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PROTECTING INTELLECTUAL PROPERTY RIGHTS

BY WILLIAM CHENG

COMPANIES IN THE GROCERY INDUSTRY CAN TAKE ADVANTAGE OF FILING TRADEMARKS AND DESIGN PATENTS TO STRENGTHEN THEIR INTELLECTUAL PROPERTY PORTFOLIOS.

Upon hearing the term intellectual property rights, the first image that most people conjure are the tens or hundreds of patents that cover the various features of a smartphone – from the display, to the software, to the electronic components, to the sleek aluminum body.

Furthermore, this image is further reinforced by the high-stakes litigation prevalent in recent years between global consumer electronics companies. However, companies in the grocery industry would be sorely mistaken if they believe that only high-tech gadgets and electronic devices can be protected by intellectual property rights.

Indeed, the first United States statute on patents defined subject matter that is eligible to be patentable as “any useful art, manufacture, engine, machine or device, or any improvement thereon not before known or used.”

More to the point, electronic and computer products represent a minority of the patents that are granted annually by the United States Patent & Trademark Office (USPTO). In 2012, electronic and computer patents represented only about 26 percent of the total patents issued by the USPTO.

Furthermore, it would be a mistake to believe that intellectual property rights include only utility patents (i.e., patents that protect a process, machine, manufacture, or composition of matter). Indeed, other intellectual property rights, such as trademarks and design patents can be equally as effective in protecting the interests of retailers, food manufacturers, and distribution companies, while also having the advantage of being less expensive, less time-consuming, and being associated with fewer hurdles than their utility patent counterparts.

Unlike utility patents, trademarks and design patents protect the ornamental and non-functional appearance of an invention. Companies in the grocery industry can take advantage of filing trademarks and design patents to strengthen their intellectual property portfolios.

Design Patents

Design patents protect specific non-functional, ornamental features. Notable examples of design patents in the retail industry include the Coca-Cola contour bottle design, Ruffles chips design, and Eggo waffles design. Design patents can

cover any number of design indicia on products including shopping bags, shipping containers, snack foods, packaging label designs, laundry detergent containers, paper towel designs, water bottles, and so on.

The design patent holder can exclude others from making, using, selling, or offering to sell a product having an identical ornamental design or a design that is substantially similar to the design that is claimed in the design patent.

In essence, the design patent can prevent another entity (e.g., company, individual, etc.) from making, using, copying, or importing into the United States a design that is identical or substantially similar to the design protected by the patent.

In exchange for disclosing the design to the public, the design patent holder is granted an exclusive right to the design for a period of up to 15 years from the date when the design patent was granted (for design patents filed on or after May 13, 2015).

Additionally, design patents are significantly less difficult and less expensive to obtain than their utility patent counterparts. Indeed, design patents typically take between 12 to 18 months from the time of filing to grant. Moreover, design patents are granted at a significantly higher rate than their utility patent counterparts – in recent years, the allowance rate of design patents is about 90 percent.

Continued on page 62 ►

◀ Continued from page 61



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Trademarks

Trademarks have evolved as a powerful tool for companies to protect their brand identity and to prevent consumer confusion. Among the different types of intellectual property rights, trademarks are perhaps the most extensive in breadth and scope. A trademark can cover a name, a word, a phrase, a logo, a symbol, a design, an image, a scent, a jingle, or a combination of any of these elements.

Trademarks can be categorized as common law trademark rights (represented by ™) and registered trademarks (represented by ®). In common law, trademarks are acquired automatically as soon as a mark is used in commerce; however, marks that are registered at the USPTO provide a higher degree of protection. Grocers and manufacturers who register trademarks will garner specific advantages not otherwise available through common law acquisition.

For example, registered trademarks are presumed valid, and can put others on constructive notice that such trademarks exist. Additionally, owners of a registered trademark are more likely to receive enhanced damages when another person infringes on the registered trademark.

Perhaps the most compelling advantage of a trademark is the potential indefinite lifespan of the trademark. Unlike design patents, a trademark can last indefinitely so long as the trademark is regularly used in commerce (e.g., for sale, advertisements, etc.), and trademarks are renewable in 10-year periods.

For companies in the grocery industry, the trademark can also be used as a revenue-generating source, such as when a food manufacturing company licenses its trademark to a retailer for the purpose of the retailer developing a private label product.

Leveraging Trademarks and Design Patents

Design patents and trademarks represent but a few of the available cost-effective measures for companies in the grocery industry to strengthen their respective intellectual property portfolios. Companies in the grocery industry that leverage both design patents and trademarks can build an indefinite lifespan of intellectual property rights.

As an example, companies can first apply for a design patent for a product. During the 15-year period that the design patent is valid, the company can establish a

strong brand identity for the product through advertising and commercial use, which can be persuasive in securing trademark protection to protect the product for the duration of its commercial lifespan.

As a matter of fact, Coca-Cola secured a design patent in 1915 covering the original “contour” bottle design. By the time that the design patent had expired, Coca-Cola had established such a strong association to the design that the contour bottle design was trademarked due to being so strongly tied to Coca-Cola’s identity. ■



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