

Inside Track: Gentleman Jack



David Gooder, chief trademark counsel and managing director at Jack Daniel's Properties Inc, explains how the famous whiskey maker's approach to IP enforcement keeps its fans as "friends of Jack"

When Patrick Wensink published his novel *Broken Piano* for President in February 2012, it is unlikely that he anticipated it creating quite as much of a stir as it did. Many were drawn not to the novel itself, but to the story surrounding its cover design, which closely resembled the JACK DANIEL'S trademark. In response to the book's publication, the famous whiskey maker sent what Wensink has described as "the most polite cease and desist letter ever written". The letter went viral on social media and was subsequently picked up by the mainstream press, making Wensink a minor celebrity – at least for a few days.

The more cynical observer might suspect that this was nothing more than a convenient PR stunt aimed at generating publicity for the Jack Daniel's brand. But according to David Gooder, managing director and chief trademark counsel at Jack Daniel's Properties Inc, nothing could be further from the truth: "The whole trademark team held their breath when the letter went viral. We didn't leak it. I always wanted to ask Patrick Wensink whether he set that in motion or whether he just posted it on his blog and Mashable decided to pick it up."

The ensuing attention made Wensink's novel an Amazon bestseller, but also took the Jack Daniel's trademark and marketing teams by surprise. "There was an astounding amount of traffic to our website," recalls Gooder. "It jumped 30%, and the site is pretty heavily trafficked to begin with. What amazed us was that the feedback we got was so positive. People wrote in to say that while they didn't buy our brand much or at all before, they were now going to start because of how reasonable we seemed. And this came from multiple countries."

This was the first occasion that the Jack Daniel's trademark team found itself under the glare of the media spotlight. After all, as Gooder observes, "Most of the time what trademark lawyers do stays under the radar. The press will occasionally pick up stories, but usually what we do goes unnoticed." The overwhelmingly positive feedback is a salutary lesson in the benefits of a proportionate response when faced with infringement. "You should always figure out who you are dealing with before you start shooting at them," he elaborates. "We developed that letter because we have experience of similar situations and have been using it for years. It follows my theory of not picking fights with people who buy ink by the barrel."

Moving to Kentucky

With close to 18 years' service under his belt, Gooder has had ample time to hone his strategies for protecting what is today one of the world's best-selling whiskey brands. But in fact, he has been working with the company for even longer than that, since his days as an associate with a large LA-based law firm. "We were doing a lot of interesting work for Brown-Forman," he says, "but we approached their general counsel and explained that everybody in their industry of a similar size had their own in-house trademark people, so they should think about it too." Brown-Forman returned with an interesting proposal. "They said, 'Look, you know what we need better than we do, so why don't you come here and start an IP group, as we've never had one?'"

Attractive as the invitation seemed, Gooder had some doubts about making the switch in-house. "What worried me most was that I would get bored," he reveals. "Working as a private practice trademark lawyer, you have an immense variety of work and I always liked that. It's great for people who were fascinated by lots of different businesses, and I was worried that I wouldn't get that sort of satisfaction in-house." But despite his concerns, the offer ultimately proved too good to refuse. "At the time, I had been interviewing at another company, but the Brown-Forman opportunity was so amazing because no one had ever done it before. That, coupled with the fact that I had already been doing all the work for the brand, meant that it was an opportunity that I just couldn't pass up."

So in February 1996 Gooder packed his bags and upped sticks to Jack Daniel's spiritual home in Louisville, Kentucky, to serve as Brown-Forman's chief trademark counsel. After two years immersed in the distinctive southern culture of the distillery, he moved back to California to head up Jack Daniel's Properties Inc – a subsidiary which manages all of Brown-Forman's intellectual property. In addition to Jack Daniel's and several sub-brands, this includes other world-renowned liquor marques such as Finlandia Vodka, Southern Comfort, Woodford Reserve and Chambord.

Charged with managing such a diverse and rich global portfolio, Gooder has never had a second to be bored. "Our big brands are so interesting and alive," he enthuses. "We also have smaller brands too, which are more entrepreneurial and need to do more with less; those are similar to the smaller entrepreneurial clients that you would have at a law firm. I don't think I've ever run out of challenges. A friend once described working here as 'drinking out of a fire hose', meaning that there is so much coming out all the time that there is never a dull moment."



“My personal inspiration comes from being in the mountains, especially with close friends, regardless of whether I am skiing, climbing, hiking, or just sitting quietly on a rock taking in all that Mother Nature has created”

Corporate culture

Given the extent of these interests, a solid and consistent approach has been crucial to Brown-Forman’s success and has been embedded in the corporate culture from the top down. “You don’t get a bunch of fighter pilots who steer the company in one direction for five years and then another group that steers it differently,” says Gooder. “We try to be very globally consistent – and that also applies to trademarks and marketing. How we manage the company’s intellectual property has evolved as the IP landscape, the marketing world and society have all changed. But in a lot of fundamental ways, the way we deal with the core intellectual property at Brown-Forman is the same as when we first started.”

This primarily involves close interaction between the 12-strong trademark team and Brown-Forman’s marketing functions around the world. “I deal mostly with the global marketing directors of the specific brands themselves, and then the regional marketing directors or country managers,” explains Gooder. The strong ties and trust which he has built up both before and during his tenure allow him to operate fairly independently and avoid inundating other stakeholders with unnecessary legal detail wherever possible. “We have one category of enforcement matter that they don’t need to know about in advance: we report back to them quarterly on all the decisions that we have taken and they are fine with that,” he explains. “However, there are other matters that are big enough that they are fairly actively involved with from the start.”

Ties that bind

These bigger, more complex matters often also demand additional support from external counsel – and here again, enduring relationships have proved a vital asset to the company. “Some of our relationships with outside counsel have lasted 20 years or more and are really priceless to us,” says Gooder. “Most of them go back to when I brought them in, and some even pre-date me. We have actively sought to develop really long-term relationships with our external counsel, as we want them to feel as proprietary about the brands as we do. They watch out for us, and to me they are an extension of us, so we have a close relationship with them. When somebody leaves it affects us, so we are very protective of those relationships.”

Unsurprisingly, given the level of trust invested in them, considerable care is taken in selecting external counsel; and for Gooder, cost can never be the deciding factor. “We are conscious of

fees,” he acknowledges, “but there is a trade-off with value for money which you can’t lose sight of. While we are a big brand, we are by far not their biggest client, so it is important for us to stay in their minds as much as possible. This means that we have to develop a relationship that means as much to them as it does to us. It is not just about how much work they get from us.”

As the Jack Daniel’s legal function is predominantly US based, these relationships come into their own in places where the company is active, but has no legal presence of its own: here external counsel are effectively Gooder’s eyes and ears on the ground. And this trend will only continue as the company extends its reach into farther-flung corners of the globe. “Twenty years ago, you would only look at a particular brand as being a great brand in the US and you would not necessarily develop that brand with as many other countries in mind as you do now,” he observes. “There are now very few trademark clearances that have just one country in mind. You can’t just be US focused anymore.”

The challenge of social media

While local counsel can serve as trusted guides in navigating the complexities of their individual markets, the vast expanse of cyberspace presents an altogether different set of challenges for Gooder and his team. In particular, the rise and rise of social media has brought a new dimension to online enforcement – as the Wensink incident bears out. “With social media, everybody can now buy ink by the barrel, and you need to realise that before you take action,” he advises. “We don’t go into any enforcement situation without considering that first.”

Thus, while the sheer scale of potential infringement on social media may seem daunting, Gooder would consistently recommend a softly-softly approach. “Some enforcement issues are big from a risk perspective; others are a challenge because of the volume involved; but none of them is going to kill a brand,” he points out. “We handle hundreds of infringements a year – many from fans who have done something that they thought would be fine, but then discover it is actually harmful to the brand. Usually, they are then willing to stop. That kind of volume creates a management challenge, even if the legal substance might not. But either way, we handle these matters in a way which will protect the brand and keep the fan as a ‘friend of Jack’, if at all possible. This requires that we not let the volume overtake the need to look at the facts of each situation and consider our approach with fresh eyes.”



"We handle hundreds of infringements a year – many from fans who have done something that they thought would be fine, but then discover it is actually harmful to the brand. We handle these matters in a way which will protect the brand and keep the fan as a 'friend of Jack', if at all possible"

Those who fail to heed his warning and adapt their responses accordingly may find themselves tarred with the 'trademark bully' label – something which can be very tricky to shake off and can cause no end of PR headaches. "Everyone talks about it and I think it is really risky for a brand to be labelled as one," he cautions. "In the long run, it really does not help you. Jack Daniel's has always tried – maybe to a fault – not to be a bully. At times, of course, you have to be ready and willing to unload the guns; fortunately, that doesn't happen very often. But we will always try to be reasonable with people and to do everything in the same voice and spirit of the brand. There is nothing worse than a brand that speaks one way to its consumers via its marketing messages, but then turns around to deal with an infringer – especially one who is essentially a fan – and takes a very aggressive, belligerent attitude."

More broadly, heavy-handed attempts to restrict the way that fans interact with a brand online or to dominate social media conversations about the brand can likewise backfire. "Any move that would try to restrict this relationship in some way is risky," Gooder observes. "You see these backlash reactions on the Internet to brands doing something that may inadvertently annoy their consumers. If you have a brand that society feels really connected to, it is not a good idea to control the conversation; the more you try to suppress, the more consumers will resist and push back – especially in the States, where we are concerned with free speech. How a brand talks to and manages its relationship with consumers is a delicate thing. If you have a brand that has a very friendly relationship with its consumers, then they will be very loyal in return – just like Jack Daniel's are."

An added challenge for the brand when interacting with its fans around the world – both online and off – is the complex web of regulations that applies to alcoholic products. "Different countries have rules on advertising that restrict how you engage with consumers," explains Gooder. "One of the problems we are now facing is governments banning advertising and marketing altogether. We have to deal with that. It doesn't affect the enforcement side, but it does affect the transactional side."

Licensing JACK

With a trademark portfolio some 6,000 strong, the Brown-Forman Corporation has made licensing a central plank of its corporate strategy. David Gooder, managing director and chief trademark counsel at Jack Daniel's Properties Inc, notes that "JACK is registered everywhere on the planet that you could do it", and across a multitude of classes. Indeed, Jack Daniel's has one of the largest merchandise licensing programmes of any spirit, with over 70 licensees based in more than 10 countries. Licensed products include comestibles, gifts and apparel, and are sold in over 25 countries around the globe.

The programme has clear tactical advantages, as well as the obvious benefit to the bottom line. "The further out you can build your fence and keep it strong, the more protection you have for your trademarks," says Gooder. "Licensing is a huge benefit for that. In fact, it is really done for the marketing and trademark protection benefits – the royalties come third."

That said, in rolling out the programme, great care is taken to avoid overextending the brand and ensure that any alliances reflect the Jack Daniel's ethos. "We are pretty restrictive about licensing and we turn down more proposals than we accept, he says. "We look at what the licence is for, who the licensee is and who they sell to. You have to be mindful that a licensee wants to be successful, but you don't want them to take your brand in a direction that may damage it."

In order to help them connect with the brand, licensees are invited to the Kentucky distillery every year, so that their design teams can absorb the Jack Daniel's culture first hand – something which Gooder believes leads to better decision making on future branded products. While he is reluctant to single out one licensee in particular, Gooder does highlight an enduring relationship with Zippo. "A number of licensees really understand the Jack Daniel's brand in different ways. Even though we don't do things in the smoking world, their products are very collectable. We have licensees who deal in nostalgia and they do a great job of looking in our archive and working out what would be interesting for our consumers. Also, Heinz in the US and Baxters in the UK have won a number of awards for the barbeque sauces that they make with us. They've both been really great at understanding the brand."

Meanwhile, the nature of Jack Daniel's as an alcoholic product can also present challenges in the licensing context. "When it comes to clothing, we won't license a 'size small' Jack Daniel's," explains Gooder. "We want adult sizes only – which can be difficult, as the industry's general sizes have shrunk in different parts of the world. A size small today is not what a size small was 10 years ago."



Customer engagement includes innovative use of the Jack Daniel's site to create social media offerings to encourage an interactive relationship

The personal dimension

What aspects of your job do you find the most challenging?

Keeping up with the ever-expanding workload and staying ahead of the wave of constant change in our industry, in the IP industry and in the world generally.

What aspects do you find the most rewarding?

Travelling the world with an iconic brand that so many people consider a friend is one of the most rewarding things about my job. Additionally, working for a company that has such high regard for its brands is also a huge bonus for a trademark lawyer. Finally, I find especially rewarding the people I work with around the world, many of whom have become friends – a few even lifelong ones.

Who or what has been the biggest inspiration in your life so far?

In terms of 'what', my personal inspiration comes from being in the mountains, especially with close friends – whether I am skiing, climbing, hiking, mountain bike riding, mountaineering or just sitting quietly on a rock taking in all that Mother Nature has created.

In terms of 'whom', I don't think there is any one specific person. What I have found throughout my life is that every few years, we are blessed with someone who becomes part of our life for personal or professional reasons, sometimes both. Without maybe seeing it at first, they become a significant inspiration or motivator. Here are my examples:

- Up until college, the most inspirational people would have been my dad and his brother, who was a partner at a big firm in Chicago. They inspired me with regard to the mountains, the oceans, photography and the law. They continued to inspire me even as their lives drew to a quiet close.
- Before going to law school, I worked in the music industry, and there was a very gifted writer and performer named Herb Allen. He taught me how to not just play a song, but feel it, phrase it, bring it to people, regardless of the instrument.
- During law school, I worked for a trial lawyer named Dan Cavett. He taught me not only how to be a discerning, demanding thinker, but how to blend one's love for the outdoors with a profession largely conducted indoors.
- In my first years of private practice, there was a particular partner at my firm who, while being a bit unpredictable and tough, taught me how to bring a higher level of precision to my writing and thinking.
- When I left private practice to go in-house at Brown-Forman, the general counsel, Michael Crutcher, and deputy GC, Bill Blodgett – two people who could not be more different – inspired me about the value of being a leader not only in your company, but in your industry as well.
- I was recently challenged with the thought that mentors should also include ones who are materially younger than you. I am fortunate to have two professional friends who are quite dear to me and who have become mentors to me even without them really knowing it. They provide wisdom and a very positive but direct perspective, and I think I'm a better lawyer, father and friend for it. Of course, only time will tell.

If you could make one change to the industry, what would it be?

To be able to eliminate the scourge that is counterfeiting.

Do you have any hobbies?

I ride mountain bikes, coach a high-school mountain biking team, ski, hike, climb mountains, scuba dive, take pictures and cook/hang out with my family and friends.

Where is your favourite place to holiday?

Where the mountains and people coexist in a dynamic, yet peaceful way – Chamonix, France; Truckee, California; or Girdwood, Alaska.

What is your favourite season of the year and why?

Fall, because the days are cooler, the air clear, the ocean still warm and unexpected things seem to happen then (and Christmas is just around the corner).

If you could invite any five people (living or deceased, real or fictional) to a dinner party, who would they be?

My five best friends, one of whom is my wife. They have never all been together in the same room or on the same continent at the same time, for that matter.

And what would be on the menu?

Grilled bison steaks, *pierogi* (a Polish dumpling filled with savoury or sweet fillings), grilled veggies, sticky toffee pudding for dessert and a great bottle of Amarone.

As a child, what did you want to be when you grew up?

A veterinarian or a pilot.

If you could live anywhere else in the world, where would it be and why?

Somewhere with mild summers and a warm ocean, and winters with snow, where people know how to enjoy life, dine well, help others, love and laugh, and mind their own business when they should.

Looking back at your 18-year-old self, what advice would you give him?

Don't feel rushed in life and hold out for what you really want.

And how do you think your 18-year-old self would respond?

Then: "Sure Dad – whatever." Now (with a few years under their belt): "Wow Dad, you were so right. I'm really glad I followed your advice."

What advice would you give anyone starting out in intellectual property?

For trademarks specifically, learn as many areas of law as you can in your first two years, spend the next three to five years working for the best trademark people you can find, and then go take your trademark career where the brands are as high or higher on the food chain than the technology.



Jack Daniel's teamed up with Zac Brown Band to set up the 'Jack Daniel's Drinking School', a new way to educate consumers about responsible consumption through an online-based program.

The restrictions mean that sponsorship is often a preferred marketing strategy for many alcohol brands. Perhaps ironically, Jack Daniel's once sponsored NASCAR – an affiliation which led to some questioning the wisdom of associating spirits with motor sports. “The view in the company was that it was the best way to get people talking about [drink driving], and the more that people talk about it, the better. NASCAR drivers saw it as a pretty black-and-white issue – and that being Jack Daniel's colours, it became the flag for it. And it really is a black-and-white issue. Responsibility issues are important for us and how we protect the brand.”

Indeed, Jack Daniel's is acutely alive to the importance of promoting responsible drinking and takes a zero-tolerance approach to anything that might undermine this message: “If we see an enforcement problem that implicates underage drinking, for example, we will go after that hard, because it is an important issue to us.”

Fighting the fakes

With the health and wellbeing of consumers front of mind for Gooder, it is no surprise that he also has counterfeiters squarely in his sights. “There is a risk to the brand, of course, but to us there is also a consumer health risk” he explains. “Governments have two different views on counterfeiting: there is the health risk aspect, but it also costs them an awful lot of money, because they aren't getting the duties they are owed. But for everyone involved at Jack Daniel's, the health risk is the number one thing.”

Regardless of where they are active, Gooder believes that all trademark counsel in his industry should regard counterfeiting as an urgent priority. “You need to be aware that it can happen to you even if you don't market in a specific country,” he says. “If you look at the brands in our industry that have counterfeiting problems, they are brands that are very well known – they are part of people's lives, and therefore the brands are targets for opportunistic people. You have to go at it as hard and efficiently as you can, and engage governments and legislators, because it is not just a brand owner problem – it's a societal and governmental problem. It is a three-headed snake that you have to work on; otherwise, it will just get worse and worse.”

Trademark counsel also need to help others understand just what is achievable in this fight and what is not: “People say they want to stop counterfeiting and we ask them what they mean by ‘stop’. It's impossible to stop – it's like saying there will be no fraud in the world. A lot of what we do is to help others within the company understand the reality of what can be done.”

At the wider industry level, the International Federation of Spirits Producers – of which Gooder is chairman – plays a vital role in spearheading anti-counterfeiting initiatives and coordinating the response to the problem. Comprising nine of the world's leading spirit groups, representing some of the best-known drinks brands, it is active in over 30 countries, working with national law enforcement agencies to detect and prevent the production and distribution of counterfeit spirits. “There is so much cooperation and we are all capable of putting our competitiveness aside and focusing on this criminal endeavour, which is a global problem,” he says. “Any consumable brand is victimised by counterfeiting in the same way.”

Lessons in brand enforcement

Gooder's concerted efforts to meet all these diverse challenges head-on and protect the integrity of the Jack Daniel's brand have reaped handsome dividends, making it a household name the world over. Indeed, when enforcement issues arise, one of the most potent weapons in Gooder's armoury is what has been dubbed “the fame packet” – a dossier containing “all the information that our counsel anywhere in the world need in order to prove just how famous Jack Daniel's is”, including sales figures, licensing information and details of references to the brand in popular culture.

“We had a big trademark dispute in South Korea a number of years ago, in a category that we were not particularly active in,” he recalls. “We presented the court with examples of movies that Jack Daniel's had appeared in and the numbers behind the viewership of those movies in South Korea. We showed the judges that while they personally might not know much about Jack Daniel's, their own society does. It is an incredibly powerful tool.”

The fame packet also contains details of Jack Daniel's position in independent brand rankings: this year, for example, it placed a creditable 86th in the Interbrand Top 100 Global brands list. “We look at those rankings as a positive thing,” concludes Gooder. “They indicate the health of a particular brand relative to others. But if you look at those lists, a lot of those brands were not around 20 or even five years ago. The value of Jack Daniel's keeps growing around the world and it is an amazing thing when you look at it. We know its real value.” ^{WTR}