

# Brandmarking

THOUGHTS ON THE CREATION,  
PROTECTION, AND ENFORCEMENT OF  
BRAND IDENTITY

Be Careful What You Wish For, Part I

## MUCH ADO ABOUT YAHOO!

The holy grail of branding is to reach a place where consumers not only recognize and respect your brand, but fall in love with it, even identify with it – the difference between saying “I usually buy Budweiser beer” and saying “I’m a Bud man.”

But this can create problems of its own. **What happens when you want to update your brandmark, and it threatens to alienate your loyal clientele?**

The latest company to find out is Yahoo!, which decided to change its familiar logo:



The new logo is a relatively modest departure: it features a different font, and a different shade of purple.



Yahoo! rolled out the winning redesign at the end of a thirty-day preview of other proposals that had been rejected. By the time you get through all of them (you can find them [here](#)) it's tough to tell some of them apart, let alone figure out why this one came out on top.

The company's CEO, Marissa Miller, described the winner as **“whimsical, yet sophisticated,” which sounds like something you'd hear at a wine tasting.** Other descriptions have been, well, less flattering: “boring,” “banal,” “grade-school level,” even “a horror show” and “worse than Hitler.” (To be fair, some of these comments come from professional logo designers who seem miffed that Yahoo! didn't hire professional logo designers but did the work internally.)

So far at least, Yahoo! has escaped the fate of The Gap, the clothing retailer whose attempt to change its logo a couple years ago caused such an uprising among its customers that the company was forced



September 19, 2013 • Volume 2, Number 2

### THIS MONTH:

Much Ado About YAHOO!

Lawsuits Can Be Easier to Get Into Than to Get Out Of

Johnny Football, Inc.

### ABOUT “BRANDMARKING”

The word is a combination of “branding” and “trademark.” It reflects a conviction that marketing and legal professionals share a common goal, and that they need to learn to speak each other's language in order to reach it. That goal is simple: to develop powerful, durable brand identities and capture them in names, slogans, and designs that customers will associate with their products -- and with no one else's.

If you like what you find here, feel free to pass it along to others.

### ABOUT THE AUTHOR



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to go back to the original (perhaps inevitably, the episode became known as “Logo-gate.”)



As we’ve discussed here before, there are many good reasons to change or update your brandmark. But as Yahoo!’s experience illustrates, the process is not without its perils.

## Be Careful What You Wish For, Part II

### LAWSUITS CAN BE EASIER TO GET INTO THAN TO GET OUT OF

A Japanese proverb holds that “きゅうそねこをかむ,” which is to say, “a cornered rat may bite the cat.”

Nike, Inc., learned this lesson the hard way when it sued a company called Already, LLC, for infringing Nike’s AIR FORCE 1 trademark. Already is a relatively small company, and **Nike may have figured that the mere prospect of a federal lawsuit would be enough to cow Already into submission.** If so, it figured wrong.

As often happens in such cases, Already filed a counterclaim asserting that the AIR FORCE 1 trademark was invalid. And as sometimes happens in such cases, Nike apparently concluded that Already’s counterclaim had merit. **So while the suit was pending Nike issued a “Covenant Not to Sue,”** which is basically what it sounds like: an offer to dismiss the current lawsuit along with a solemn promise not to sue the defendant for infringing the same trademark in the future.

Nike’s official explanation for taking this step was simply that “Already’s actions...no longer infringe or dilute the NIKE Mark at a level sufficient to warrant the substantial time and expense of continued litigation.” **But it is hard to shake the suspicion that Nike suddenly realized that it was in real danger of losing the AIR FORCE 1 mark** to an adversary whose resolve it had underestimated.

Most companies would likely jump at the chance to accept such a deal. **But Already wasn’t most companies; it felt that it was the victim of what has been called “trademark bullying,”** and continued to press its counterclaim because Nike’s tactic “allows companies like Nike to register and brandish invalid trademarks to intimidate smaller competitors, avoiding judicial review by issuing covenants in the rare

case where the little guy fights back.” *Already, LLC v. Nike, Inc.*, No. 11-982, slip op. at p. 14.

In the end, the trial court ruled that Nike’s covenant met the pertinent standards, and granted Nike’s motion to dismiss both its own infringement claim and Already’s invalidity counterclaim. Already appealed; but the Court of Appeals upheld the trial court’s judgment. Undeterred, Already appealed to the Supreme Court, which upheld the appellate court.

What is noteworthy is not that Nike ultimately got what it wanted: the various courts’ rulings are not at all surprising. **What is noteworthy is that Nike had to go all the way to the U.S. Supreme Court to get the relatively straightforward relief it sought because Already refused to knuckle under.**

It’s not unusual for a big company to threaten litigation as a tactic to frighten a small competitor. Often enough – some would say *too* often – the tactic works. **But once a lawsuit is commenced, the plaintiff has only a brief time window in which to say “Enough, Already” (pun intended) and call off the litigation.** After that window closes, the plaintiff effectively loses control of its own lawsuit, and a determined defendant can make it regret its decision.

Already’s stand against Nike probably won’t put an end to trademark bullying. But it will stand as a cautionary reminder to would-be plaintiffs that it’s important to conduct a thorough assessment of the strengths and weaknesses of your position before you file a complaint.

## JOHNNY FOOTBALL, INC.

It should come as no surprise that Heisman Trophy winner Johnathan Paul “Johnny” Manziel has applied to register his nickname as a trademark.

**Nor, I suppose, should it come as any surprise to learn that he’s not the only one.** A company called Kenneth R. Reynolds Family Investments, LP, has filed an application for the same mark and for many of the same goods.

The Trademark Office has preliminarily refused *both* applications on various grounds, including a **requirement that both applicants provide a statement of consent for use of “the name of a living individual.”** Presumably that requirement will be easier for the real “Johnny Football” to satisfy.

Also, I can’t help but notice that Mr. Manziel’s application includes, among the services to be provided under his trademark, “Entertainment services, namely, personal appearances by a sports celebrity.” **One can only wonder whether those appearances will include autograph signings...**

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