

**NewsFeed™**  
Foley's Quarterly Food Industry Web Conference Series

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**NewsFeed™**  
Foley's Quarterly Food Industry Web Conference Series

**Today's Presenters**

		
Craig Fochler Chicago	Richard McKenna Milwaukee	Michel Morency Boston

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## Agency Regulations and Trademarks

## Trademark Function

- Distinguish one party's products from others' products

## Theoretically Best Trademarks

- Coined, Arbitrary, Fanciful
- Marks that do not tell you anything about the products they are used on

## Why are They Best?

- Inherently best able to distinguish products of one business from those of others
- *Ab initio* are given broadest legal protection

## Frequently Desired Trademarks

- Marks that describe, or appear to describe, the product or one of its attributes

## Problems with Descriptive Marks

- Hard, if not impossible, to acquire rights in and, therefore, to protect
- In the Food / Beverage Industry, subject to regulations of various government agencies

## Food, Drug and Cosmetic Act (FDCA) Misbranding

- If a label is false or misleading in any way – including its trademark – it is misbranded
- Even if it is not misleading, it can be held misbranded if it is false, e.g.,  
**SPECIAL IMPORT CHICKEN TENDERS**

## Early FDA Attack on Trademarks

- Today, most FDCA trademark violations occur because the mark uses a term that does not meet an FDA definition or requirement
- Even before current FDA labeling regulations issued, the FDA applied its misbranding standard
- In 1991, FDA took position that “fresh” in CITRUS HILL FRESH CHOICE mark for orange juice was deceptive, because it was made from concentrate and pasteurized

## Frequent FDA Trademark Pitfalls

- Ingredient claims
- Nutrition claims
- Health claims

## Ingredient Misbranding

- A label must accurately disclose a food product's ingredients
- A trademark cannot be used to falsely claim that a product has a certain ingredient
- For example, use of the mark BANANA PIE CRUNCH for a snack bar could misbrand the product if it did not contain banana

## Nutrition Misbranding

- Nutrient content must be accurately disclosed
- With certain “grandfathered” exceptions, only an FDA approved nutrient term can be used, e.g., “lite,” “low,” “free,” on labeling

## The Carbolite Case

- CARBOLITE was a registered trademark used on products that met FDA requirements for “zero sugar” or “reduced sugar”
- FDA held its use would be misbranding because:
  - Misleadingly implied reduced or low carbohydrate, not sugar
  - Constituted a nutrient claim for which there was no FDA definition, *i.e.*, level of carbohydrates and
  - Definition of “Lite” applies to calories and fat, or sodium, not carbohydrates

## Health Claim Misbranding

- If a mark suggests that the product has an effect on a disease or health related condition, it is a health claim
- FDA regulations specify when certain terms such as “healthy” can be used
- Other health claims must be approved by the FDA before being used



## Additional Agency Regulation

- U.S. Department of Agriculture
- TTB (formerly, Bureau of Alcohol, Tobacco and Firearms)
- State Agencies

## Department of Agriculture

- Establishes labeling requirements for meat, poultry, eggs and dairy
- Unlike FDA, approves food labels
- Generally, requirements consistent with FDA requirements for other foods
- But, in some cases, issues additional regulations, e.g., requirements for use of term “organic”

## TTB

- Regulates alcoholic beverage labeling
- Prohibits trademarks that are misleading as to the age, origin, identity or a product characteristic

## State Agencies

- For the most part, labeling issues pre-empted by federal agency regulations
- Nevertheless, there are areas not pre-empted in which state laws or regulations apply or states work in conjunction with a federal agency, e.g., National Organic Program

## Protection of Unique Food Products and Product Packaging via Trade Dress, Design Patent, and Copyright Protection

## Consumer Food Marketplace

- Crowded
- Competitive
- Globalization resulting in Reduced Barriers to Entry

## Strategy to Protect/Enhance Market Position

- Innovations Distinguish Products from Competitors
  - Functional Innovations – Utility patents, trade secrets
  - Ornamental, non-functional Innovations

## Strategy to Protect/Enhance Market Position (cont'd)

- Proactively Protect Ornamental, non-functional Innovations
  - Design Patent
  - Trade Dress/Trademark
  - Copyright

## Examples of Unique, Protectable Concepts



FIG. 1



FIG. 2



## Design Patent

- Protects new, **ornamental** design, not structure or function
- Term – **14 years** from issuance
- Protection usually granted 12 – 18 months from filing date of application
- Contents of application remain **secret** until design patent issues
- Cost Estimate

## Design Patent (cont'd)

- Right to exclude others from
  - Making
  - Using
  - Selling or
  - Offering for Salepatented product
- Patent is **presumed valid** upon issuance
- Application must be filed within one year of public disclosure/offer for sale or **all rights lost**

## Design Patent (cont'd)

- What is an infringing product?
  - “Ordinary Observer” would view the two designs as substantially the same
  - Infringing product includes the “point of novelty” from patented design
- Evidence Required
  - Design patent, accused device and “prior art” designs

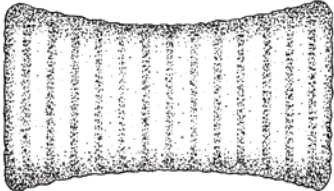
**United States Patent** (19) (11) Patent Number: **Des. 391,736**  
**Cookie** (43) Date of Patent: **Mar. 10, 1998**

(54) **SNACK FOOD PRODUCT**  
 (73) Invention: **Thomas D. Oshin, Plymouth, Minn.**  
 (71) Assignee: **General Mills, Inc., Minneapolis, Minn.**  
 (21) Filed: **14 Years**  
 (22) Appl. No.: **8,498**  
 (23) Filed: **Mar. 8, 1993**  
 (51) **LOC. IN CL.** **40-41**  
 (52) **U.S. CL.** **D0128; D0129; D0130; D0131; D0132; D0133; D0134; D0135; D0136; D0137; D0138; D0139; D0140; D0141; D0142; D0143; D0144; D0145; D0146; D0147; D0148; D0149; D0150**  
 (53) **Field of Search** **D0131; D0132; D0133; D0134; D0135; D0136; D0137; D0138; D0139; D0140; D0141; D0142; D0143; D0144; D0145; D0146; D0147; D0148; D0149; D0150**

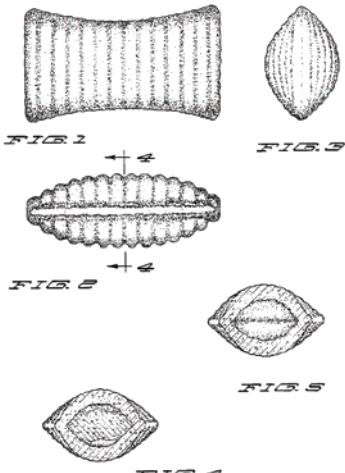
(56) **References Cited**  
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 D. 16,849 8/18/86 Sander D0128  
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 D. 18,208 4/27/89 Kramer D0128  
 D. 20,420 4/27/87 Lamm et al. D0128 S  
 D. 21,447 3/29/89 Cook D0128  
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 D. 21,500 3/29/89 Cook D0128

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 Austria Export Oct. 7, 1966, Inside Best crust, Cookie Dough 8022.  
 Bauer-Horn & Gendron, Dec. 1968, p. 99, Choc. Cereal.

1 Claim, 1 Drawing Sheet



**U.S. Patent** Mar. 10, 1998 **Des. 391,736**



**FIG. 1** is a top plan view of a snack food product illustrating my new design with the broken view being a mirror image thereof.

**FIG. 2** is a front elevational view thereof, the rear elevational view being a mirror image thereof.

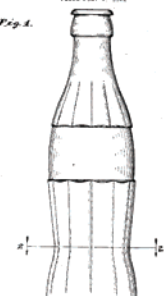
**FIG. 3** is an end view thereof with the opposite end being a mirror image thereof.

**FIG. 4** is a vertical side view thereof taken along lines 4-4 of FIG. 2 showing an interior cavity containing a filling, and.

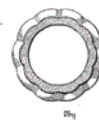
**FIG. 5** is a vertical side view of a second embodiment of FIG. 1, taken along line 4-4 of FIG. 2, it being understood that the only difference in the second embodiment is the empty interior cavity.

**Dec. 25, 1923.** **C. J. ROOY** **Des. 63,657**  
**BOTTLE**  
 Filed Feb. 4, 1922

**Fig. 1.**



**Fig. 2.**



*Attest: Arthur M. Wood*

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## Trade Dress/Trademark

- Traditional Trademarks – Word marks (e.g. KRAFT) or logos (e.g. script Coca-Cola)
- Non-Traditional Trademarks - distinctive product packaging (e.g. Coca-Cola bottle) product configuration (e.g. Goldfish cracker)

## Trade Dress/Trademark (cont'd)

- Requirements for Protection for Non-Traditional Marks
  - Distinctive (inherently or acquired)
  - Non-functional
  - Consumer recognition



## Trade Dress/Trademark (cont'd)

- Protects **ornamental** design, not structure or function (note, no “new” requirement)
- Term – **unlimited**
- Protection usually only available after **years** of use and promotion in the marketplace
- Use must be **substantially exclusive**

## Trade Dress/Trademark (cont'd)

- Protection is based upon consumer association of design element with a single source
- Registration – available, but typically only after years of use and promotion.
- Costs

## Trade Dress/Trademark (cont'd)

- What is an infringing product?
  - Likelihood of Confusion test
  - Dilution of Famous mark
- Evidence Required
  - Consumer surveys showing consumer recognition and consumer confusion
  - Evidence of longstanding promotion and sales success

Int. Cl.: 30

Prior U.S. Cl.: 46

Reg. No. 2,481,836

United States Patent and Trademark Office Registered Aug. 28, 2001

TRADEMARK  
PRINCIPAL REGISTER



NABISCO BRANDS COMPANY (DELAWARE CORPORATION)  
1105 NORTH MARKET STREET, SUITE 803  
WILMINGTON, DE 19801

BEAR DESIGN WITH ARMS AT SIDE

SEC. 2(F).

FOR: COOKIES, IN CLASS 30 (U.S. CL. 46).

SER. NO. 75-919,653, FILED 2-15-2000.

FIRST USE 11-17-1987; IN COMMERCE 11-17-1987.

OWNER OF U.S. REG. NOS. 1,823,864 AND 1,823,865.

ZHALEH DELANEY, EXAMINING ATTORNEY



Int. Cl.: 30

Prior U.S. Cl.: 46

Reg. No. 2,649,833

United States Patent and Trademark Office Registered Nov. 12, 2002

TRADEMARK  
PRINCIPAL REGISTER



KRAFT FOODS SCHWEIZ AG (SWITZERLAND CORPORATION)  
BELLEFESTSTRASSE 203  
CH-8006 ZURICH, SWITZERLAND BY CHANGE OF NAME KRAFT JACOBS SUCHARD SA (KRAFT JACOBS SUCHARD AG) (KRAFT JACOBS SUCHARD LTD) (SWITZERLAND CORPORATION)  
CH-8006 ZURICH, SWITZERLAND

FOR: CONFECTIONERY PRODUCTS, NAMELY CHOCOLATE AND CHOCOLATE CANDIES, IN CLASS 30 (U.S. CL. 46).

FIRST USE 6-17-1998; IN COMMERCE 6-17-1998.

OWNER OF SWITZERLAND REG. NO. 436689, DATED 10-18-1996, EXPIRES 10-18-2006.

THE MARK CONSISTS OF THE CONFIGURATION OF A CHOCOLATE CANDY HAVING A PYRAMID SHAPE.

SN 75-741,119, FILED 7-1-1999.

GEORGIA CARTY, EXAMINING ATTORNEY



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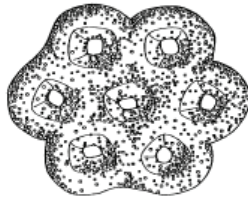
Int. Cl.: 30

Prior U.S. Cl.: 46

Reg. No. 2,316,631

United States Patent and Trademark Office Registered Feb. 8, 2000

TRADEMARK  
PRINCIPAL REGISTER



KRAFT FOODS, INC. (DELAWARE CORPORATION)  
THREE LAKES DRIVE  
NORTHFIELD, IL 600932753

FOR: READY TO EAT BREAKFAST CEREAL, IN CLASS 30 (U.S. CL. 46).

FIRST USE 5-28-1965; IN COMMERCE 5-28-1965.

THE STIPPLING IS A FEATURE OF THE MARK CONVEYING THE TEXTURE OF THE CEREAL.

THE MARK CONSISTS OF THE SHAPE AND CONFIGURATION OF READY TO EAT

BREAKFAST CEREAL, HAVING SIX ARCHED SIDES, A HOLE IN THE CENTER, AND SEVERAL HOLES SURROUNDING THE CENTER HOLE CONNECTED BY INTERLINKING PIECES OF THE CEREAL, RESEMBLING A CROSS-SECTION IN A "HONEYCOMB".  
SEC. 2(F).

SER. NO. 75-640,984, FILED 2-16-1999.

BRENDAN MCCAULEY, EXAMINING ATTORNEY



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Int. Cl.: 32

Prior U.S. Cls.: 45, 46 and 48

Reg. No. 2,140,630

United States Patent and Trademark Office

Registered Mar. 3, 1998

TRADEMARK  
PRINCIPAL REGISTER

COCA-COLA COMPANY, THE (DELAWARE CORPORATION)  
ONE COCA-COLA PLAZA  
ATLANTA, GA 30313

FOR: NON-ALCOHOLIC BEVERAGES, NAMELY, SOFT DRINKS AND POWDERS, STRIPS AND CONCENTRATES USED FOR MAKING SOFT DRINKS, IN CLASS 32 (U.S. CLS. 45, 46 AND 48).  
FIRST USE 12-31-1996; IN COMMERCE 1-2-1997.

THE MARK CONSISTS OF A CONFIGURATION OF A JAGGED INDENTATION AROUND THE CIRCUMFERENCE OF THE SHOULDER OF THE BOTTLE. THE SHAPE OF THE BOTTLE IS NOT CLAIMED AS A PART OF THE MARK AND APPEARS IN DOTTED LINES.

SER. NO. 75-238,074, FILED 2-7-1997.

KAREN M. STRYZ, EXAMINING ATTORNEY

## Copyright

- Protects original “works of authorship” including written text, pictorial, graphic or sculptural works having a *de minimus* degree of creativity
- Term – **75 to 100 years**
- Registration usually issues 3 – 9 months from filing date of application
- Cost Estimate

## Copyright (cont'd)

- Exclusive Right to
  - Reproduce the work
  - Distribute copies or
  - Prepare “derivate works” based upon copyrighted work or
  
- Copyright springs into existence upon creation of work

## Copyright (cont'd)

- Enforcement
  - Registration is **required** in order to enforce copyright rights
  - Statutory damages provide incentive to register within 3 months of publication of work
  - Attorneys fees may be awarded to prevailing copyright owner who registers work within 3 months of publication

## Conclusion

- Many avenues of protection available for a wide variety of products and product packaging innovations
- Failure to act promptly in registering rights and enforcing rights can be devastating

## **Nanotechnology in the Food Industry:** Patenting Strategies and Due Diligence Methodologies for Tactical Risk Assessment

## Nanotechnology is Rapidly Being Integrated in the Food Industry

- Preservatives
- Emulsifiers
- Colorants
- Storage/containers
- Manufacturing processes (e.g., purification)
- Detection of analytes (e.g., pathogens)

## Patents are Commonly Used to Protect Nanotech Inventions

- A quick, superficial search of the USPTO database reveals significant increases in patenting activities:
  - Since 1976 – 963 patents; 13 with “nano\*” and “food” in the claims
  - Since 2001 – 2605 published patent applications; 53 with “nano\*” and “food” in the claims
  - 18 month publication lag

## Patenting Nanotech Inventions

- Must meet the same criteria/hurdles as other technologies:
  - Utility
  - Novelty
  - Non-obviousness/inventive step
  - Written description and enablement

## Nanotech is an Emerging Technology

- Most nanotechnologies are being developed by universities and early-stage companies with limited budgets and resources
  - Patenting can be an expensive process, with costs in multiples of \$100K per patent family
  - Universities and early-stage companies often do not have the resources for a patenting strategy with all the bells and whistle
  - Patent applications and patent prosecution are often done with very limited budgets



## Assessing a Nanotech Patent Portfolio for Licensing or Acquisition

- A patent grants the patent owner the right to exclude competitors from making, using, and selling the invention, as claimed in the patent
  - Technology often develops in unanticipated directions and early stage companies often do not regularly monitor the claims in their patent applications
  - If the patent claims do not cover the commercial product/process, the patent is of no use to exclude competitors

## Assessing a Nanotech Patent Portfolio for Licensing or Acquisition (cont'd)

- Ability to exclude competitors:
  - New upcoming USPTO patent rules (Nov. 1<sup>st</sup>) will severely curtail the ability to correct issues of claim coverage in the US
  - New rules will limit the # of Continuations that can be filed from an unlimited # down to 2 Continuations
  - The # of claims per invention will be reduced from an unlimited # down to 5 independent/25 total claims

## Assessing a Nanotech Patent Portfolio for Licensing or Acquisition (cont'd)

- Freedom-to-Operate (FTO):
  - A patent does NOT give the patent owner the right to do anything
  - If the commercial activity/product is covered by the claims of a 3<sup>rd</sup> party patent, then the patent owner would need a license to that patent or be excluded from commercializing
  - An FTO analysis should be conducted on a regular basis

## Assessing a Nanotech Patent Portfolio for Licensing or Acquisition (cont'd)

- Freedom-to-Operate:
  - Early stage companies often do not conduct regular FTO analyses because: (i) these are time-consuming and expensive and (ii) there is little risk of infringement until there is a commercial product in the market
  - Compounding factor: the USPTO issued some very broad nanotech patents in the early days
  - Proceeding blindly could be risky

## Assessing a Nanotech Patent Portfolio for Licensing or Acquisition (cont'd)

- For nanotechnologies with multiple uses, the patent application may have shortcomings if the food-related use is a secondary one:
  - Insufficient details to meet the written description requirements
  - Not supported by empirical data; may not meet the enablement requirement
  - May not be covered specifically by the pending claims

## Assessing a Nanotech Patent Portfolio for Licensing or Acquisition (cont'd)

- International patent rights:
  - A patent can only be enforced in its country of origin
  - Patents must be filed in each and every country where one desires to exclude competitors
  - The national entry stage is often the most expensive component of the patenting process
  - Because of the costs involved, universities and early stage companies will often compromise foreign rights unless there is an interested party

## Assessing a Nanotech Patent Portfolio for Licensing or Acquisition (cont'd)

- International patent rights:
  - The Patent Cooperation Treaty can delay the decision/costs associated with the national entry stage by up to 30-months from the priority filing
  - Assess foreign rights very early in the due diligence process
  - Address any upcoming deadlines for national phase entry
  - Any loss of foreign rights will affect valuation

## Summary

- Patenting Nanotechnology:
  - When acquiring or licensing nanotechnologies from universities and early stage companies, carefully assess the patent landscape to ensure that:
    - There is adequate support in the patent application for the food-related embodiments
    - The scope of the claims cover the food-related embodiments and provide adequate ability to exclude
    - There are no 3<sup>rd</sup> party patents depriving FTO
    - The foreign patent rights are not compromised

## Questions & Answers

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