



Bullet-Proof Logos

creating great designs which avoid legal problems

edited by

David E. Carter

with an introduction by

James R. Higgins

trademark attorney



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Alan York
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Designer's Worst Nightmare: You get a phone call from a once-happy client who is now shouting into the phone. "We're being sued!! The logo you designed infringes on the design of another company! The letter from their lawyer says 'cease and desist immediately.' They want us to take down the signs, destroy all letterheads, and anything else that has that logo!"

This scenario is enough to bring otherwise strong-willed designers into a cold sweat. Lawsuits and court battles over logo designs weren't what we had in mind when we became graphic designers.

The reality is, this Worst Nightmare happens all the time. And it's never fun. Except maybe for the lawyers.

I had one "infringement" experience many years ago, and even though I have tried to block it from my memory, it still haunts me. I have had this book in mind for years. There are some ways that knowledgeable design firms approach identity creation that will help to make a logo "bullet-proof," or pretty much immune from lawsuits over infringement.

When I started working on the book, I asked my friend and trademark attorney, Jim Higgins, to give me some guidelines on the book. The use of "secondary devices" was a result of those early discussions. When the book was completed, he wrote the introduction for me.

My special interest is in the creation of great logos; Jim's area of expertise is in keeping clients out of "legal hot water." The purpose of this book is to help you do both: create great logos while knowing when (and why) to take certain creative approaches that avoid problems.

If this book prevents you from getting even one letter or phone call from one upset client, or one plaintiff's attorney, it will be worth many times what you paid for it. That's why we did the book.

David E. Carter

Bullet-Proof Logos: Logo Law 101

by James H. Higgins, Jr.
Trademark Attorney

*I chose my wife, as she did her wedding gown,
not for a fine glossy surface, but such qualities as would wear well.*
—The Vicar of Wakefield® 1766

When I was asked to write the introduction for the latest book of my friend and client, David Carter, I was—and am—flattered and honored, for I have watched David’s reputation grow over the years we have worked together. To convey my thoughts as a trademark lawyer in this latest publication in David’s body of work, one can hardly find better advice in choosing a logo than the above suggestion from the venerable English author Oliver Goldsmith (1728-1744). If one designs a logo with “such qualities as would wear well”, those qualities will satisfy both the marketing and legal aspects of a logo.

No doubt, perhaps even just moments prior to reading this book, you will have been presented with a host of logos that continue to “wear well”, long after they have been created. Quality logos are all around every aspect of our lives—the “Louisville Slugger in an oval” of Hillerich & Bradsby Co, the “walking fingers” of the Yellow Pages, the fanciful “Golden Arches M” of McDonald’s Corporation, the “GE” script-in-a-circle of General Electric Company, the yellow and green “jumping deer” of John Deere, Inc., the “three As in an oval” of the American Automobile Association, the famous Mercedes “star” of Mercedes Benz Werks AG, the “cover the earth” logo of Sherwin-Williams Company, the yellow and black “K-Kodak” label of Eastman Kodak Co., the left-handed script of “Holiday Inn”, the roof design superimposed over “Pizza Hut” of Tri-Con Global

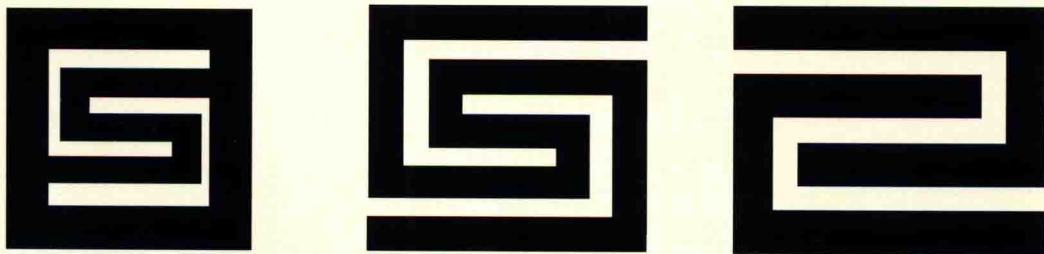
Restaurants, Inc., the famous “Coca Cola” ribbon script of Coca Cola Corporation, and countless others. And, even though there is no image presented with the above logos, I am confident that each and every reader can visualize the logo’s appearance.

Also, note that all of these logos conjure up the identity of the owner without naming the full name of the corporation that owns/uses the logo. This is another quality of a good logo that “wears well”. The logo becomes an instant reminder—and constant salesman—for the company, often without formally naming the company.

With this book, David Carter will teach you how to design a logo that will have the prospect of “wearing well”. But before you begin to learn how to design a logo for your business, take a moment to review the legal framework within which logos operate.

Legally, a logo is a trademark or service mark¹, which is defined as “any word, symbol or device, or combination thereof, which is used to **identify** and **distinguish** one’s goods or services from those of one’s competitors.” A logo, then, is a “symbol” in the eyes of the trademark laws; if the logo is combined with words or letters, that is a “combination” mark.

Because the trademark laws govern logos, it is helpful to appreciate some principles of trademark law so you can make the most effective use of your logo.



These logos for three different companies show the potential problems of trademark confusion. It’s more than just a communications problem, it can be a costly legal problem.

Priority of Use

Under the trademark laws of the United States, “first in time is first in right.” This means, generally, that the first person to use a particular mark (whether a logo, or a word mark or a combination mark) has certain legal rights to the mark. The first user is called the “senior user”; the senior user’s rights are called *common law* rights. Common law rights arise upon use, even without a formal registration (more on registration later). Common law rights, however, extend only to the boundaries of the user’s actual trade area.

Trade Area and the Junior User

The trade area of common law rights exists only to the extent of actual, regular business under the mark/logo. The extent of actual business is called “penetration”—isolated or token sales do not establish penetration. Thus, if the senior user does business under the logo only in certain counties of a state, that is the extent of common law rights—plus a reasonable zone of expansion, depending on recent history of business under the mark. If a second person (called the “junior user”) were to start operating under a similar logo outside of that trade area, the senior user’s common law rights may not reach far enough to enjoin the junior user. This might be true even if the competitor were to open in another part of the same state. Thus, under the common law of trademarks and logos, it is possible to have more than one company using the mark/logo. This is called the concept of the remote junior user, and obviously, such a situation is to be avoided if possible.

Effect of Federal Registration

While trademark rights accrue on use, those rights can be enhanced substantially by obtaining federal registration. A federal registration preempts further uses of the mark or logo and in effect gives the senior user a *nationwide* trade area, even if there is no actual usage yet in a part of the country. Federal registration, then, can avoid the problem of the remote junior user. However, federal registration operates prospectively only, and cannot affect pre-existing common law rights.

The Single Source Rule

USA trademark law is founded on the concept that a mark or a logo is supposed to identify a “single source” for the particular goods or services to the relevant class of consumers. Thinking back to the famous logos listed at the beginning of this introduction, it is seen that these logos fit the “single source rule” quite nicely. It should also be seen that the “remote junior user” situation is not in harmony with the “single source rule.” That is why federal registration is often so important to achieve the full goal of a logo (or any other mark).

Hierarchy of Trademark Distinctiveness

In the context of a trademark’s (or a logo’s) legal mission to *identify* and *distinguish* the owner’s goods or services from his competitors, certain words are more capable of distinguishing than others. Thus, it is important to know the “hierarchy of trademark distinctiveness”, as follows:

TYPE	EXAMPLE(S)	DEFINITION	PROTECTIBILITY
generic	car, bank, lawyer, etc. (nounal use)	states a “thing”	not a mark; never protectible
descriptive	Honey Roast Peanuts (no)	mark <i>immediately</i>	
surname	McDonalds® (not at first)	conveys the goods	Protectible only after
geographic	Bluegrass (no)		“Secondary Meaning”
laudatory	Super, Mega (no)		(5 year use or much \$\$\$)
suggestive	Skinvisible® surgical tape	requires <i>imagination</i>	immediately on use
	Playboy® magazine	to connect mark	
	Leggs® hosiery	and goods	
arbitrary	Greyhound® bus lines	mark has no	
	Apple® computers	connection to goods	immediately
coined	EXXON® gasoline	made up term	immediately
	XEROX® photocopiers		
	KODAK film		

Note that proper trademark use is always as an *adjective*, never as noun; if you use a mark as a noun, it could be termed generic and not protectible. Another lesson of the “hierarchy” is, choose at least a suggestive mark, so it is immediately protectible. If you choose a descriptive mark, you could have problems (ask the folks at Honey Roast Peanuts, who created a market but couldn’t protect it).

Likelihood of Confusion

The touchstone of legal liability under USA trademark law (and the trademark laws of many other countries) is the “likelihood of confusion” (LOC) standard—if an appreciable percentage of relevant consumers are likely to be confused as to the source of the goods or services (keeping in mind the “single source” concept), then the senior user can enjoin the

junior user's use of the mark/logo. Determination of LOC involves consideration of multiple factors, including

- the similarity of the marks as to their sight, sound and/or meaning;
- the similarity of the goods or services on which the marks are used;
- evidence of actual confusion, if any;
- the channels of trade in which the goods or services operate;
- the degree of overlap of respective consumers;
- the manner in which the marks are promoted;
- the degree of sophistication of the relevant consumers;
- the possibility of expansion by the senior user; and
- the good faith exhibited by the junior user.

The list is non-exhaustive, and analysis is much more than mere "factor counting." No single factor is dispositive. In fact, often one or two factors dominate the analysis. It is not necessary to show actual confusion. The test, after all, is *likelihood* of confusion. In addition, there is no protection afforded an "innocent" infringer; even if the junior user did not know about the senior user's mark, if the factors indicate LOC, the junior user can be enjoined from using the mark.

Effective Selection of a "Bullet Proof" Logo

While there can be no total legal guarantee, if you follow two steps in selecting a logo, your chances of creating/selecting a truly "bullet proof" logo will be maximized. First, the logo must fulfill the "identify" and "distinguish" requirements of the legal definition, so the mark/logo will pass legal muster.

On the "identify" portion of the legal definition, this means that the design component must be more than simple squares or circles or triangles (which of course are in common usage). Also, avoid choosing words of a composite mark that are descriptive of the goods or services (such as "Honey Roast Peanuts"). In other words, the logo design and the word(s) must have enough "pizazz" to *identify* your company as the *single source* of the goods or services offered by your company. One advantage to a logo design is that it can add distinctiveness to an otherwise unprotectible word. For example, the distinctive logo-style of LITE beer by Miller Brewing Company has been held protectible, whereas the word "Lite" was not. However, note that only the logo itself is protectible; that is why every other brewery is able to offer a competing "Lite" (or "Light") beer. This may not satisfy everyone's marketing needs.

As for the "distinguish" portion of the legal definition, the logo (both the design and any word used) must be differentiated from pre-existing logos so as to avoid confusion (LOC). This is best accomplished by a trademark search, which costs between \$150 and \$500 (1999 pricing). A search can identify existing logos that might conflict with the chosen logo. One search would be required to search for words of a composite mark, and a separate search

would be necessary for the design component of the logo. Not only can a search identify problems with the chosen mark/logo, but the fact that a search was conducted will demonstrate good faith when the LOC factors are considered. No trademark or logo search is perfect, however, because even unregistered marks and logos (which can be quite difficult to locate) have legal rights. However, if a search of proper scope is conducted, the amount of risk will be substantially mitigated.

During this selection phase, an experienced trademark attorney can be helpful. The attorney can advise whether the selected mark/logo will qualify under the "identify" portion of the legal definition, and also whether the mark is distinctive enough to satisfy the "distinguish" requirement to avoid LOC with any pre-existing mark or logo. The best time to deal with logo problems is during this pre-selection phase, when there is no real investment yet in the logo.

In the pages which follow, David Carter divides his technique for designing logos into three classifications, [1] Name in Type; [2] Name in Modified Type; and [3] Name in Type With Secondary Device. It is seen that importance of the design component increases in each class.

The "Name in Type" class is basically a word mark without much design, so the word itself must supply the required legal distinctiveness. Here, the most important trademark concept to apply is found in the "hierarchy"—you need to select a word that is protectible in and of itself. In the "Name in Modified Type" class, the ornateness of the type can add legal distinctiveness, but it is still important to choose a protectible name (recall the "Lite" beer example, above). Finally, for the "Name in Type With Secondary Device" class, David Carter's suggested use of a "secondary device" adds even more distinctiveness (and therefore more protectibility) to the chosen mark/logo.

If you choose your name following the above principles of trademark law (including consulting with an experienced trademark attorney), then blend that choice with the teachings in this, David Carter's latest book, you will be well on your way to creating and adopting a "bullet proof" logo, one which will serve as an instant identifier of, and constant salesman for, your company.

James R. Higgins, Jr. is a registered patent attorney with over 20 years experience in trademark matters. His office is located at 401 South Fourth Avenue - Suite 2500, Louisville KY 40202. Phone (502) 584-1135; fax (502) 561-0442; e-mail jhiggins@midtreut.com. Mr. Higgins' comments are general in nature only, and are not legal advice. For legal advice, consult with an experienced trademark lawyer. Kentucky law requires the following statement—**THIS IS AN ADVERTISEMENT.**

¹ A "trademark" is used for goods, such as baseball bats or cameras. A "service mark" is used for services such as restaurant or travel planning services. The law protects trademarks and service marks equally.

Name in type

The logos on this page are essentially company names set in type. The power of the design comes through consistent use, not creativity.

SONY®

BOEING

CASIO®

CHANEL

Name in modified type

The logos here get their uniqueness through some modification of the name set in type. This style is more distinctive than simply using a standard typeface; a corporate “personality” can be communicated through the type modification.

COMPAQ

radius™

Microsoft®

EAT•N

Canon

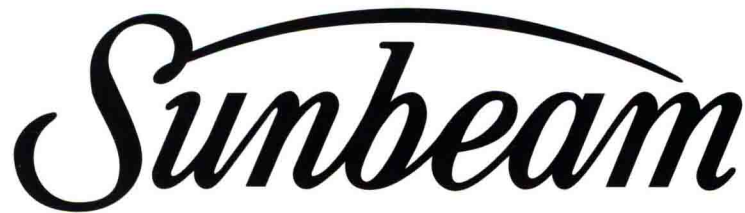
Name in type with secondary device

These logos have been further embellished by a “secondary visual device.” This gives the logo even more distinctiveness while avoiding some of the potential problems that exist for logos which are completely composed of a graphic design. The fact that the type, not the secondary graphic device, is the primary element makes it more difficult to legally challenge “secondary device logos.”

TOP FLITE TM

The logo consists of the words "TOP" and "FLITE" in a bold, italicized, sans-serif typeface. A red swoosh underline starts under the "P" in "TOP" and extends under the "T" in "FLITE". A trademark symbol (TM) is located at the top right of the word "FLITE".

Sunbeam

The word "Sunbeam" is written in a cursive script typeface. A thick, black, curved line arches over the entire word, resembling a sun's arc or a beam of light.

SANYO

The word "SANYO" is written in a bold, sans-serif typeface. Between the letters "N" and "Y", there is a graphic element consisting of several parallel, slanted vertical lines.

Softub [®]

The word "Softub" is written in a bold, rounded, sans-serif typeface. Below the letters, there is a thick, black, stylized wave or bubble graphic that follows the contour of the text. A registered trademark symbol (®) is located at the top right of the word.

Bullet-proof logos: a portfolio of design excellence

The rest of the book is composed of logos which can be classified in one of the three design categories discussed earlier. For each logo shown, the design firm is listed.



Client: *Allen and Sons*
Designer: **ZGraphics, Ltd.**
East Dundee, Illinois



Client: *Sazaby, Inc.*
Designer: **Matsumoto Incorporated**
New York, New York



Client: *Learning Curve*
Designer: **Liska + Associates**
Chicago, Illinois

Craftsummer

Client: *CraftSummer, Miami University*
Designer: **Five Visual Communication & Design**
West Chester, Ohio



Client: *Charles Industries*
Designer: **Blevins Design**
Elmhurst, Illinois

J O D I E D A Y

The logo for Jodie Day features the name "JODIE DAY" in a bold, sans-serif font. The "J" and "O" are in black, while the "DIE" is in white. The "DAY" is in black. A small sun icon is positioned above the "DIE". The "DAY" is stylized with long, thin, black lines extending from the bottom of the letters.

Client: *Jodie Day*
Designer: **DotZero Design**
Portland, Oregon

GUIDANT

Client: *Guidant*
Designer: **Lippincott & Margulies**
New York, New York

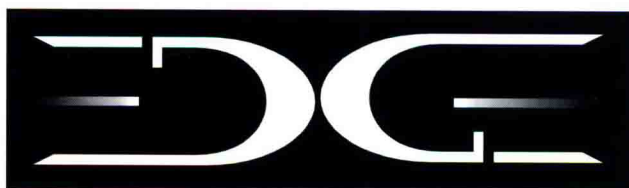


Client: *Artists Garden*
Designer: **Denise Kemper Design**
Wadsworth, Ohio

Client: *WTVP Channel 47-Public Television*
Designer: **Simantel Group**
Peoria, Illinois



Client: *Medcor*
Designer: **Lipson•Alport•Glass & Associates**
Northbrook, Illinois



Client: *Edge*
Designer: **McGrath Design**
Albuquerque, New Mexico

ADVERTISING & MARKETING

Baskin Robbins

Client: *Baskin Robbins*
Designer: **Lippincott & Margulies**
New York, New York

The St Paul

Client: *The St. Paul*
Designer: **Lippincott & Margulies**
New York, New York

NYNEX

Client: *Nynex*
Designer: **Lippincott & Margulies**
New York, New York



TENNECO

Client: *Tenneco*
Designer: **Lippincott & Margulies**
New York, New York

ecomat

Client: *Ecofranchising, Inc.*
Designer: **Stephen Loges Graphic Design**
New York, New York

PetOvations

Client: *Petovations, Inc.*
Designer: **Graphica, Inc.**
Miamisburg, Ohio

|m|a|h|a|r|a|m|

Client: *Maharam*
Designer: **Matsumoto Incorporated**
New York, New York

WORLDDESIGN

Client: *Worldesign Foundation*
Designer: **Matsumoto Incorporated**
New York, New York