



# Understanding Brewery Trademarks & Avoiding Headaches

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## **Legal Disclaimer**

**Nothing in this presentation should be considered legal advice. If you have a specific legal situation, please consult a licensed attorney with the specific facts of your situation. Thank you!**



# Today's Topics

What is a trademark?

How do I know if someone else is already using a mark?

Why should I file for a mark?

Best Practices



# What is a Trademark?

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Identifies product source to the consumer





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# What is a Trademark?

## Why does the law care about trademarks?

→ **Protecting consumers from**

⇒ Confusion

⇒ Deception





## What is a Trademark?





# Clearing the Name

## What does clearance mean?

- **USPTO – all alcoholic beverages & restaurants**
- **State trademark databases**
- **TTB COLA**
- **Popular Review sites – RateBeer, Untappd, BeerAdvocate**
- **Google – more than the first page!**



# Clearing the Name

## Why do I need to do a clearance?

- **Avoid confusion among by consumers by avoiding using another's mark**
- **Stronger marks**
- **Easier registration**
- **Avoid litigation**

According to the American Intellectual Property Law Association (AIPLA), the average cost of trademark litigation is between \$400,000 to \$2,400,000 — depending on the amount at stake.



## Clearing the Name

**Make sure you are not infringing someone else's registered trademark:**

- **Consider each word individually**
- **Do not need to consider generic words**
  - ⇒ Brown Ale
  - ⇒ Brewing Company
- **Do consider other beverages (wine, spirits, coffee, soda, water, energy drinks) as well as bars and restaurants**



Forbes

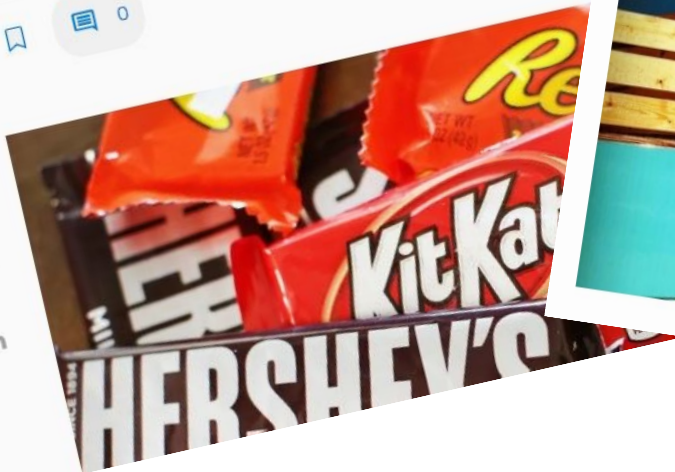
FORBES > BUSINESS > FOOD & DRINK

# Hershey's Legal Threats Are Leaving A Bitter Taste In Small Brewers' Mouths



Tara Nurin Brand Contributor @

I cover the business of beer and alcohol, mixed with



## More Inside Hershey's Trademark Dispute with Side Lot Brewery





# Solutions to Conflicts

## **Further investigation**

- **Is the other mark in use? Is your mark in use?**
- **What are the related goods for the other mark?**

## **Call the other party**

- **Consent/License**
- **Acquisition**

## **Legal proceedings**

- **Cease and desist letter**
- **Trademark Office proceedings**
- **Mediation**
- **Litigation**



# Why File for a Trademark?

## Things that do NOT give rights to a mark

- **Domain names**
- **State Business registrations**
- **Social Media pages**
  - ⇒ Facebook®
  - ⇒ Twitter®
- **Use on goods that are given away, but not sold (i.e. homebrew)**
- **Use on other goods (i.e. t-shirts)**



# Case Study: Narwhal Brewery

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## New York homebrewers - Brewery-in-planning

- Dec. 2010 – Launched FaceBook® page
- April 2011 – Registered Narwhal Brewery as an LLC with state of NY
- Twitter® account
- Instagram® account
- T-shirts
- Homebrew competitions







## Why File for a Trademark?

**There are only 2 ways to gain trademark rights in a mark:**

- 1. Use**  
**on the specific goods**  
**for sale**
- 2. Registration**



## Why File for a Trademark?

### **Gaining rights through use on goods for sale**

- **Ownership is established by actual use**
- **No need to register**
- **If discontinue use, will be considered “abandoned” and available for others**
- **™ is the symbol used for unregistered trademarks**
- **Infringement for someone else to use**
  - ⇒ The same or confusingly similar term
  - ⇒ Within the same geographic area or, in some cases, in a natural area of expansion



## Why File for a Trademark?

**However,**

- **Trademark rights exist only as far as the 1st user has already extended his trade under that trademark**
- **So a “good faith” 2nd user can acquire rights in a remote market area**



## Case Study: Slow Ride

**New  
Belgium**



**Oasis  
Texas**



Facts: Oasis sold beer under the name prior to NB filing for a TM

What happened: Lawsuit

Outcome: Oasis owns it in TX; NB owns it everywhere else

Cost: For Oasis, \$200,000



# Why File for a Trademark?

## Federal Trademark Law

- **Use mark on or in connection with goods across state lines**
- **Ownership is established by actual use or filing of an intent-to-use and use within required time period (have up to 3 years to use across state lines)**
- **® is the symbol used for federally registered trademarks**



# Why File for a Trademark?

## **Benefits of Federal Registration**

- **National protection**
- **Publication to others**
- **Incontestability after 5 years**
- **Promotes settlement**
- **Evidence in court**



# When to File a Trademark

**When you are invested in a mark:**

- **Financially**
- **Emotionally**



## Best Practices



**Consider all the areas you want to protect**

**Beer**

**Bar services**

**Clothing**

**Glassware**



**Consider all the marks you want to protect**

**Brewery name**

**Logo**

**Tag line**

**Beer names**





## Best Practices

- **Research your marks as thoroughly as possible before committing to them**
- **Put yourself in the other person's position when considering if a mark is "confusing"**
- **Try to take emotion out of the equation**
- **Talk to the other party before bringing in a lawyer**
- **Realize that settling differences now will save both parties time, money and stress**
- **Realize that at some point in time, you will be on the other side of the equation**
- **If you can't work it out, consider mediation rather than litigation**



## Questions?

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