



BRAND EQUITY: PROTECTING YOUR SCHOOL IN A COUNTERFEIT CULTURE

Your school has spent years building its name. What's threatening it, what's at stake and what you can do to protect it from unauthorized use.

BY LEAH THAYER



HERE'S AN EASY EXERCISE.

Step 1: Enter the name of your school into your favorite search engine. If your school's website emerges as the top result, congratulations. In a random sampling of NBOA member schools, that is exactly what happened 15 out of 15 times.

Step 2: Into that same search engine, type your school's name plus "t-shirts" or "hoodies" or "duffel bags" or "mugs" or "yearbooks"—or perhaps a broadly all-encompassing term like "merchandise." What's the top result now?

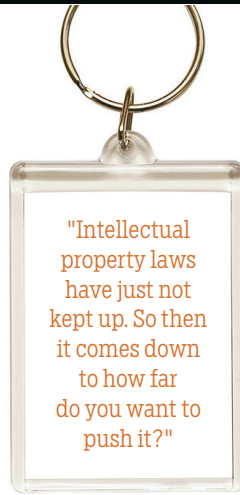
Is your school's website, let alone its bookstore, even within the top five?

WHAC-A-MOLE, WITHOUT THE FUN

In a problem far broader than online retailers selling school-branded gear, independent schools are reporting an upswing in threats—financial, reputational, legal—involving unauthorized entities profiting from or otherwise using the schools’ intellectual property, in the form of school names, crests, logos, mascots and more.

The National Association of Independent Schools (NAIS) has been tracking the issue for several years, but shifting tactics—and proliferating perpetrators—make it hard to keep up. Even if you work vigilantly to protect your school’s name, “it doesn’t always work,” says Debra Wilson, NAIS legal counsel. “Intellectual property laws have just not kept up. So then it comes down to how far do you want to push it? And frankly, I think that’s what some of these companies are gaming on.”

In some cases, the issue is comparable to the popular arcade game Whac-a-Mole, where players use a mallet to smack plastic moles back into their holes—only to have the annoying little critters pop up again. Alternatively, you might compare it to a virus that mutates and becomes resistant to



treatments that previously worked.

“It’s an irritant,” says Paul Ibsen, assistant head of school for finance & management at Providence Day School, in Charlotte, North Carolina. In November, he learned that a Seattle-based online retailer called Prep Sportswear—a name you’ll see repeatedly in this article—was selling merchandise branded with the PDS name and logo, and not for the first time. “We had our first go-around with this company in 2011,” he says, referring to a cease-and-desist letter that initially led to the

removal of PDS-branded merchandise from the Prep website.

Upon the latest discovery, Ibsen emailed the various contacts listed on the site, reminding them of the 2011 letter and asking them, once again, to remove his school’s merchandise. As of mid-February, despite his attorney taking steps including calling an apparently nonexistent “legal department,” completing online forms and having a “live chat” with “Don” in customer service, the PDS storefront remains, though it no longer contains merchandise with the school’s newly trademarked logos.

Prep Sportswear does appear to be listening, to some degree. Small comfort, though, in the tiny print now appear-

Your Current Endowment Strategy May Not Add Up



Many investment experts agree that the coming years are going to be characterized by slow economic growth and below average returns from both stocks and bonds. This may leave independent schools struggling to find investment solutions that will protect their endowments’ purchasing power, while generating the level of returns required to sustain long range spending goals. At ORION, we design forward-thinking investment strategies to prepare your endowment for the challenges ahead.

How do we do it?

- With independent, objective advice to help your school implement an investment plan designed to meet the highest fiduciary standards
- By giving you access to a broad universe of asset managers at significantly reduced minimums and fees
- By bringing to you the research and resources of Callan Associates, one of the world’s largest investment consulting firms
- By providing your school with the timely and concise reports intended to ensure your funds are on target

An evolving world demands and evolving investment strategy. We can help.



2010 Corporate Ridge #560
McLean, VA 22102
(703) 720-5990
info@orionria.com

30 S. Wacker Drive #2200
Chicago, IL 60606
(312) 466-7592
www.orionria.com



All investment strategies have the potential for profit or loss.

ing beneath PDS gear on its site—as well as on the “stores” of thousands of other schools. “This store is not affiliated with, sponsored or endorsed by Providence Day School. You have the ability to pick from an assortment of product colors. Design colors may not be identical to that of official licensed merchandise. All products in this store are exclusively produced and fulfilled by Prep Sportswear.”

At least that disclaimer is true, Ibsen notes. “They didn’t even get our colors right!”

NOT WORTH THE EFFORT?

Unfortunately, PDS is in good company. Many independent schools have tried repeatedly to end unauthorized use of their names, and some have accrued hefty legal bills in the process.

Take De La Salle High School, in Concord, California. In 2004, the 49-year-old Catholic boys’ school registered 14 trademarks with the state of California. “We monitor such activity through online searches, and when we become aware of a purveyor of unauthorized goods, we generally ask the firm to cease and desist,” explained Mark DeMarco, De La Salle’s president, in an article published in the winter 2013 issue of the school’s *Union* magazine. Most companies “have responded honorably by ceasing such sales.”

No such response from Prep Sportswear, despite a protracted and mostly ineffectual round of letters from De La Salle. Finally, in 2011, the school filed a lawsuit for trademark infringement.

Explains attorney Maria Lampasona, “The lawsuit got their attention, but they filed a cross-complaint to invalidate it,” in part on the basis that “De La Salle” is the name of a religious figure and therefore cannot be trademarked. In late 2012, despite not finding the trademark invalid, the court ruled in favor of Prep Sportswear, finding weaknesses in the school’s case including a failure to prove “consumer confusion” arising from the website.





AUSTIN
Insurance Professionals & CO., INC.

At the head of the class since 1853

Commercial and Business Insurance

Employee Benefits

Human Resource Consulting

NY Independent School Healthcare Consortium

Health Care Reform Compliance & Education



MEMBER OF
NBOA
National Business Officers Association



NJAIS

Corporate Sponsor

Toll-Free: 800.836.0736

• www.austin-co.com

NETASSETS@NBOA.ORG

47

NetAssets

[Previous Page](#) | [Contents](#) | [Zoom in](#) | [Zoom out](#) | [Front Cover](#) | [Search Issue](#) | [Next Page](#)

NBOA
National Business Officers Association

Proving such “confusion” could cost upwards of \$50,000, wrote DeMarco. The school chose not to fight further, with the blessing of legal counsel. “We are very sensitive to the school’s budget,” says Lampasona, of Lombardi, Loper & Conant. “We couldn’t justify spending the money that might have gone to scholarships.”

That resonates with Steve Clem, executive director of AIS-NE (Association of Independent Schools in New England). He tells of a member school that a few years ago engaged in a fruitless back-and-forth with Prep Sportswear, culminating in the school’s attorney saying, in effect, ‘This is annoying but not worth pursuing.’ This fall, renewed complaints led to the association’s attorneys preparing a “terrific” cease-and-desist letter regarding the unauthorized sale of merchandise, only to find few takers among member schools. At the tepid response, “We kind of came to the same conclusion,” Clem says.

The Ethel Walker School’s Thom Greenlaw falls into that camp as well. “I have personally found that it’s not worth the effort to try to ‘protect the brand’ from these types of intruders,” says the chief operating officer / assistant head for strategic initiatives at the Simsbury, Connecticut, school. To him, “pursuing the obvious fakes is fruitless and a waste of resources, as I have yet to learn of any real ‘harm’ that has resulted from fake t-shirts and the like.”

And yet plenty of other business officers (and their legal advisors) take real umbrage at brand violation—and take action to prevent them. Here’s why.

BOTTOM-LINE DAMAGES

To Greenlaw’s point, what is the big deal with an unauthorized business selling the occasional t-shirt with your school’s logo on it? For that matter, what’s the harm in a group of parents forming a “mountain club” using your school’s name, an entrepreneurial student selling totebags or coolers with your school’s crest, or a popular alum coaching a club team whose crest is very similar to your school’s? (These examples really happened.)

For starters, there’s the fact that every t-shirt sold by an unauthorized entity takes dollars away from your school store and your legitimate licensing partners. Plus, “There’s a real reputational risk here,” says Sara Schwartz, an attorney specializing in education and employment with Schwartz Hannum PC, in Andover, Massachusetts. “Low-quality merchandise doesn’t impress anyone,” nor does merchandise that botches your school’s name, colors or anything else.

More importantly, a school’s name and marks are assets that grow in value with time, Schwartz adds. ‘You own the name, the crest,

the logo. Nobody else has the right to use them.” Regardless of trademark registration (more on that later), a brand develops “common law rights” after years of use.

And failing to protect a brand makes it vulnerable. In the De La Salle case, the lawsuit was necessary, wrote DeMarco. “Because, under the law, if a trademark-holder does not defend its marks to the highest degree, the trademarks could be deemed abandoned, and canceled.”

Even small schools with mostly regional names should be concerned. “They have at stake the same issues that major brand holders have: their reputation and the goodwill of their brand,” says Linda K. McLeod, an attorney with Kelly IP, in Washington, D.C. As with Coca-Cola, independent schools should “want to prevent counterfeit, prevent third parties from diluting their brand, and prevent confusion by consumers.”

The risks can be frightening, too. Consider the “mountain club” cited above, which used a school’s name but wasn’t school-sponsored. “Well, imagine if someone fell over a cliff. Who would get sued?” Schwartz asks. The school had the club remove the name. On an equally ominous note, she cites a YouTube video that began with a school’s crest, featured images of students graduating—and ended with the words ‘bang bang.’ “The interpretation was that someone was going to set off a bomb at the end of graduation,” she says. Because the video showed the school’s crest—which the school owned—“we were able to get YouTube to take it down.”

Above all, “it’s just not right,” says Ibsen. “Every school likes to project a certain image of who they are. We all spend time



and effort on our branding. If someone wants to do business with us, it seems they can contact us and we can work something out. That's the bottom line. It's just not right."

BUSINESS OFFICE BEST PRACTICES

As vexing as this issue can be, independent schools can and should take every reasonable step to strengthen their brands and guard them vigilantly. This process is multi-faceted, it can get expensive, it carries no promises—and it is ongoing.

REGISTER YOUR TRADEMARKS, at either (or both) the federal or state level. "The penalties for infringing upon a registered trademark are more substantial," says Wilson of NAIS, which has an advisory on its website about IP protection. Registration "says this school takes its brand seriously and has a track record of doing it."

At the federal level, register at the U.S. Patent and Trademark Office (USPTO.gov), which uses this definition: "A trademark or service mark includes any word, name, symbol, device, or any combination, used or intended to be used to identify and distinguish the goods/services of one seller or provider from those of others, and to indicate the source of the goods/services."

Benefits of federal registration include giving your school "nationwide legal presumptions of ownership of the school name and the exclusive right to use the name nationwide," subject only to entities with prior rights, says attorney Linda

McLeod. Another benefit is the right to use the federal "registration symbol ®, "which can deter others from unauthorized use of the school name."

Further, in the unlikely event that massive quantities of counterfeit items bearing your school's name are coming over the border, you can even work with U.S. Customs and Border Protection to stop them, McLeod notes.

BE CONSISTENT IN BRAND USE. Like De La Salle High School, many independent schools have names that are religious or geographic in nature, or are otherwise "so diluted that no one can have exclusive rights," says McLeod. For these schools in particular, a distinctive design element—e.g., a stylized logo—"can strengthen brand protection," says McLeod. "The schools should also consider registering and protecting the design or logo element per se, in addition to the name of the school."

Wilson agrees, adding that schools should be consistent in their use of logos, design elements, colors and even the school's name. This practice serves as "initial proof that your intellectual property has been consistently used by your school."

EDUCATE AND MONITOR. Many instances of brand misuse are innocently intended and often close to home. "Be clear with your community about who may use your school's name and who may not, particularly school-related groups," Wilson says. Schwartz suggests articulating policies to students in your school's enrollment agreement, student handbook and acceptable-use (AU) policy; and to staff in the employee handbook, AU policy and confidentiality agreement.

Then, use technology to monitor for violations, and encourage your community to keep their eyes open. Set up Google Alerts for your school's name (a good business practice under any circumstance), and stay up on what students and others are posting on Facebook, Twitter, Instagram and other social media.

TAKE ACTION AGAINST VIOLATIONS. Always follow up when you become aware of unauthorized brand use, but don't call out the lawyers right away. In many cases, you may be able to resolve the issue with a phone call or a simple letter, says McLeod.

Take the case of the popular alum and the club team he coached, mentioned earlier. His team's crest was very similar to that of his former school, the griffin (lion) of Harvard-Westlake School in California. "Our school is noted for its water polo program, which finished the fall season #1 in the nation," says Rob Levin, CFO. "We loved the alum, but



couldn't let him use our logo. Ultimately, we agreed to his use of a substantially altered, much-emaciated griffin."

If the breach continues or is more serious, McLeod still suggests caution before sending a cease-and-desist letter—which may have unintended consequences. For instance, if the third party continues to misuse your name without consequence, it may feel emboldened to continue its practices, thus further diluting the name and generally making it more difficult to enforce your rights in the future.

In any case, continued misuse may prompt engaging legal counsel for a variety of enforcement options short of litigation.

As a final note, it goes without saying that—at least in the context of branded merchandise—schools should make it easy for students and other fans to buy what they want, the right way. How accessible and well-stocked is your school store, anyway? Remember that those online retailers are aggressive—and their wares can be tempting. Says one source for this article, whose child attends an independent school and whose name shall go unmentioned: "My son loves the stuff I buy on one of those sites. He has the coolest stuff." ■

Leah Thayer is NBOA's director of communications and editor in chief of Net Assets. She joined the association in December, and has been involved in independent schools since her now-7th grader started kindergarten at an NBOA member school.



NBOA



www.nboasupplierdirectory.org

More than 650 suppliers of products and services for independent schools are featured in 46 categories in the new NBOA Supplier Directory. NBOA member schools can use the directory to instantly find leading suppliers to meet their needs – searches can even target local geographic areas.

NBOA Business Partners and other companies can enhance their listings and buy ads in the directory for improved visibility.

Check it out at www.nboasupplierdirectory.org or contact Chris Kalavsky at 202-407-7146 or chris.kalavsky@nboa.net.