkswagen "Beatle", the iconic brand from the 60s and 70s, could be thought to have followed this path. A name generation exchange might have sounded like this: "The car looks like and seems to scurry along as if it were a…and our target customer, who is probably a bit whimsical and counter-culture, might call it a…" Well, you get the idea.

In the cases that follow, the brainstorming method was used to generate brand names which were trademarked and found their way into their respective markets.

The following cases provide two distinct approaches to brand naming; the first combines brainstorming with focus groups and also provides a snapshot as to how a business strategy can animate and inform the naming process. The second provides a look at a classic brainstorming process and offers insights into how a well-functioning session can generate brand naming solutions even when it appears that the team has been stymied.

A name generation strategy that resulted in the creation of a multi-million dollar hosiery business at a leading USA department store, combined idea generation techniques with consumer-centric focus groups to test their viability. The following is their story.

Our client had developed a sock with a unique silicon ring inside that solved a major dress hosiery problem faced by men, socks that don't stay up. With this new silicon ring, socks that wouldn't stay up now effortlessly remained neatly in place. But what to name it? First, a brainstorming session was held at the client's headquarters attended by the key design, merchandising and marketing managers plus the CEO and COO. Sets of possible names were proposed. Others were generated from the process described above. The top four were agreed on and a series of taglines developed that could have organically been part of any of the four. It was agreed to let the consumer be the final arbiter.

A focus group was facilitated with men and women who met two criteria; they were men's hosiery customers who frequently shopped in the department store in question and they had purchased men's hosiery there in the last 6 months. The following names and taglines were proposed to them:

Name	Tagline
Always Up Hosiery	"The stays up sock"
The Smart Sock	"The sock that knows its place"
EverStay	"The sock that won't let you down"
ComfortPlus	"Staying up with fashion" *

*Generated by one of the consumers in the focus group

The product was positioned as both a fashion/dress-up product and didn't hint at any remedial health solution. We wanted to deal preemptively with any possible consumer misinterpretation that the sock stood up because of its heavy construction, thereby suggesting that it was really an orthopedic solution masquerading as fashion hosiery; this would have been its death knell. The name and tag-line together had to clearly convey its benefits. In the end, the overwhelming choice of the focus group was, EverStay®, "*The sock that won't let you down*".

The group also liked the tag lines "*staying up with fashion*" and "*the sock that knows its place".* The multiple taglines all conveyed the same brand promise so the variety did not compromise the brand's positioning. From a brand management perspective, having multiple taglines opens up a channel distribution strategy of offering a type of **exclusive brand** one that is not offered to competing department stores by retaining the newly minted brand name, logo and font yet changing its colors and taglines. This preserved the identity of the brand while opening up the possibilities of much wider distribution and sales to competing department stores each of whom could have their own particular and unique EverStay® iteration and packaging.

Another successful example of how the brainstorming method works occurred while consulting for a men's tailored clothing company. The client had developed a strategy to capitalize on the casual dressing trend that Dockers® 2 and others had successfully enjoyed. They developed a great product and now needed a name and a positioning strategy. We began by agreeing on the following target consumer parameters:

- The core consumer is a modern young creative and/or mid manager, 25-39.
- His sensibilities in dressing are cool but not edgy, not overly formal or too casual.
- He may be married and helps equally with the kids and the house,

especially if his wife works. He's modern.

- He wants to be able to attend a business meeting at work and go out at night socially wearing the same outfit.

We wanted to convey "tailored" as a differentiator from other sportswear brands, so we looked for words which could suggest tradition and modernity. "Heritage" as a brand name came up but we felt it was too traditional and probably unavailable to trademark. There were many other suggestions such as "Genealogy" and "Classic Softwear" in an attempt to capture both tailored as a benefit with a modern twist. We had agreed that the tagline that would accompany the name would be "Modern Clothing". Here was an example of non-linear creative development of the IP assets as referenced earlier in this chapter, as we determined the tag-line prior to the brand name.

For several days we tried to discover the new brand name. During one long day, we took an early recess and agreed to reconvene the next day. At about 2:00AM that morning, the name came to me and I wrote it down (I always keep pen and paper on my night table.). The next morning, the merchandiser came in to my temporary office and exclaimed, "I've got it"! He showed a name on a sheet of paper. I just smiled and opened my sheet from the previous night. The name on both sheets of paper was exactly the same, and perfect for the brand imaging and product positioning: Lineage!

The merchandiser and I had not been in contact either by phone or e-mail since the previous day. The method had generated in each of our minds, given the positioning and imaging, the right name!

Next we needed to transform this into a logo that could be trademarked and that mirrored the positioning and differentiation strategy. Enter the creative or “branding’ side of the equation. Below is the final logo/brand rendering and the reasons for choosing it (Figure 8.1).

[Figure 8.1] Rendering of the Lineage Logo with its tag-line: “Modern Clothing”

The Color, Font and the Name for the Brand Captures the Positioning of the Product and the Relevancy/Lifestyle of the Target Customer

LINEAGE™
collection
MODERN CLOTHING

We agreed that the font should be clean and somewhat angular and architectural, and the color should be a steel cadet blue. Combining these produced a strong masculine tone and conveyed a modern sensibility. The name “Lineage”, clearly captured the continuity with the past, and thereby paid homage to the tailored dimension of the collection, and it was available for trademark.

Initial market entry resulted in opening over 200 men’s better specialty stores across the U.S and exceeding the sales plan. The brand was later purchased with other brands from the 500 Fashion Group and is now owned by the largest men's tailored clothing retailer in America, Men's Wearhouse! (Figure 8.2).

[Figure 8.2]

A Model for Brand Naming

Creating A Brand Name:
What Needs to Be Considered to Effectively Work the Process

Random Name Generation

Brand names can also be generated by other approaches. Sounds, myths, or just the name of the founder have all been used as sources for brand names. Here are some of the actual brands and the reasons they were chosen:

YAHOO: Meaning a rude, uncouth person. It was the choice of its founders for its irreverent tone, suggesting a break with traditions and conventions.

NIKE: The name of the ancient Greek God of victory. It captures the idea of competing and winning in sports and life.

VERIZON: The telecommunication company born from the merger of several companies. They wished to suggest and position the new company as ground breaking in its sector. They combined "Veritas" and "Horizon" for

"True"/"New Directions".

POPTARTS: This descriptive approach tells the consumer about the product's main attribute. It's a frozen breakfast tart that can be put in a toaster (thus the "pop") and toasted for a quick convenient snack or breakfast.

KODAK: Created by the inventor of the camera, George Eastman, because he liked the strong sound of "K's" and was more concerned with creating a name easy to say, pronounce and remember.

APPLE: Either from Steve Job's love of the Beatle's and their record label name "Apple" or from his satisfying work in the apple orchards of Oregon! However, what we do know is that the iconic logo, the apple with the bite taken out, captures the brand essence and positioning more directly: The forbidden fruit, taken from the tree of knowledge, from a lusting to know, which opened up unimaginable beginnings for humankind.

Brandstorming Success: PPR Becomes Kering

Brand strategies apply to other entities than just products or services; countries and corporations themselves often times develop a brand architecture for business development.

As an example, an excellent case study of the process of re-naming and re-imaging a corporate brand can be found in the recent change in the company name of Pinault-Printempts-Redoute to Kering, the luxury **conglomerate** which owns and markets multiple brands, which we've mentioned in several earlier chapters. Here are the details[7].

The corporate business model of Pinault-Printempts-Redoute (known by its brand call letters as PPR) had changed over time. Beginning as a financial holding company in 1967, it grew by adding retail and luxury brands to its portfolio; but by 2013 only luxury (such as Gucci & Yves St. Laurent) and premium sports brands (such as Puma) remained. This raised the question as to whether the current corporate brand reflected the business that PPR was really in. It became clear that they evolved into being "a world leader in apparel and accessories" and was no longer a conglomerate of unrelated business units. This disconnect was seen as both projecting a lack of clarity of the corporate mission and reducing a sense of common purpose. This could fail to encourage cross-pollination and sharing of ideas and experiences among brand managers. Led by Francois-Henri Pinault (Chairman and CEO), the process of re-naming/re-branding the company began[8].

Beginning with internal brainstorming sessions and culminating in hiring several global brand development agencies, (TBWA, Havas and Dragon Rouge), PPR explored ideas and names that optimized both brand relevancy and differentiation. The idea emerged that PPR was in the business of "empowering imagination" by taking something immaterial, imagination, and turning it into something tangible, luxury and premium brand experiences. This reflected the corporate values of combining caring and action, and fulfilled the relevancy/differentiation benchmark. The phrase “empowering imagination” became the corporate tag-line.

The new corporate name that emerged, Kering®, pronounced as the English word “caring”. It was also mentioned that the root word “Ker” means “Home” in Breton and Brittany, the local dialect and French province where the business began! The new name was symbolized by a new logo, a modern rendering of an owl to convey both vision and wisdom. It reflected the idea of both craftsmanship in product development and concern with employees and their lives, a hallmark of this originally family owned company.

A major communications campaign followed both within and outside the company, including partnering with a fashion blogger to explain the vision and the change. Some have questioned whether expense was worth the outcome. How do we measure if all stakeholders benefited or will benefit from this change? [9] How would you go about answering this question?

Brand Registration Strategies

When generating possible brand names, you should have a minimum of two to three choices that align with the Relevancy/Differentiation brand loyalty positioning matrix discussed in Chapter five. This will give you more options, and save you time and money if you find that one of your names is already registered in your class of trade (business sector) as often initial searches do not uncover this. Also, “ownership” may be pending or may be claimed by usage awaiting official registration.

"In Commerce"

This points to what is often referred to as an **in commerce** strategy. The patent and trademark laws were written to encourage commerce and business and courts will often protect those who have active trademarks, or are using them “in commerce” rather than those who may sequester marks for future use or as saleable assets.

Thus, first and steady usage, all things being equal, may establish a claim on a mark. It is strongly recommended that new businesses with new brands, while seeking registration, establish that they are in commerce with the brand by creating invoices and affecting a sales transaction as early as possible. Adding a ™ next to the brand assets (name, logo, and/or icon) symbolically states your claim, as you await the arrival of ®. For taglines, a service mark (sm) can serve the same function. Continuing the brand market presence through websites, attending tradeshows and the like, can also help to establish the intent to own the brand assets. Sending and keeping sealed a postmarked envelope containing a paid invoice is a simple back-up to establishing a date when your brand entered the market.

Classes of Trade

Your **class of trade** is also important here as it will, in part, determine the availability of the mark. Different claimants can register the same name so long as they are in different business sectors or classes of trade. These classes or sectors are written in intellectual property regulations and international agreements such as the NICE Agreement, which officially demarcates and then defines the sectors of commerce and the class of product and or service within each and which many countries especially in the European Union have signed on to. The U.S. Patent & Trademark Office has a similar listing for US markets, which can be accessed online. The use of the same or similar IP assets is, however, circumscribed by many legal venues which restrict unfair or negative usage no matter the class of trade.

Evaluating and Managing Brand Names

Once you have agreed on several possible names and they have cleared a preliminary search, it pays to put them to an attribute ranking test to ascertain which are the strongest. The following table (Table 8.1) can help you assess which pending brand names that you've identified have strategic priority over others. Use one table for each brand name that you have established as a candidate for registration. This will move your team from using different language and words in describing their preferences, to the more universal language of numbers. With this, a faster consensus will emerge on which of the top two or three to continue to invest your company's costly resources of time, money and creative energy.

[Table 8.1]

Evaluating Potential Brand Names

What Gets Measured has a Better Chance of Getting Effectively Managed. The Table Below Provides a Way to Quantify the Assessment Process and the Results

"Brand Name"	Low 1	2	3	4	High 5	**Total**
Strategic						
Different						
Inspiring						
Enduring						
Believable						
Consumer Friendly						**Total:**
Short and Simple						
Easy to Say						
Easy to Read						
Easy to Remember						
Fits into our Brand Portfolio						**Total:**
Available						**Total:**
						Grand Total:

Ranking and Scoring Available Brand Names

Once you have the names, review your mission statement. Deconstructing a well-constructed mission statement as we did with the Ritz Carlton Credo in Chapter 3 can help by identifying the values in the statement that, taken together, constitute the brand promise and other aspects of a good name.

Add to this, a strategic marketing plan that details geographic markets, product categories and the channels of distribution strategies where the brand will compete. All of these elements will provide the “guard-rails” to keep you “on brand”. Finally, if the new brand is part of a portfolio of existing brands such as diffusion brands (, those that extend some aspect of the flagship brand to the brand names of other product categories) complementary positioning (i.e. avoiding cannibalizing/encroaching on the other brands in the portfolio) must be factored in order to maintain the corporate strategic brand architecture

Brand Portfolio Management.[10]

An excellent example of a consistent corporate strategy of diffusion or brand extension and **complementary positioning** where the brands cumulatively add to the vision of the corporate brand, can be found in Polo Ralph Lauren®. At PRL, **diffusion brands** allow the business to expand not only the corporate brand awareness, but their client base, as well. Expanding from the core “Polo®” brand (better price points), Ralph Lauren® has added diffusion brands including “Lauren Ralph Lauren” ® (upper moderate prices) and Ralph Lauren Black Label® (designer prices/product) and at the apex, “Ralph Lauren Purple Label”® (couture product/prices). This creates complementary positioning and businesses and avoids cannibalization[11].

Coupled with different channels of distribution, this strategy creates distinctiveness in price and design but ensures that the image, quality, and luxury that are the hallmark of the Ralph Lauren brand are maintained.

Approaches to Brand Management Cases[12]

Once you have secured the legal right to market your business through your brand assets, the importance of managing the brand now becomes paramount. Managing has two dimensions to it; first, strategizing how best to realize the business potential in the brand and second, when and how to protect and defend it from improper and/or illegal usage. These two responsibilities of the brand manager coalesce in the legal environment, in statutes, case law and courts.

Luxury brands, although at times in **co-branding** relations with mass brands (think, for example, Karl Lagerfeld and H&M retail stores where both brands join together in a project or product launch to the benefit of each (which we discuss in more detail in Chapter 9), often find themselves at odds with both their luxury competitors and their mass associates. This points to the extraordinary equity value of brands as business drivers in general and in luxury brands in particular. As we shall see, the deep well of consumer equity residing in luxury brands often times seems too tempting to resist.

Fundamental Legal Principles in Trademark Law

The trademark cases that we are going to review represent a growing field of brand strategies that are suddenly in conflict and find themselves locked in litigation. As we will see, going to court even if the law appears to be on your side is always risky business, especially in our global economy. Nations, treaties and foreign courts often have differing interpretations of the same law. Brand managers should think of courts as venues of last resort, not as strategic fall back positions, and act preemptively rather than react defensively in their guardianship of the brand.

Prevailing Types of Transgressions

The goal of trademark law is to protect the ownership rights in intellectual property (IP). In general, there are two main transgressions that the law addresses. The first is **infringement**, or the unauthorized use or copying by a business of any part of a brand's trademark assets owned by another. The second is **dilution** or the trivializing of a mark, thereby lessening its IP value through improper reference or use. Dilution can show up in two ways; one is **tarnishment,** or injury to reputation via negative/unfounded associations, and the other is **diminishment** to its distinctive quality by which the IP asset has become known in the marketplace.

Standards for Legal Action

The standards used to determine if these transgressions are actionable at law are confusion by the ordinary consumer in their day to day shopping experience and a dilution of the equity in the brand when lower priced look alike products trade/present themselves as if they were the higher priced brand.

Prevailing Types of Defenses

The legal defenses most often launched against the accusation of infringement include **generification** which most often takes the form of the **acquiescence** defense. Here it is argued that failure to claim a mark or properly file and/or the everyday use of the mark as a word to describe a category (e.g. "Escalator") renders the mark null and void, i.e. the "owner" has "acquiesced" or has abandoned the mark through improper or untimely inaction).

First Usage defense holds that first usage that is, which company used the brand first in a business situation or transaction not formal registration, establishes ownership and finally. the **Parody Defense** which protects the right to ridicule, caricature or make fun of a brand as part of a country's commitment to the protection of freedom of speech.

Generification and the Acquiescence Defense

Trademark dilution can also occur, ironically, from too much success. For example, as referenced above, when the brand name slips into the daily language of a culture and becomes synonymous with the product category, such as

Vaseline®, Xerox®, and Band-Aid®, it risks the product it represents being perceived as a commodity rather than as unique and distinctive. The aforementioned brands have all become a part of our everyday language and thereby risk the reduction in value and possibly in premium pricing. They are all examples of generification. One of the leading brands that has mounted a counter-attack on this erosion of its brand equity by generification is Kleenex®.

Kleenex®, the soft facial tissue and consumer packaged goods company, has aggressively fought that tendency by posting ads online and in other venues indicating that Kleenex is a brand and should not be used as a generic word to describe facial tissues. The ads further state how to properly use the brand name (correct font, registration mark ®, etc.) and warned those who may misuse the brand name of a "vigorous" legal defensive of the brand's equity[13].

Brand managers are advised to be on watch as to how the brand is spoken of in ads, daily conversation and within the organization. On-line venues such as blogs, postings and the like being difficult to monitor, have increased the possible erosion of equity or the commoditizing of a brand name. A good rule of thumb is that brands are adjectives not nouns or verbs and when they begin to be used as such, immediate action is required. (e.g. "Shoprite Kleenex on sale" or, "Xeroxing: 5Cents a copy"). Failure to defend has been grounds for claims of abandonment or acquiescence, opening others to lay claim to the right to use the mark.

Case Study: Tiffany Inc. vs. Costco Stores Inc.[14]

Tiffany Inc. vs. Costco Stores Inc. is a good example of the acquiescence challenge and defense. Here the iconic Tiffany® brand sued Costco® stores for **unfair trade** practices, by falsely presenting diamond rings as “Tiffany’s and **trademark infringement** by the unauthorized use of the trademarked name. Tiffany’s represents the luxury retail brand where limited availability and rarity are the rule, while **Costco,** a warehouse club concept that emphasizes low prices and high volume as their business model, could not be any further apart in their business philosophies.

The facts in the case were that Costco had been selling so-called "Tiffany setting" rings at below market prices. They claimed that they were "Tiffany" rings and not "Tiffany Settings". They were advertised in their in-store advertising and by their sales associates. No ads were on the web or in public media. Costco argued that "tiffany setting" is a general jeweler’s term (which is true) that describes a popular type of setting for engagement rings, (created by the founder of Tiffany’s). Tiffany’s countered that it had trademarked “Tiffany Setting" separately from the Tiffany® iconic mark in 2003. Costco's defense was that registration at this late date was tantamount to "Acquiescence", or the acceptance that the term "tiffany setting" had crept into the jewelers and society's lexicon. Their position was that it was widely used for years before 2003 and therefore was given up as a defensible mark (became generic) and was open to whomever wished to use it[15].

The strategic issue for a brand manager is not whether to defend the mark but whether to do so in court. Once a challenge becomes part of the public record this could open the door to more challenges and further erosion of the brand's distinctiveness; a brand manager needs to weigh the possible outcome and what the definition of "winning" really means.

Here the key issue was the in-store references to the brand "Tiffany" to describe the rings. This is clearly a violation of the mark. However, the brand guardians opted to settle out of court and to avoid further possible incursions and erosions of the brand's equity. Costco agreed to police sales pitches and change their in-store advertising. The case was ended.[16]

As we have seen, the two general benchmarks that courts apply in most venues to determine if a breach in trademark rights might have occurred are:

- Is the competing mark so similar to the established mark that it is likely to be confused by the everyday consumer?
- Is the similarity so close that the competing mark can be said to be diluting the investment and equity in the challenging mark?

The cases that follow provide us with some of the key court decisions applying the above benchmarks.

The First Usage Defense

PRL vs. USPA: The Battle of the “Horsemen” (or is it the “Polo Players?). This distinction points to the fundamental differences in the two brand's positioning; PRL, in its marketing communications, never refers to its logo as a "polo player" but always as a "horseman". This reflects and supports its assertion that its use of "Polo" is not a reference to the sport but to a lifestyle brand. For USPA, it refers to its logo as "polo players" for it is about a sport wanting to become a lifestyle brand. Herein lies the essence of their legal conflicts that date back to 1984 and continues today with a filing in October 2013 by Polo Ralph Lauren of a suit against Arvind Ltd., a major vertical apparel company which is USPA’s licensee in India.

In a series of court decisions covering apparel and fragrances, courts have concluded the following regarding the usage of different logos and brand registered names:

The U.S. Polo Association logo of two Polo horsemen and players does not necessarily infringe on Ralph Laurens’s single player and Polo’s horseman logo.

The use of the word "Polo®" by Ralph Lauren when established over time with a lifestyle/product category is protected and cannot be used by the U.S. Polo Association in that category.

Here is the background and the nuanced legal reasoning. USPA® is a not-

for-profit organization that was founded in 1890 to govern and grow polo as a sport. It had and still does oversee competitive rules and standards and encourages the growth of the sport. One advertising headline, as shown on their website and in the picture below, captures the essence of this charge.
"Before fashion, polo was a sport."

USPA Properties, LLC is the division within the USPA responsible for licensing the brand in its various iterations and registrations and generating revenue for the sport. Licensing has been largely in apparel, footwear, accessories and fragrances. The licensing effort has been very successful both in the USA and globally, with major mono-brand store groups in Turkey, India and other foreign markets. Some of the trademarks include

In 1988, USPA licensed the brand to Jordache® Enterprises, which began to develop an apparel collection distributed to department stores, raising the brand name awareness and possible conflicts. The horseman logo and other marks were owned, registered and in commerce from Polo Ralph Lauren®, the iconic American lifestyle brand and fashion house, which first used and registered the Polo player/ Polo horse logo in 1972.

USPA had been using a similar symbol (the double horsemen players) on its official polo outfits, which resulted in the first lawsuit in 1984. Here, USPA prevailed in their right to use three of the four logos that were in circulation - the exception being the solid double horsemen players. This logo could be used so long as it was "distinctive" from the Polo Ralph Lauren®, logo to avoid **consumer confusion** (the benchmark by which courts ask if everyday consumers in the process of shopping are likely to confuse two similar logos). To adhere to this, USPA designed the double horsemen logo with the second or rear image in outline form and the front image in a solid rendering (Figure 8.3)

[Figure 8.3]

Two Renderings of the USPA logo

The Logo on the Right was Court Approved as Less Likely to Create Consumer Confusionwith the Ralph Lauren Logo at Retail

All other marks of the USPA were held to be valid and did not violate Polo Ralph Lauren®, trademark rights (Figure 8.4). What was clear was that the licensee's brand management strategy was to copycat Polo Ralph Lauren®, whenever possible. (Figure 8.5).

[Figure 8.4]

U.S. Polo Association Store Front Logo

USPA Adhering to the Court's Decision with a Larger than life Logo!

[Figure 8.5]

Polo Ralph Lauren Store Front/

"Horseman" Logo

To Avoid any Suggestion that Ralph Lauren was knocking off the Sport of Polo, The Logo is referred to within the Company as " The Horseman"

An e-mail from a Jordache (the licensee) executive was offered into evidence by Polo Ralph Lauren®, in an attempt to prove **unfair competition**, which requires that competitors in their advertising and public promotions avoid intentionally misrepresenting the business practices of competitors or falsely accusing them of poor performance or behavior. It became known in the industry as the "Ralph Rip-Off" e-mail and here is the text. The court did not factor it into its decision as it does not go to the issue of asset ownership[17].

"Everyone knows we're ripping off Ralph including us. It is the mission of our advertising to deny it by appearing to be true to the sport. After all, Ralph did rip off the sport".

A second major trademark confrontation occurred in 2011 when USPA launched a fragrance collection. The court ruled against the USPA, stating that Polo Ralph Lauren® had created a long-standing link to the fragrance category (launched in 1978) with the Polo horseman (Polo Ralph Lauren®), (the court and media never refer to the logo as a "Polo Player" but as a "Horseman"!) and the word Polo®. The court barred USPA from using this for fragrance but all other USPA marks were available and could be used accordingly. The court rejected the argument that Polo Ralph Lauren®, was attempting to corner the sport of polo for its own use. This is where brand strategies and legal reasoning intersect. For Polo Ralph Lauren®, the IP assets are not meant to convey Polo as a sport but as a lifestyle and a set of attitudes and values…and the court agreed[18]! Below is a picture that shows the logo for the Polo Ralph Lauren® fragrance (Figure 8.6).

[Figure 8.6]

Polo Ralph Lauren Fragrance Bottle LogoAgain, the Argument Made in Court which was Upheld,was that RL was Projecting a Lifestyle not a Sport

The court did not restrict USPA from licensing in the fragrance sector but certain marks were circumscribed and unavailable to USPA, for example; the use of the word "Polo". This was the brand name claimed by PRL and agreed to by the court to be a separate and defensible mark[19].

Although court cases and out of court settlements seemly resolve legal issues, without goodwill the issues remain. In May of 2013 while in Shanghai on business, the author was traveling down an escalator in an upscale mall. He happened to glance up to his left and caught a glimpse of a USPA store front with a large Polo player logo over the entrance. It was a double SOLID player and not the variation that courts in the USA had ruled on and that the USPA ostensibly agreed to abide by to avoid infringement and consumer confusion. This points to the absence of a global trademark court whose jurisdiction would enforce decisions from nation-state courts. In addition, in spite of treaties unifying principles of law, actual case law can differ from country to country. The US decision is neither binding nor necessarily guiding in Chinese courts and neither is it binding nor a guideline in many other countries as well.

The Parody Defense: Confusion/Dilution

The first amendment to the US Constitution provides protection for political speech, however vitriolic, and for social parody, however mocking or irreverent. This has found its way into court cases in the luxury sector, most notably, in Louis Vuitton vs. Haute Diggity Dog[20]!

Here a small manufacturer marketed a chew toy for dogs that they branded as “Chewy Vuitton”®. A lawsuit followed and the defendant prevailed. The case hinged on whether there was any chance of confusion with the luxury mark of Louis Vuitton or if the distance between the two brands was so great it was clearly a parody. This decision was rendered by the court even though LV had sold dog products in the past albeit very expense ones. However, it is the very connection with the brand's famous product offering (high priced accessories) that, by accentuating the distance between the two brands, makes the parody defense work. Also, consumers know that brand owners are not inclined to make fun of their own brand. So a question of brand management arises, what would have been gained with a "victory" in court? And what costs were incurred to bring the litigation[21]? (Figure 8.7)

[Figure 8.7]

A Louis Vuitton "Bag"

The Key Question was whether this was a Parody or Infringement? What Do youTthink?

In another parody case, a similar David & Goliath confrontation occurred. North Face® Apparel Company, a $1 billion revenue generating brand owned by the largest apparel company in the world, VF Corporation, sued South Butt, a very small company with revenues of around $ 20,000 per year. In 2009, VF attorneys discovered on-line, a logo and website selling hoodies, t-shirts and the like with the name South Butt and with a logo seeming to mock the North Face registered logo and brand name. This included the tag line "never stop relaxing", as a counter to North Face's "never stop exploring[22] (Figure 8.8)

[Figure 8.8]

The North Face Logo

The South Butt Logo which Percipitated the Law Suit reversed the Brand Elements in the North Face Logo

A **cease and desist letter** which stated the alleged infraction and threatened legal action if the recipient did not immediately cease the alleged infraction, was immediately sent to the owner, a college student, whose only other product distribution was in a local drug store near the university he attended. The revenues were minimal. The student claimed that he was mocking the brand and sending a message to his fellow students to stop being so infatuated with the North Face brand. Thus, the parody claim as their legal argument and the exercise of the parody defense by the student and his attorney was based upon this[23].

The parody defense works best when the plaintiff owns a well-known or iconic brand and other factors, such as clear differences in the type of retail distribution complement this. This seems counterintuitive, but the degree of fame of the mark works against the plaintiff. The courts tend to hold that because of its iconic stature, it is argued, that the consumer can clearly see that the "competing" mark is a parody of the iconic one, and thus, there is no real possibility of confusing one with the other. This was clearly one of the principles guiding the Louis Vuitton case.

Also, if the products are unrelated, the price points disparate and the channels of distribution in no way parallel, a critical mass of distinctiveness emerges resulting in a protected class of permissible trademark and product design based on the right to parody social icons and institutions. This was the situation with the Louis Vuitton. Even if the dog toy mimicked the Louis Vuitton® handbag (which it did), the product, customer, price and channel of distribution (pet stores) insulated it from the plaintiff's claim.

Here, however insignificant the South Butt business was, the products were similar to what North Face marketed (especially the famous Denali jacket). The South Butt brand logo appears to be simply a copy-cat of North Face in reverse. This led the judge to reject the defense's call for a dismissal and the case went to settlement. Had there been no attempt to sell garments, the parody defense here probably would have prevailed. The results of the settlement were never made public but by 2011, South had closed its website and its owner had moved on to other interests[24].

The question of a lost opportunity to turn parody into a marketing positive by engaging the owner and the consumer in a contest or a creative undertaking seems never to have been considered. Although dilution was argued as grounds for challenging South Butt, VF could not show revenue or market share losses, or any real diminution of the North Face brand. Consequently, it raises the question of what strategic business advantage, if any, was realized and what consumer-centered brand building opportunities were lost[25].

Alternative Brand Management Strategies: Publicity and Collaborative Opportunities

The ultimate objective in defending IP assets from improper use is not to realize a monetary gain or to punish offenders, it is to ensure the brand's effectiveness in marketing communications. This is the classic divide that most often separates brand managers from their attorney counterparts in corporations. The latter tend to be punitive in their strategic perspective, while the brand managers seek to be collaborative.

Let's think of what could have been in the North Face case. Jimmy Winkelman, the creator of South Butt, was a student at the University of Missouri when the case occurred. It’s hard not to admire Jimmy for his creativity and for his courage in taking on the big guy; it is also hard not to feel a degree of "shame-on-you" for North Face and VFC (the largest apparel company in the world)!

America loves the underdog and VFC failed to capitalize on this. The University of Missouri has a very successful fashion and apparel merchandising program, seemingly low hanging fruit for an imaginative brand manager to build upon. What if they had set up an annual scholarship for a creative brand development contest on campus in fashion and apparel? Jimmy could have been one of the judges in a mixed team of faculty, students and North Face/VFC managers. This would have been much less expensive and a much better brand building opportunity for North Face, to say nothing of the 25 or so other brands in the VFC portfolio. Sounds like a better ROI than the foolish jaunt into court!

If the North Face vs. South Butt case is about publicity as an alternative, Stevens Aviation vs. Southwest Airlines is about collaboration - leading to an over-the-top dose of publicity!

Southwest, known for its zany culture and quirky flight attendants, introduced a new tag-line "Just Plane Smart" as a perfect brand promise. Unbeknownst to the CEO Herb Kelleher, Stevens Airlines in South Carolina, a much smaller commuter airline claimed first dibs 15 months prior with "Plane Smart" as their publically disseminated tag line and brand promise in their advertising. A cease and desist letter went out from Stevens to Southwest. But wait a minute, here is where leadership comes in to drive brand management in its proper direction. The two CEOs got on the phone and agreed to a contest - an arm wrestling match and to the winner belongs the tag line! They dubbed the event "Malice in Dallas".

The newspapers, TV stations, and radio could not get enough of this and covered it from beginning to end. The CEOs rented out the Dallas Sportatorium; Kelleher showed up in a white silk robe with cheerleaders, Stevens ran into the arena in a red robe, and the "Rocky" theme song blared on the loudspeakers. Stevens won the arm wrestling contest, but Kelleher didn't lose. Stevens agreed they could both use the tag-line! Kelleher later estimated that avoiding litigation saved Southwest a minimum of $500,000. Brand image building value? Incalculable!

International Trademark Law

In this section, we discuss some of these issues of infringement and registration in trademark law in international markets, with a focus on global fashion brands and their unique relationship to color as an IP asset. We then take a brief look at some of the prevailing issues in litigating in foreign courts with an added focus on China.

Can You Trademark a Color?

The immediate answer is “yes”, witness Tiffany’s® Robins Egg Blue”, UPS®, “Pullman Brown”, and Coca Cola®, Red & White. We could add Owens

Corning® and the registration of "Pink Panther Pink", and a Pink Panther, as they capitalized on the globally popular Pink Panther movie series here! A Pink Panther cartoon character introduced each sequence in the hugely popular motion pictures starring Peter Sellers as the comic bungler, French Police Inspector Cousteau. They then used both the Panther and the Pink on packaging and product. By doing so, they transformed a commodity (rolls of asbestos insulation for homes) into a trademark protected and clearly distinctive product and brand. By coloring the asbestos fiber "Pink Panther Pink®, a registered mark, the brand manager was ensured that no competitor could copy it. This would allow the product to stand out and receive prime shelf space at retail.

When we turn to fashion brands, color trademark protection is a bird of a different well, color[26]!

This is underscored by the recent court cases of Christian Louboutin (CL), the French fashion footwear designer with a luxury brand and an upscale, fiercely loyal international global following and business. His signature red colored soles, which is registered, is found on every pair of shoes he brings to market. (Figure 8.9). This, in the trade and for consumers who make a purchase, immediately identifies the shoe as his brand and as expensive, a kind of "mark" of having arrived[27].

[Figure 8.9]

Christian Louboutin's Shoes

The"Trademark" Red Sole by which the Brand is Widely Recognized engendering the Secondary Meaning Claim Which Helped in the Brand Winning Most Cases.

He had the presence of mind to register red soles as a trademark. In 2010, along comes Yves St Laurent® (YSL) and in his 2011 footwear collection is a red shoe with a red sole! CL sued YSL for trademark infringement.

The decision in the case hinges upon the unique standing that fashion has before the law. First a color, to be protected, must serve to identify the source or maker of the product. Secondly however, if the color is a useful feature (i.e. functional) it is not subject to trademark protection because the purpose of trademark law is not to sequester ownership of things but first and foremost to encourage competition. This pertains in the US & most EU jurisdictions. In fashion, color is central and is always a "useful feature" of aesthetic design thus all should have access. In the words of Judge Victor Marrero who handed down the decision in favor of YSL in January of 2012, "…in the fashion industry, color serves ornamental and aesthetic functions vital to robust competition…"[28]

A similar case occurred in 2014 in French courts where Louboutin sued ZARA® for identical trademark infringement. Here the French court ruled that the CL mark was "too vague" to be protected and defensible and intimated the registration should never had been permitted and should be withdrawn. The suggestions abound that if Louboutin had trademarked a particular shade of red (let's call it "China Red") with a designated Pantone® color number and filed these together in the registration, it most probably would have been protected (assuming that the particular trademarked red was on every CL shoe sole). It appears that Louboutin's error was in being too general in his designation of red.

The widely recognized exception to this rule of law in the fashion industry is the "Secondary Meaning" defense which looks to the market for consumer, trade, fashion media and/or celebrity confirmation of the distinctiveness of the brand. If the consumer and trade publics behave toward the brand color in ways that signify its "distinctiveness" and this is so consistent and broad-based that it stands in as the brand DNA, this could provide Louboutin and others with a defensible mark[29].

Color, Secondary Meaning, and Limited Protection

In September 2012, a U.S. Court of Appeals decision settled the issue for the U.S. market; it found Louboutin's red sole trademark valid and protectable in the United States so long as the red sole contrasted with the color of the remainder of the shoe. The argument was made that the red sole had **secondary meaning,** or that the market had established that it held the distinctiveness of a trademark. The evidence presented to confirm this including marketing expenditures, media coverage and celebrity sightings, all of which provided overwhelming evidence that the red sole conveyed and maintained the brand's distinctiveness. Therefore, the notion of distinctiveness can be thought of as an acquired characteristic of a mark and can be built into the early stages of brand management strategies. Louboutin has now embarked on a global branding strategy seeking to establish red sole marks in multiple markets and jurisdictions.[30]

Similar protections based on establishing distinctiveness can be found in Cadbury® vs. Nestle®. In contention was the use of the color purple in food packaging. Cadbury® argued that years of market exposure had created identification between purple and chocolate products. The use of consumer surveys and other such data was presented. The court agreed with the plaintiff yet limited the protection to chocolate bars, tablets, Easter Eggs and drinks.

Chocolate cake mix and the like would not be protected.[31]

However, the decision was reversed on appeal. The appeals court argued that color alone was too vague and did not constitute a “sign” or “symbol”; it suggested that if a Pantone of the color had been registered the original ruling may have been confirmed. This is in spite of the fact that Cadbury had filed a Pantone reference for its purple and the registration office in the UK has accepted it!

Our final case on color as an IP asset presents a classic confrontation between luxury and mass brands. Here, a UK court ruled in 2013 that Victoria’s Secret’s Pink®, it’s very successful diffusion brand, infringes on luxury brand Thomas Pink®, citing consumer confusion regarding “Pink” and dilution of its iconic mark[32]. Again, the issue of brand management becomes paramount. It is reasonable to assume that if the case had been brought in US District Court in NYC, the outcome would have not been the same. The iconic stature of the Thomas Pink brand in the UK, changes the legal landscape; but this is precisely what brand managers must factor into their ""what if" analysis of best market entry strategies and possible challenges from local case law and/or practice. In this case, finding a registration approach coupled with disclaimers on "Pink" packaging, might have avoided this costly confrontation. As of this writing, the case is pending on appeal in the British courts.

Trademark Law in China

With China as the second largest global economy, a brief survey of key case law outcomes is in order. This offers insights into how a nation's legal culture can follow consumer-centricity in its laws and trademark principles yet render court decisions which differ in significant ways from those of its major trading partners (such as China and the US and China and the European Union).

The Crocodile Wars (Lacoste® vs. CGL) [33]

Founded in Hong Kong in 1952, Crocodile Garments Ltd (CGL) is a major manufacturer and retailer of men's, women's and children's fashions. Distribution is in China and other Asian Markets. The DBA name found on some of its labels and in all of its store fronts is "Crocodile®"and Cartelo®. Product was, and is often, branded with the combination of language and logo as shown below (Figure 8.10). The classic Lacoste® crocodile, also shown below, (Figure 8.11) sets the stage for the trademark confrontations and cases that follow.

Cartelo's Crocodile Logo

[Figure 8.10]

Cartelo's Crocodile Logo

Registered in Asia Well Before Lacoste, it Becme the Grounds for Several

Lawsuits by Lacoste

[Figure 8.11]

Lacoste Logo

Notice the Alligator Faces in the Opposite Direction from the Cartelo Logo; Chinese Courts have Pointed to This and to the Shape of the Nose as Discerning Differences Giving Some Winning Cases to Cartelo

Prior to becoming Crocodile Garments Ltd. (CGL), the original company was founded in Singapore in 1943 and filed the crocodile logo in 1949 in Singapore, Hong Kong and many other Asian countries. Lacoste, founded in 1933, registered a crocodile at that time in France and later in the late 70's in China.

The first "war" occurred in Japan for trademark infringement where CGL sued Lacoste. It was settled amicably with Lacoste permitted to use the logos but having to pay CGL for past usage.

The more current China case began in 2001 and continued through 2009. Lacoste argued that CGL use of "Cartelo" in China did not differentiate Lacoste products from CGL products because CGL still used a Crocodile, and Cartelo was only on the packaging and hang-tags which would be thrown away after purchase.

Also, because “Cartelo” was in English, the crocodile logo would mean more to Chinese consumers than this co-brand name Cartelo®.

The court held that the long history of mutual usage of this crocodile logo entitled both to continue. This was especially so because the Lacoste icon faced right while CGL faced left. CGL agreed to elevate the tail and to use heavier scales on the crocodile’s body to further differentiate from Lacoste.

What seems to be absent as evidence underscoring the decision is any Chinese consumer surveys or research that explored the likelihood of logo confusion on the part of consumers and customers. Such research could well have resulted in a more favorable decision for Lacoste.

The case may have been influenced by an added consideration. A major sidebar was that CGL manufactured for Lacoste for Asian distribution. There is no direct mention in the transcript of this influencing the judge’s decision, but given the Chinese sensibility to find a Solomon like common ground as mediator this may have had some effect on the outcome.[34]

Luxury Brands vs. Mass Market Brands: Hermes, Burberry and Their Trademark Challenges in China.[35]

In China, foreign brands are often faced with registrations that require brand managers to file in ideograms (Chinese characters), Pinyin (Chinese in Romance language lettering) and in English or the name of their brand in their language.

An added challenge is that a brand name in Pinyin is formulated by how the lettering sounds phonetically when pronounced in Mandarin! This has led to several high profile infringement cases in Chinese courts.

Infringement cases are often countered with the abandonment defense. In two related but somewhat different cases, Burberry ® vs. Polo Santa Roberta® and Hermes® vs. Forshan, we encounter this defense and some important lessons for brand managers.

In the Hermes case, the venerable French house found itself in an unlikely situation. It had registered Hermes in China but had not thought of doing so with the Mandarin name. Forshan (Guangdong Forshan Dafeng Garment Company) had done so shortly after Hermes using a phonetic spelling in Pinyin, Ai Ma Shi®, sounding much like Hermes when pronounced. Hermes sued arguing infringement. Forshan countered by claiming that the Chinese mark, not having been registered, was abandoned. The courts have agreed with the defendant and an appeal court agreed; the final outcome is still pending.

In a related but different case, Burberry had made a strategic shift in its brand merchandising by moving away from the iconic "Haymarket Plaid" as its standard global mark. It was less prominent in advertising and on products, as the company sought to move to a wider and more fashion driven identity. Polo Santa Roberta® developed and marketed handbags in China with the plaid clearly displayed. They argued that this mark had been abandoned in China as it had not been re-registered within 3 years as required by Chinese law (in US it is every 5 years). Burberry countered that the mark was globally recognized by the media and consumers everywhere and submitted evidence of this and their registration in and from Hong Kong sources. The Chinese court rejected the argument saying that Polo Santa Roberta® had followed the law by adhering to the proper registration procedure in China which Burberry hadn't and that Burberry did not present any evidence of brand awareness in China from Chinese sources.

Again, a strong lesson for brand managers that foreign courts, although operating in a global brand marketplace, should be the venue of last resort in resolving trademark disputes. If possible, a collaborative approach should prevail; or think local when managing global! (Table 8.2).

[Table 8.2]Comparative Legal Issues & Outcomes

Summary of Main Cases and What / Brand Management Strategy is Needed

Case (Main question)	Issues & plaintiff's argument	Issues & defendant's defense	Outcomes & brand management takeaway
PRL vs. USPA (How does lifestyle positioning	Consumer confusion/logo infringement	Prior use + difference class of trade proper usage	Brand Managers need to police foreign & domestic markets, packaging and

establish a mark)		of the mark	retail not just products
C.L vs. YSL (Can color be trademarked?)	Color can be and become a mark. Register w/ pantone + secondary Meaning	Color is functional; functional in fashion not protected	Use of pantone in filing + consumer perception critical – MGRs nee to engage core consumers over time
Lacoste vs. CGL (How can marks be similar yet distinctive?)	Consumer confusion, logo infringement, dilution of equity	Prior use + fair use	Similar logo can be made to look different if parties agree; save money by agreement outside of courts
LVMH vs. Haute Dog (When is reference to a mark acceptable)	Dilution as tarnishment	Parody + different class of trade + different consumer	Reference to your mark is not always infringement or dilution – tarnishment requires negative impaction mark
Hermes vs. Forshan (can sound of a mark be trademarked)	Sound of competing mark if similar in another language = infringement	Acquiescence + failure to register mark in mandarin in China =	Registration rules in foreign markets differ; what & how often to re-register critical

		abandonment	
Burberry vs. PSR (Is failure to re-register online =to abandonment)	Unfair competition plaid has worldwide recognition as Burberry mark.	Abandonment of mark over time by non-usage in China market	Awareness of a mark needs to be established in market where it is challenged. Change in product can affect the mark.
Tiffany vs. Costco (When does a mark through popular usage risk generic standing	Infringement/consumer confusion, mark is “incontestable” – use of name “tiffany “protected unfair competition.	“Tiffany setting” is a generic term in Jewelry industry. Filling by tiffany of phrase in 2003 is too late, inaction =acquiescence	May be safer to settle out of court and avoid mark being ruled “generic” prior policing of jewelry industry needed.

Summary

Brand naming is both science and art; it requires both analytic and creative thinking and should be generated and owned, by all major brand influencers in the organizations. Names can also be generated from the vision that a founder has or from the solution that the brand owner brings to the market. When it’s the latter, the lifestyle of the targeted consumer should be clearly understood and used as direction for the name generation process. As names are generated, it is important to have a method of assessing if the names meet certain criteria which will make them more effective marketing tools. Because brands are clearly highly valued strategic and financial assets, protecting them from misuse or infringement is an on-going concern of brand managers. However, we need to be aware that legal outcomes will often vary depending on the geographic jurisdiction and temper of the times; so going to court, even if case law is on your side, may not always be, from the perspective of the brand's asset value, the best strategy. Finding alternative collaborative opportunities for resolving legal differences can provide a big plus for the brand and its business.

The caveat regarding litigation as a last resort strategy for brand managers, becomes even more urgent as we enter the global market and are exposed to legal standards in the international community. Global intellectual property rights continue to be subject to each nation's court system, but luxury brands have aided in establishing, through their global presence and prestige and their dogged determination to protect their brands, certain global principles of legal rights; these become the bedrock for brand management strategies.

Key Terms

Intellectual Property - Intangible assets such as logos and icons whose value is subject to the protection of the law.

Brainstorming - A process of group idea generation where concepts and strategies are subjected to critical assessment until a consensus is reached.

Jury of Executive Opinion - In market research, the gathering of experienced management and soliciting their insights.

Associative Projective Techniques - An idea generation method whereby symbols or representative images are used as stimuli to unleash fresh perspectives and ideas.

Exclusive Brand - A sort after opportunity whereby retailers are offered by the brand owner a brand and its products with a promise to exclude them from the retailer's competitors.

Conglomerate - A company which owns and markets multiple brands.

In Commerce - The tendency of courts to recognize commercial usage of IP assets as compelling evidence of rightful ownership of those assets.

Class of Trade - The clustering and posting of related types of products or services for determining if a trademark is already owned by a business in a competitive or related area and therefore no longer available.

Complementary Positioning - The creation of diffusion brands which do not cannibalize the market positions of existing brands within the company's portfolio.

Diffusion Brands - Brands in a portfolio of related brands that are higher or lower priced extensions from the flagship brand. Sometimes referred to as “brand extensions”.

Co-Branding - Two brands usually with different but complementary products joining together in a marketing effort capitalizing on the equity in each brand to the unique benefit of both.

Infringement - The unauthorized use or copying by a business of any part of a brand’s trademark assets owned by another.

Dilution - The lessening of IP value due to improper reference or use of the mark.

Tarnishment - A legal standard prohibiting the promulgation of unfounded associations or accusations regarding IP assets of a company.

Diminishment - A standard in trademark law prohibiting the blurring of a distinctive quality by a competitor by which the brand is known.

Generification - The loss of a brands distinctiveness when its name becomes synonymous with its product category and it risks being perceived as and becoming a low priced commodity.

Acquiescence - The failure to defend or protect an IP asset because of delayed or failure or improper registration of a mark.

First Usage - In common law (before statutes were enacted) the right of ownership of an IP asset goes to the first user and not necessarily to the first registrant who is not the first user.

Parody Defense - The claimed right to ridicule or caricature a brand as protected by Freedom of Speech.

Unfair Trade - A legal standard which obligates competitors to cease from, for example, false statements about competitors or price reductions the purpose of which is to harm another company.

Trademark Infringement - The violation of a myriad of legal standards designed to protect IP rights, unauthorized use or copying of any part of a brands trademarked assets (sometimes called "infringement").

Costco - A warehouse club retail concept that emphasizes low prices and high volume as their business model.

Consumer Confusion - The benchmark by which courts ask if everyday consumers in the process of shopping are likely to confuse two similar logos.

Unfair Competition - A conscious decision by one company to undermine the integrity of a brand, IP asset or another company by false advertising and the like.

Cease and Desist Letter - A formal letter from an attorney notifying the recipient of his or her breach or impending beach of his client rights, calling for an immediate cessation of those activities and threatening further legal action for refusal to do so.

Secondary Meaning - The use of expert opinion, market research or market prominence to establish a claim of "distinctiveness" in a product attribute as the basis for trademark protection.

Chapter Conversations

- How would you tell a friend, who knows nothing about intellectual property rights, what a brand asset was and why it was of value?
- What strategic consumer-centric perspectives do you need to keep in brand-naming?
- How would you, as brand manager, go about establishing the "Secondary Meaning" principle in a case where your brand was the plaintiff?

Chapter Challenge

1. Louis Vuitton/LVMH vs. Haute Diggity Dog

   Facts: A US company designed and distributed to a major big box pet store retailer in the USA a product of dog biscuits named/branded as "Chewy Vuitton". LVMH sued claiming "tarnishment", "dilution" and "customer confusion" as grounds. The defendant countered by claiming the "parody" defense and absence of injury.

   Your Challenge: Write a brief, "brief" defending either party. Does the change in product change the legal arguments? As a brand manager, how are your strategies affected?

2. North Face vs. South Butt

   Facts: North Face managers had an opportunity to withdraw the law suit and purchase or manage South Butt's intellectual property. Assuming this could be done without publicity.

   Your Challenge: What strategies would you develop to capitalize on the parody argument and turn the negative content into a positive marketing opportunity? Why do think, given the target consumer, that this approach could be successful?

3. Burberry vs. Polo Santa Roberta

   Facts: The Creative Director at Burberry has broad decision making authority on brand strategies. As Brand Manager, you are responsible for the business results.

   Your Challenge: Given the "Plaid" case, what are your recommendations to avoid a strategic communications error such as occurred here? Defend your strategy.

Endnotes

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[2] B.H. Schmidtt & Alex Simonson, "The Strategic Management of Brands, Identity & Image (New york: the Free Press: 1997; David A. Aaker, Building Strong Brands, New YorK: the Free Press: 1996, p. 17 where the brand name is seen as part of a strategic management undertaking.

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[4] For an insightful look at the Dockers success story from a naming and brand perspective see: M. A. Geddy, "Docker's: Creating A Sub-Brand", July 2011, www.Study Mode.com, pp.1-33.

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