



Hawaii Coffee Association &
Intellectual Property:
What You Need to Know About IP Rights

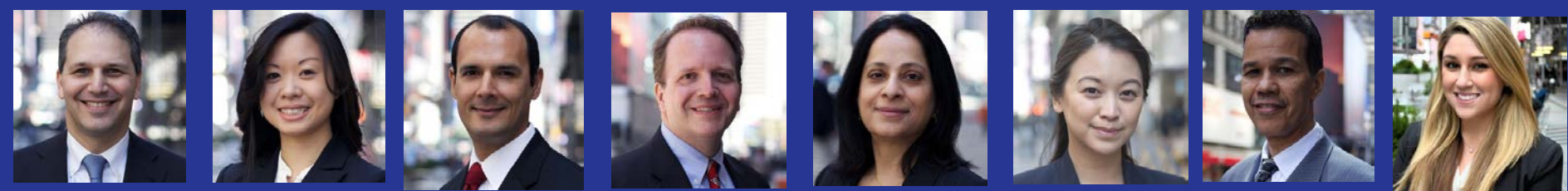
July 15, 2016

Outline

- Who we are
- What you should know about
 - Trademarks
 - General principals and considerations
 - How proper trademark use, protection, and enforcement can help your business
 - Examples of Hawaii companies who utilize their trademarks to help their business grow
 - Certification marks and geographical designations
 - Domain Names
 - Copyrights
 - Other forms of intellectual property

Aloha!

- John Wesley Pohai Kealoha Kelly
 - Associate (from Hawaii, loves coffee)
 - U.S. and international trademarks
 - Copyrights
 - Domain names
- My colleagues who wish they could be here



Nothing in this presentation should be considered legal advice and we do not have an attorney-client relationship. There is a process for engaging our services should you require assistance.

Our Experience with Agricultural Products Around the World

- Some examples of who we represent include:
 - Wine makers and bottlers from California, South Africa, Chile, Argentina, and Australia.
 - A major confectionery company based in South Korea.
 - Tea, chocolate, and wheat companies based in Turkey.
 - A large Italian specialty food company.
 - One of the largest, independently-owned dessert manufacturing companies in the United States.
 - Many other companies that produce agricultural products, such as cheese, animal feed, preservatives, etc. as well as many independent bottling and packaging companies and restaurants and cafes.

Intellectual Property

*** Exclusive Rights in Your Creations ***

- Distinguishing Elements of Identity
- Expressive Works
- Functional Inventions
- Ornamental Designs
- Trademarks, Domain Names
- Copyrights
- Utility, Plant Patents
- Design (Patents)

Trademarks

Trademarks are used to identify the source of goods or services, and to distinguish them from others. They are a shorthand for consumers and a means of protecting one's reputation for quality.

Trademarks come in many different shapes and sizes, including, words, stylized logos, slogans, sounds, product shapes, and even colors.



Starbucks



Seattle's Best Coffee



Costa Coffee



Trademarks

Because their purpose is to identify a source, rights in a trademark are limited to the owner's goods or services, or those that are similar enough, so that a consumer might be confused.



Advantages of Protecting Brand Through Trademarks

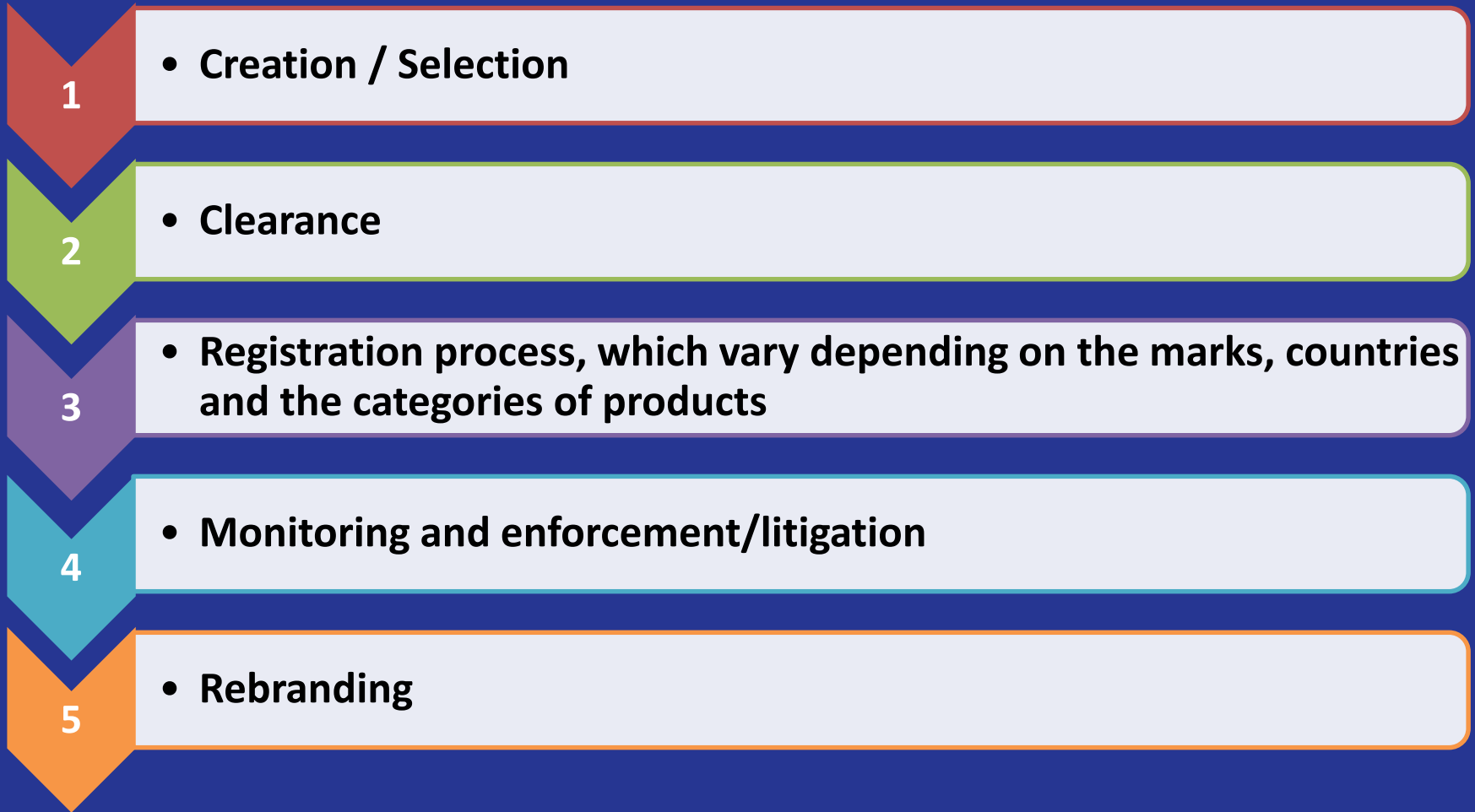
Business

- Enhances Product Recognition / Reputation
- Builds Brand Equity
- Helps Build Brand Loyalty
- Helps With Product Positioning
- Aids in Introduction of New Products

Legal

- Valuable Assets
- Geographic Scope
- Legal Presumption of Exclusive Ownership
- Enhanced Remedies for Infringement
- Prevent Importation
- Renewable / Incontestability






Trademark Process



Trademark Distinctiveness:

What Makes a Trademark “Good” or “Strong”?

Because its purpose is to identify **source**, a trademark must be (or become) sufficiently distinctive in order to receive protection.

	What It Is	Example	Level of Strength		
			No Protection	Inherently Distinctive	Most Protection
Generic Marks	The term for the category of the product/service	DIET COFFEE			
Descriptive Marks	Describes an attribute of the good or service	RED CAPPUCCINO			Receives protection once consumers associate it with the brand
Suggestive Marks	Indirectly alludes to a quality of the goods or services	NESPRESSO			Considered is capable of registration without proof of consumer connection
Arbitrary Marks	A known term, but no association with the goods or services	CARIBOU COFFEE			
Fanciful Marks	A made-up or coined term with no definition	ILLY			

Most Common Clearance Searches

Type	Description	Scope	Recommended for
Cursory	Identifies nearly-identical marks for closely related services. Opinion basically limited to “no,” or “maybe.” 1-3 day turnaround.	United States -Federally Registered	Determining critical obstacles v. conducting further searching
Preliminary	Identifies nearly-identical marks for closely related services. Detailed opinion provided. 2-5 day turnaround.	United States -Federally Registered	Understanding potential obstacles and whether to search further
U.S. Comprehensive	Identifies similar marks for closely related services, analyzed in-house, preliminary research into obstacles. Detailed opinion provided. 7-10 day turnaround.	United States -Fed. Reg. -State Reg. -Common Law	Clear for filing and use in the U.S. and understand potential obstacles
Design	Identifies nearly-identical design or logo marks for closely related services. Detailed opinion provided. 7-10 day turnaround.	United States -Federally Registered	Clear for filing design mark in the U.S., ID potential obstacles
Cross Market Knockout	Identifies nearly-identical marks for closely related services in ~115 countries. Cursory opinion provided. 7-10 day turnaround.	Global -Registered	Understanding potential obstacles globally and whether search further
Individual Country	Identifies highly-similar marks for related services in a particular country. Cursory opinion provided. 7-10 day turnaround.	Foreign country -Registered	Clear for filing in country of interest; understand potential obstacles
Other	Other searches are available depending on the jurisdiction of interest and depth of search required. We can work with you to develop an appropriate search strategy tailored to your needs.		



Where & How Trademarks Are Used

- ✓ On products, packaging, labeling, point of sale displays
- ✓ On invoices
- ✓ On marketing materials, brochures, flyers, business cards, billboards, tradeshow signage, promotional merchandise
- ✓ Online
 - ✓ In domain names
 - ✓ On website(s)
 - ✓ As keywords for searching and other advertising
 - ✓ In social media (static and dynamic content)

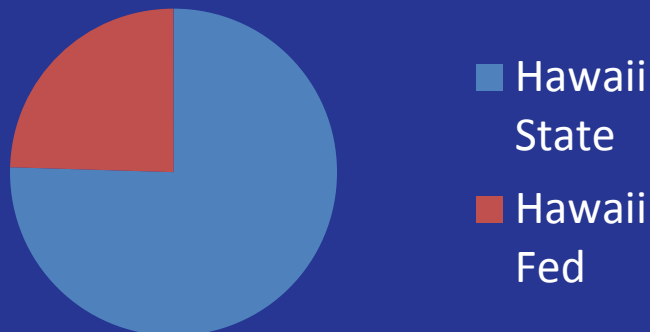
Trademarks are **Territorial**

- U.S. and some other (common law) jurisdictions recognize rights arising from use.
- In most other countries, rights arise from registration on a **first come, first serve** basis.
- For this reason, when expansion is likely in the near future, it is advisable to file applications in the new territories.
 - International trademark protection may be achieved multiple ways:
 - National trademark applications (e.g. file directly with the Japanese Trademark Office); or
 - Using international treaties, such as an International Registration through the World Intellectual Property Organization (WIPO), or a EUTM application which would cover all 28 EU member countries.

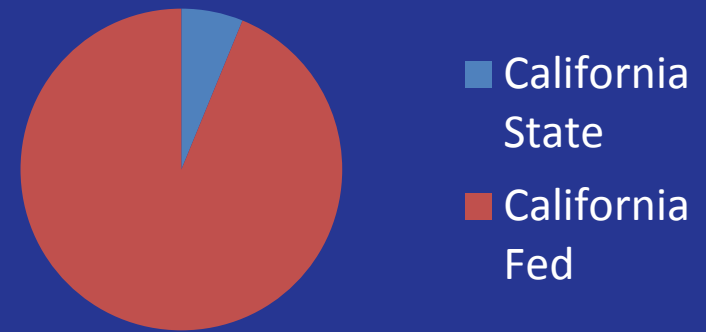
U.S. State v. Federal Registration

- State:
 - Valid for state territory only.
 - No enforcement if trademark used by third parties in other states.
 - May be used as the basis to oppose a federal registration in the state it is registered.
- Federal:
 - Single registration valid nationwide.
 - Requirement of use of the mark in U.S. commerce, i.e. across state lines or between the U.S. and foreign countries.

Coffee TM Comparison



Coffee TM Comparison





Trademarks and Your Business

- ❖ One thing that you all have in common (other than a love of coffee), is trademarks (and the reputation that is associated with them).
- ❖ Proper trademark use and management is essential to all types of businesses.
- ❖ This is especially important in the Hawaii coffee industry.
- ❖ And is relevant to your business regardless of the nature of your immediate consumers (b2b v. b2c, etc.).

Trademarks and Your Business



Hawaii Coffee Company “A”

MELE KALIKIMAKA™

- In 2002 releases a special coffee called “Mele Kalikimaka” with 100% Kona coffee for the winter holidays
- The product is very successful and is sold in specialty coffee shops on the Mainland and in Japan every year. It is sold at a high price point considering its quality
- A never seeks trademark protection (except maybe in Hawaii only)

International Coffee Company “B”

MERRY CHRISTMAS FROM HAWAII®

- Noticing A’s success, in 2010 releases a coffee called “Merry Christmas From Hawaii” for the winter holidays. The label does not say if it contains any Hawaiian coffee (it doesn’t).
- B sells the product in large supermarkets at a very low price point on the Mainland, Japan, China, and South Korea.
- B obtains trademark registrations for MERRY CHRISTMAS FROM HAWAII in every country that it is available.



Trademarks and Your Business

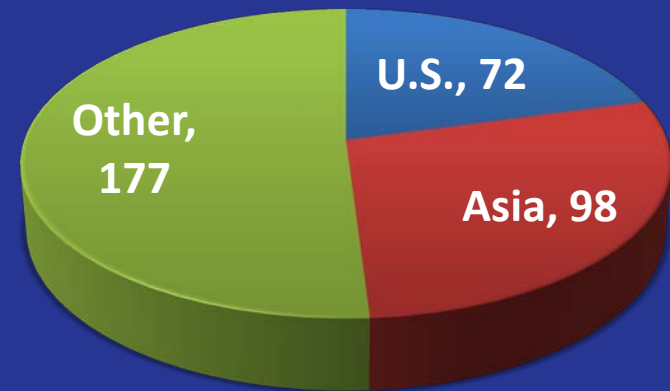
- In 2012, A notices B's seemingly intentional use of a highly similar trademark for identical goods.
- What are A's options in the relevant jurisdictions?
 - United States: file suit based on common law rights.
 - Japan, China, and South Korea: May only oppose based on 'bad faith', which is very difficult and costly.
 - Other consequences of A's lack of trademark protection include:
 - Its "Mele Kalikimaka" coffee being seized by customs authorities if B records their trademark registrations with customs.
 - Tarnished reputation and loss of sales if consumers mistakenly associate the lesser quality "Merry Christmas From Hawaii" coffee with A's "Mele Kalikimaka".
 - If A tries to seek trademark protection later, it may be blocked by B's registrations.
- Had A filed for trademark protection in the relevant jurisdictions when it first started selling "Mele Kalikimaka" coffee, it would have clear recourse against B's infringement.
- It is also likely that B would not have even attempted to adopt a similar trademark had A properly protected their trademark.

Competitor's Trademark Practice

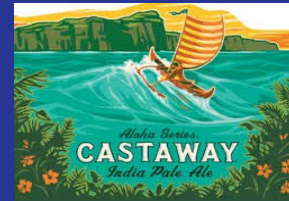
- Hawaii coffee companies face the challenge of typically having to sell their product at a higher price point.
- Major Latin American coffee brands
 - Rowland Coffee Roasters, Inc. (based in the U.S., but sells Colombian Coffee)
 - Grupo Britt (Costa Rica)
 - The National Federation of Coffee Growers of Colombia
 - Café Santo Domingo (Dominican Republic)
 - Cielito Querido (Mexico)

*own a combined 347 active trademark applications and registrations worldwide

Trademark Strategy



Well-Known Hawaii Companies' Trademark Practices



- Available across the United States and in over 30 countries worldwide.
- Owns 78 trademark applications and registrations worldwide (27 in the United States),



- Available in online store and can be shipped anywhere in the United States.
- Owns 54 active trademark applications and registrations, mostly in the United States. However, it also has registrations in the European Union, Turkey, Israel, Saudi Arabia, South Africa, the UAE, Australia, India, Indonesia, New Zealand, the Philippines, Singapore, Belize, Brazil, Chile, Panama, Paraguay, Peru, Venezuela, Jamaica, and the Cayman Islands.

Hawaiian Macadamia Nuts

- They are native to Australia.
- Hawaii based companies that sell macadamia nuts have done such a good job in establishing their brands with consumers, that macadamia nuts have an automatic connotation with Hawaii.
- The two largest Hawaii macadamia nut companies (I think), Mauna Loa Macadamia Nut Corp., and Hawaiian Host, Inc., own a combined 178 active trademark applications and registrations worldwide.



Certification Marks and Geographic Designations

- The Hawaii Coffee Association may consider registering its own Certification Mark
 - may only be used in commerce by its members, not the Association itself.
- Most likely a word mark with design, e.g. a seal
- License to members of the Association for use on their products on the condition of meeting certain quality standards.
- It is possible to design different marks for different members (e.g. Growers, Roasters, Wholesalers, Retailers, etc.)
- Examples:



Quality Control

- The Department of Agriculture of the State of Hawaii currently has 6 Certification Marks for Coffee:
 - Each of them require that “The certification mark, as used by persons authorized by Applicant/Certifier, certifies that the goods originate (are grown) within the geographic borders of (Kona, Kauai, Hawaii, Maui, Molokai, Oahu)”
- Private organizations (such as the Hawaii Coffee Association) may create their own Certification Mark(s) with their own requirements for the grower/packager/roaster, etc. to use.
- This does not leave the entire burden of quality control of Hawaii coffee on the government, and acts as an additional tool to maintain proper standards and raise consumer awareness regarding high quality Hawaii coffee.
 - Each potential user of the certification mark would sign a license (and potentially provide proof) stating that its practices conform to specific requirements



Quality Control

- **Starbucks C.A.F.E. Practices**

- Not a registered Certification Mark – managed by contract between Starbucks and its suppliers
- Guidelines include (generally): Product Quality, Economic Accountability and Transparency, Social Responsibility, and Environmental Leadership
 - (<http://www.starbucks.com/responsibility/sourcing/coffee>)

- **Examples of Registered Certification Marks of Others for Coffee**

- Federação dos Cafeicultores do Cerrado association of Brazil.
- Transfair USA DBA Fair Trade.
- The Trustees of the Coffee Quality Institute Charitable Trust DBA Coffee Quality Institute.



International Quality Control

- Certification Marks are governed by trademark principals and laws in the U.S. However, different laws and systems in some international jurisdictions

- European Union (Commission of Agriculture and Rural Development):



- Protected Designation of Origin – PDO

- covers agricultural products and foodstuffs which are produced, processed and prepared in a given geographical area using recognized know-how



- Protected Geographical Indication – PGI

- covers agricultural products and foodstuffs closely linked to the geographical area. At least one of the stages of production, processing or preparation takes place in the area



- Traditional Speciality Guaranteed - TSG

- highlights traditional character, either in the composition or means of production

- **China** – additional evidence and documentation to receive certification mark protection, e.g. a document attesting that the holder of the mark is qualified to examine the good and ensure that it is of appropriate quality

- **Japan** - there are no provisions for certification mark registrations. Therefore, you must have a strong trademark license to regulate and enforce the use of your certification mark.



Trademarks ≠ Domain Names

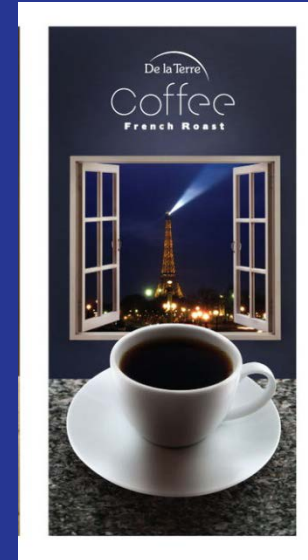
- Addresses, not indicators of the source of the services
- Often contain trademarks
- Does not protect (so should not be considered before trademark applications are filed)
- Trademark rights can sometimes be asserted
- Should be coordinated by the same personnel
- There are new kinds of Domain Names: .Brand, .Cafe or .Coffee.
 - There are currently 10,816 .Coffee domains, and 5,758 .Cafe domains
 - The .nyc, .paris, & .london gTLDs are available. Perhaps Hawaii related gTLDs will be pursued - .kona?, .oahu?, etc.

Copyrights

- Copyrights protect original, creative works of expression, including:
 - photographs, drawings, paintings, and sculptures;
 - written, literary, musical, and dramatic works;
 - sound recordings; motion pictures and other audiovisual works;
 - choreography; certain architectural works; and computer programs.
- The exclusive rights under copyright include the right to copy, distribute, display, perform, and modify the work.



Can I use this image, text, music, font/software, etc?



- What do you mean by “use”?
- Where will you use it? Outside of the United States?
- Will use have direct commercial benefit?
- How much of the work do you want to use?
- Does your use transform the work or its significance?
- Who is the owner of the work?
- Does the owner generate income from this type of use?
- Does your use portray the owner or the work negatively?
- How easy/costly would it be to stop using the work?
- Should you ask the owner? Is a license publicly available?

Other Forms of IP

- **Rights of Publicity**

- The right of an individual to control the commercial use of his or her name, image, likeness, or other unequivocal aspects of one's identity.

- **Patents**

- *Design patents* – Protects the way an article looks.
 - Such as unique product packaging.
- *Utility patents* – Protects the process or function of how an article is used and works
 - Such as a new device to assist in the growing, roasting, packaging, etc. of coffee.
- *Plant patents* – Protects new variants of plants.

- **Trade Secrets**

- Traditionally protected under state law. However, there is a newly enacted federal law.
- Any confidential business information which provides an enterprise a competitive edge.
- Such as a recipe, process, method, business model, etc. used exclusively by the coffee grower, roaster, packager, etc., and is only known to those within the business.

We Can Help You When:

- You are considering a new brand name for a product or service
- A third party is using an identical or similar trademark
- You are expanding outside of Hawaii or the United States
- You wish to certify the quality of goods or services
- You wish to monitor, register, obtain, or maintain a domain name
- You are developing new packaging, artwork or advertising materials
- You are creating a new method, process, or product
- You need adequate protections for your business and trade secrets
- You are partnering with others, selling or buying a business

Why us?

Having a headquarters in New York is about **access, not image/profile**. Our clients retain us in part because we use our numerous, well-established relationships around the world and our depth of expertise to manage their intellectual property matters in a **cost-effective** way.





Thank you for your time and attention!

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