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Craft Brewer Stone Brewing Co. wins $56 Million Jury Verdict for Trademark Infringement Against Beer Giant MillerCoors's Rebranding of Key- "Stone" Beer

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A jury awarded a $56 million verdict for trademark infringement to an independent craft brewer against the world's fifth largest beer company on March 25, 2022. The verdict highlights the damage to a smaller business when a much larger conglomerate appropriates the smaller business's trademark.

This David v. Goliath legal battle began in 2017 when MillerCoors (now Molson Coors) rebranded its Keystone Light economy beer to prominently feature the word "STONE" separate from "KEY" and launched its "Own the Stone" rebranding campaign. Stone Brewing, an early leader in the craft beer craze, has used STONE as a trademark since the early 1990s, growing to become the largest brewery in Southern California and the ninth largest craft brewery in the United States. The Keystone Light rebranding came as the beer had been losing sales over recent years, and prominently featured the word "STONE" in large, modern, slanted script on its cans.

Since the lawsuit was filed in 2018, Stone Brewing has been asking MillerCoors to "put the 'Key" back in 'Keystone.'" The craft brewer claimed that consumer confusion had led to a 20 percent decline in sales, amounting to $174 million in lost profits. Stone Brewing also sought an additional $41 million in "corrective advertising" damages, the cost Stone Brewing estimated to reverse the effects of consumer confusion.

MillerCoors argued that there was no credible confusion between Keystone Light and any of Stone Brewing's beers, and in any event, the company had no intent to trade off of the goodwill associated with the STONE trademark.

Culminating in a three-week long trial, the jury found that MillerCoors did infringe Stone Brewing's trademark, but that the infringement was not willful. The jury awarded Stone Brewing $56 million in damages against MillerCoors.

The verdict demonstrates the importance of considering reverse confusion in trademark infringement cases: where the prior, senior, user of a trademark is a smaller company whose rights stand to be swamped by a conglomerate junior user flooding the market with the appropriated trademark. In the case of reverse confusion, the intent of the much larger junior user is rarely to trade off of the goodwill of the smaller senior user, but to disregard the rights of the smaller senior user. Reverse confusion is an equally important consideration in protecting trademark rights, particularly of small businesses, and the verdict stands to deter ignorance of established trademark rights – regardless of size.

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