

# The Trademark Reporter®

(USPS 636-080)

Copyright 2012, by the International Trademark Association  
All Rights Reserved

---

Vol. 102	January–February, 2012	No. 1
----------	------------------------	-------

---

## TABLE OF CONTENTS

### UNITED STATES ANNUAL REVIEW

#### **The Sixty-Fourth Year of Administration of the U.S. Trademark (Lanham) Act of 1946**

*Theodore H. Davis, Jr., and John L. Welch*

Introduction .....	1
Part I. Likelihood of Confusion .....	6
A. Likelihood of Confusion Found.....	6
B. Likelihood of Confusion Not Found.....	15
Part II. <i>Ex Parte</i> Cases .....	18
A. United States Court of Appeals for the Federal Circuit .....	18
1. Inherent Distinctiveness.....	18
B. Trademark Trial and Appeal Board.....	20
1. Inherent Distinctiveness.....	20
2. Acquired Distinctiveness .....	21
3. Genericness .....	23
4. Failure to Function .....	27
5. Consent of Living Person.....	31
6. Primarily Merely a Surname.....	33
7. Geographically Deceptive Misdescriptiveness .....	34
8. Functionality.....	36

9. Consent to Register .....	38
10. Specimens of Use .....	39
Part III. <i>Inter Partes</i> Cases .....	41
A. Trademark Trial and Appeal Board .....	41
1. Fraud .....	41
2. Dilution .....	43
3. Lack of Bona Fide Intent .....	46
4. Functionality .....	48
5. Acquired Distinctiveness .....	51
6. Priority of Use .....	52
7. Lawful Use .....	53
8. Assignability of Intent-to-Use Application .....	54
9. Effect of Third-Party Consent Agreement .....	55
10. Ownership of Pledged Registration .....	56
11. Standing for Foreign Trademark Owner .....	56
12. Partial Cancellation or Disclaimer of a Generic Term .....	58
13. Cancellation for Noncompliance with Regulatory Requirements .....	60
14. Procedural Issues .....	61
a. Issues Tried by Implied Consent .....	61
b. Claim Preclusion .....	62
c. Issue Preclusion .....	65
d. Stay of Proceedings .....	66
e. Admissibility of Evidence .....	68
(1) Hearsay Objections .....	68
(2) Pre-Litigation Surveys .....	68
(3) Testimony Based on Witness's Experience .....	69
(4) Testimony from Prior Proceedings .....	69
(5) Introducing Registrations into Evidence .....	70
(6) No Probative Value for Non-English Documents ..	70
(7) Adequacy of Pre-Trial Disclosures .....	71
(8) Documents Not Produced During Discovery .....	72
f. Pleading in Madrid Protocol Cases .....	72
(1) Completion of the ESTTA Form .....	72
(2) Amending a Notice of Opposition .....	73
g. Affirmative Defenses .....	74
h. TTAB Review of Procedural Errors .....	75
15. Motion Practice .....	76
a. Motion to Compel Discovery Responses .....	76
b. Motion to Exclude Witness .....	77
c. Motion to Exclude Expert Witness's Anticipated Testimony .....	77

d. Motion to Amend First Use Dates .....	78
e. Motion for Involuntary Dismissal .....	78
Part IV. Trademark Infringement and Unfair Competition in the Courts of General Jurisdiction .....	79
A. Establishing Protectable Trademark and Service Mark Rights .....	79
1. The Effect of Federal Trademark Registrations on the Mark Validity Inquiry .....	79
2. Proving Use in Commerce .....	84
a. The Nature and Quantity of Use in Commerce Necessary to Establish Protectable Rights.....	84
b. Prior Use Through Tacking.....	87
c. Use-Based Geographic Rights .....	88
3. Proving Distinctiveness .....	88
a. Distinctiveness of Word Marks .....	88
(1) Generic Terms and Designations .....	88
(2) Descriptive Marks .....	93
(3) Suggestive Marks.....	97
(4) Arbitrary Marks .....	102
(5) Fanciful or Coined Marks .....	103
b. Distinctiveness of Nontraditional Marks .....	103
c. Secondary Meaning Determinations .....	108
(1) Cases Finding Secondary Meaning.....	108
(2) Cases Declining to Find Secondary Meaning .....	112
(3) Meaning to Be Determined .....	119
d. Survey Evidence of Distinctiveness .....	123
4. Proving Nonfunctionality .....	125
a. Utilitarian Nonfunctionality .....	125
b. Aesthetic Nonfunctionality.....	130
B. Establishing Liability.....	134
1. Proving Actionable Use in Commerce by Defendants .....	134
a. Cases Finding Use in Commerce by Defendants .....	134
b. Cases Declining to Find Use in Commerce by Defendants .....	136
c. Use in Commerce by Defendants to Be Determined....	139
2. Likelihood of Confusion .....	139
a. Factors Considered .....	139
(1) The First Circuit .....	139
(2) The Second Circuit.....	140
(3) The Third Circuit .....	140
(4) The Fourth Circuit.....	141

(5) The Fifth Circuit .....	141
(6) The Sixth Circuit .....	141
(7) The Seventh Circuit .....	142
(8) The Eighth Circuit .....	142
(9) The Ninth Circuit .....	143
(10) The Tenth Circuit .....	143
(11) The Eleventh Circuit .....	143
(12) The District of Columbia Circuit .....	144
b. Findings and Holdings .....	144
(1) Likelihood of Confusion: Preliminary Relief .....	144
(2) Likelihood of Confusion: As a Matter of Law .....	152
(3) Likelihood of Confusion: After Trial .....	156
(4) Likelihood of Confusion to Be Determined .....	159
(5) Unlikelihood of Confusion: Preliminary Relief .....	167
(6) Unlikelihood of Confusion: As a Matter of Law .....	174
(7) Unlikelihood of Confusion: After Trial .....	181
c. Exhaustion of Rights and Diverted Goods .....	183
d. Survey Evidence of Actual or Likely Confusion .....	183
e. Effect of Disclaimers .....	189
3. Counterfeiting Matters .....	189
4. Dilution .....	191
a. Proving Mark Fame and Distinctiveness .....	191
b. Proving Actual or Likely Dilution .....	194
(1) Actual or Likely Dilution by Tarnishment .....	194
(2) Actual or Likely Dilution by Blurring .....	194
5. Section 43(a) Claims .....	198
a. Passing Off .....	198
b. Reverse Passing Off .....	200
c. False Endorsement .....	206
d. False Advertising .....	207
(1) Proving Use “in Commercial Advertising and Promotion” by Defendants .....	208
(2) Proving False or Misleading Statements of Fact .....	209
i. Allegedly Misleading Marks as False Statements of Fact .....	209
ii. “Puffery” .....	210
iii. Literally False Claims .....	212
iv. Literally True But Misleading Claims .....	223
(3) Causation and Likelihood of Injury .....	226
6. Cybersquatting Claims .....	227
a. In Rem Actions .....	227
b. In Personam Actions .....	227
c. Reverse Domain Name Hijacking Actions .....	232

7. Recovery for Fraudulent Procurement of Registrations...	233
8. State and Common-Law Claims .....	234
a. Preemption of State Unfair Competition Causes of Action.....	234
b. Right of Publicity .....	236
c. Other State Statutory and Common-Law Unfair Competition Claims .....	238
(1) Georgia .....	238
(2) Michigan.....	239
(3) Nebraska .....	239
(4) New Jersey .....	240
(5) New York.....	240
(6) Pennsylvania.....	241
(7) Texas.....	241
(8) Wisconsin.....	242
9. Secondary Liability.....	243
a. Contributory Infringement and Contributory Likelihood of Dilution .....	243
b. Vicarious Liability .....	245
10. Personal Liability .....	246
C. Defenses .....	248
1. Legal Defenses .....	248
a. Abandonment.....	248
(1) Non-Use.....	248
(2) “Naked” Licensing.....	252
b. Descriptive Fair Use .....	256
c. Nominative Fair Use .....	259
2. Equitable Defenses .....	260
a. Unclean Hands.....	260
b. Statute of Limitations .....	263
c. Laches.....	263
d. Acquiescence .....	265
e. Waiver .....	267
f. Failure to Mitigate Damages .....	267
D. Remedies .....	267
1. Injunctive Relief.....	267
a. Preliminary Injunctions .....	268
(1) Prevailing Parties’ Entitlement to Preliminary Injunctive Relief.....	268
(2) Terms of Preliminary Injunctive Relief .....	276
b. Permanent Injunctions .....	277

(1) Prevailing Parties' Entitlement to Permanent Injunctive Relief.....	277
(2) Terms of Permanent Injunctive Relief.....	279
c. Constructive Trusts .....	282
d. Contempt.....	283
e. Actual Damages .....	285
(1) Plaintiffs' Entitlement to Actual Damages.....	285
(2) Calculation of Actual Damages .....	286
(3) Adjustments of Awards of Actual Damages .....	289
f. Statutory Damages .....	290
g. Punitive Damages.....	292
h. Liquidated Damages.....	293
i. Accountings of Profits .....	295
(1) Plaintiffs' Entitlement to Accountings.....	295
(2) The Accounting Process .....	297
(3) Adjustments of Accountings .....	300
j. Attorneys' Fees.....	301
(1) Awards in Favor of Prevailing Plaintiffs .....	302
(2) Awards in Favor of Prevailing Defendants .....	306
(3) Calculation of Attorneys' Fees.....	312
k. Taxation of Costs .....	316
E. The Relationship Between Courts and the United States Patent and Trademark Office .....	318
1. Court Review of, and Deference to, United States Patent and Trademark Office Decisions.....	318
2. Judicial Authority Over Federal Registrations and Applications .....	321
F. Constitutional Matters.....	331
1. The First Amendment .....	331
a. The First Amendment Right to Free Expression.....	331
b. The First Amendment Right to Petition.....	338
2. The Fifth Amendment .....	343
3. The Eleventh Amendment .....	343
4. The Due Process, Full Faith and Credit, and Dormant Commerce Clauses.....	344
G. Procedural Matters.....	345
1. Declaratory Judgment Actions .....	345
2. Standing .....	351
a. Cases Finding Standing .....	351
b. Cases Declining to Find Standing.....	354
3. Jurisdictional Issues.....	357

a. Subject-Matter Jurisdiction .....	357
b. Personal Jurisdiction .....	359
(1) Opinions Exercising Personal Jurisdiction .....	360
(2) Opinions Declining to Exercise Personal Jurisdiction.....	366
4. Venue.....	373
a. Cases Finding Venue Appropriate .....	374
b. Cases Finding Venue Inappropriate.....	376
5. Abstention .....	378
6. Claim and Issue Preclusion.....	379
a. Collateral Estoppel .....	379
b. Judicial Estoppel.....	380
7. Extraterritorial Application of Federal and State Law ....	381
8. Expert Witness Testimony .....	382
9. Judicial Disqualification .....	386
10. Sanctions .....	388
H. Evidentiary Matters .....	390
I. Discovery-Related Matters.....	392
J. Trademark-Related Contracts .....	396
1. Interpretation and Enforcement of Settlement Agreements .....	396
2. Interpretation of Trademark Assignments .....	399
3. Interpretation of Trademark Licenses .....	404
K. Miscellaneous Matters .....	405
1. Tort Liability of Trademark Licensors .....	405
2. Attorney Discipline.....	406
3. Cuban Asset Control Regulations.....	407
4. Trademark-Related Bankruptcy Issues .....	408
5. The Freedom of Information Act.....	409
6. The Religious Freedom Restoration Act.....	411
7. The Indian Arts and Crafts Act .....	411
8. Insurance Coverage .....	412
a. Cases Ordering Coverage .....	412
b. Cases Declining to Order Coverage .....	417
c. Coverage to Be Determined.....	421
9. State Taxation of Income Produced by Trademark Licenses .....	422
Table of Cases .....	425





# The Trademark Reporter®

## UNITED STATES ANNUAL REVIEW

### THE SIXTY-FOURTH YEAR OF ADMINISTRATION OF THE U.S. TRADEMARK (LANHAM) ACT OF 1946\*

#### INTRODUCTION

*By Theodore H. Davis, Jr.\*\**

The most notable developments in trademark and unfair competition law in the twelve months between the sixty-fourth and sixty-fifth anniversaries of the Lanham Act's effective date related to the aesthetic functionality and utilitarian functionality doctrines. The former was unexpectedly reanimated by the Ninth Circuit, only to be hastily reburied by the same court in the same case less than six months later.<sup>1</sup> And the latter was applied to invalidate claims of trade dress protection to a variety of product

---

\* The Annual Review is a continuation of the work originated in 1948 by Walter J. Derenberg and written by him through The Twenty-Fifth Year in 1972. This Review covers the period July 1, 2010 through June 30, 2011.

\*\* Author of the Introduction to, and Part IV of, this volume; Partner, Kilpatrick Townsend & Stockton LLP, Atlanta, Georgia.

In the interest of full disclosure, the author notes his direct participation or that of his law firm in the following cases referenced by this volume: *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958 (9th Cir. 2011) (counsel for amici curiae Major League Baseball Properties, Inc., NBA Properties, Inc., NFL Properties LLC, NHL Enters., L.P., and The Collegiate Licensing Co.); *Ga.-Pac. Consumer Prods. LP v. Kimberly-Clark Corp.*, 647 F.3d 723 (7th Cir. 2011) (counsel for plaintiff); *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158 (9th Cir. 2011) (counsel for plaintiff); and *Universal Furniture Int'l Inc. v. Collezione Europa USA, Inc.*, 618 F.3d 417 (4th Cir. 2010) (counsel for plaintiff). The author and his law firm also represented the plaintiff in the infringement and unfair competition litigation underlying *Interstate Bakeries Corp. v. OneBeacon Ins. Co.*, 773 F. Supp. 2d 799 (W.D. Mo. 2011).

The author gratefully acknowledges the editorial contributions of Mary Kathryn Hagge, as well as the assistance of Louise Adams, Jennifer Elrod, Trevor Rosen, and Christy Flagler in preparing his contributions to this volume for publication.

1. See *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 636 F.3d 1115 (9th Cir.), *withdrawn and superseded*, 654 F.3d 958 (9th Cir. 2011).

designs, ranging from toilet paper,<sup>2</sup> utility knives,<sup>3</sup> motorcycle stands,<sup>4</sup> precast concrete units for constructing bridges and culverts,<sup>5</sup> and flashlight casings;<sup>6</sup> it also proved to the death knell for claims to packaging,<sup>7</sup> as well as to an individual color<sup>8</sup> and combinations of colors.<sup>9</sup>

Where determinations of liability were concerned, several opinions drove home the point that a defendant's potential liability under the Anticybersquatting Consumer Protection Act<sup>10</sup> can change if the defendant's use of its domain name evolves over time. One came from the Fourth Circuit, which confirmed that the successful defense of a registration in an earlier challenge under ICANN's Uniform Dispute Resolution Policy may mean nothing if the subject matter of the website associated with the domain name at issue changes to feature goods directly competitive to those sold by the challenger.<sup>11</sup> Likewise, the Ninth Circuit affirmed a finding of liability against a defendant who, despite registering a domain name with the authority of his employer, eventually held the domain name hostage in a dispute over sales commissions.<sup>12</sup> As another court explained, "a bad faith intent to profit from a domain name can arise either at the time of registration or at any time afterwards."<sup>13</sup>

On the dilution front, the once-popular rule that marks must be identical or nearly identical to support a finding of likely dilution was embraced with increasingly mixed enthusiasm. Reviewing Section 43(c) of the Lanham Act<sup>14</sup> following its

2. See *Ga.-Pac. Consumer Prods. LP v. Kimberly-Clark Corp.*, 647 F.3d 723 (7th Cir. 2011).

3. See *Great Neck Saw Mfrs., Inc. v. Star Asia U.S.A., LLC*, 727 F. Supp. 2d 1038 (W.D. Wash. 2010).

4. *In re Van Valkenburgh*, 97 U.S.P.Q.2d 1757 (T.T.A.B. 2011).

5. See *Kistner Concrete Prods., Inc. v. Contech Arch Techs., Inc.*, 97 U.S.P.Q.2d 1912 (T.T.A.B. 2011).

6. See *Mag Instrument, Inc. v. Brinkmann Corp.*, 96 U.S.P.Q.2d 1701 (T.T.A.B. 2010), *aff'd per curiam without op.*, No. 2011-1052, 2011 WL 5400095 (Fed. Cir. Nov. 9, 2011).

7. See *Mattel, Inc. v. MGA Entm't, Inc.*, 782 F. Supp. 2d 911 (C.D. Cal. 2011).

8. See *ERBE Elektromedizin GmbH v. Canady Tech. LLC*, 629 F.3d 1278 (Fed. Cir. 2010) (applying Third Circuit law).

9. See *Brill v. Walt Disney Co.*, 246 P.3d 1099 (Okla. Civ. App. 2010).

10. Pub. L. No. 106-113, § 3002(a), 113 Stat. 1501, 1501A-545 (1999) (codified at 15 U.S.C. § 1125(d) (2006)).

11. See *Newport News Holdings Corp. v. Virtual City Vision, Inc.*, 650 F.3d 423 (4th Cir. 2011).

12. See *DSPT Int'l, Inc. v. Nahum*, 624 F.3d 1213 (9th Cir. 2010).

13. See, e.g., *Sound Surgical Techs., LLC v. Leonard A. Rubenstein, M.D., P.A.*, 734 F. Supp. 2d 1262 (M.D. Fla. 2010).

14. 15 U.S.C. § 1125(c) (2006).

amendment by the Trademark Dilution Revision Act,<sup>15</sup> the Ninth Circuit noted that “any reference to the standards commonly employed by [pre-2006 federal appellate opinions]—‘identical,’ ‘nearly identical,’ or ‘substantially similar’—are absent from the statute;”<sup>16</sup> according to the court, that meant that “[t]he word chosen by Congress, ‘similarity,’ sets forth a less demanding standard . . . .”<sup>17</sup> In contrast, the Trademark Trial and Appeal Board had difficulty making up its mind, holding in one case that “a party must prove more than confusing similarity; it must show that the marks are ‘identical or very substantially similar,’”<sup>18</sup> but concluding in another that “an important question in a dilution case is whether the two involved marks are sufficiently similar to trigger consumers to conjure up a famous mark when confronted with the second mark.”<sup>19</sup> Applications of state dilution laws produced a similar split, as the Eighth Circuit held that the Missouri dilution statute<sup>20</sup> required mark identity,<sup>21</sup> but two federal district courts held that the Texas statute<sup>22</sup> did not.<sup>23</sup>

The First Amendment made appearances in a number of reported opinions, with varying degrees of influence. On the one hand, both the Sixth Circuit and the Seventh Circuit were unsympathetic to invocations of free-speech principles in disputes in which breakaway members of faiths were accused of infringement<sup>24</sup> and contempt,<sup>25</sup> respectively; for whatever reason, claims to First Amendment protection also fell short in infringement and right-of-publicity actions brought by performing

---

15. Pub. L. No. 109-312, 120 Stat. 1730 (codified as amended in scattered sections of 15 U.S.C.).

16. *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158, 1166 (9th Cir. 2011).

17. *Id.*

18. *Coach Servs., Inc. v. Triumph Learning LLC*, 96 U.S.P.Q.2d 1600, 1613 (T.T.A.B. 2010) (quoting *Carefirst of Md., Inc. v. FirstHealth of the Carolinas Inc.*, 77 U.S.P.Q.2d 1492, 1514 (T.T.A.B. 2005)).

19. *Nat'l Pork Bd. v. Supreme Lobster & Seafood Co.*, 96 U.S.P.Q.2d 1479, 1497 (T.T.A.B. 2010).

20. Mo. Rev. Stat. § 417.061(1) (1995).

21. *See Sensient Techs. Corp. v. SensoryEffects Flavor Co.*, 613 F.3d 754 (8th Cir. 2010), *cert. denied*, 131 S. Ct. 1603 (2011).

22. Tex. Bus. & Com. Code Ann. § 16.29 (2007).

23. *See Cottonwood Fin. Ltd. v. Cash Store Fin. Servs., Inc.*, 778 F. Supp. 2d 726, 750 (N.D. Tex. 2011); *Santander Consumer USA Inc. v. Walsh*, 762 F. Supp. 2d 217, 231 (D. Mass. 2010).

24. *See Gen. Conference Corp. of Seventh-day Adventists v. McGill*, 617 F.3d 402 (6th Cir. 2010).

25. *See Nat'l Spiritual Assembly of the Bahá'ís of the United States of Am. Under the Hereditary Guardianship, Inc. v. Nat'l Spiritual Assembly of the Bahá'ís of the United States of Am., Inc.*, 628 F.3d 837, 846 (7th Cir. 2010).

groups.<sup>26</sup> On the other hand, however, a number of challenged uses occurring in, or as the title of, artistic works passed constitutional muster,<sup>27</sup> and one court invoked the First Amendment as a basis for quashing a subpoena intended to discover the identity of an anonymous operator of a website dedicated to criticizing the party seeking to enforce the subpoena.<sup>28</sup>

The Board continued its post-*In re Bose*<sup>29</sup> tendency to reject claims of fraud on the USPTO,<sup>30</sup> and, indeed, it held that general averments of fraudulent procurement based only “on information and belief” properly be dismissed for failure to state a claim.<sup>31</sup> A number of courts followed the Board’s lead, either dismissing allegations of fraud at the pleadings stage<sup>32</sup> or on the merits,<sup>33</sup> with one in particular holding that the employment by an intent-to-use applicant of the maximum five extensions of time in which to aver the actual use of its mark was not evidence of fraud.<sup>34</sup> More ominously, however, the Eighth Circuit affirmed a jury finding of fraudulent procurement based in part on expert witness testimony that “a reasonable examiner would consider [allegedly undisclosed information] important in deciding whether to allow the registration”;<sup>35</sup> that standard, of course, tracks the now-discredited test for materiality in inequitable conduct inquiries far more closely than it does the “but-for” materiality requirement traditionally applicable in fraudulent procurement disputes.<sup>36</sup>

In any case, if the Board was in a forgiving mood where fraud was concerned, it was nothing of the sort on the issue of

26. See *Rebelution, LLC v. Perez*, 732 F. Supp. 2d 883 (N.D. Cal. 2010); *No Doubt v. Activision Publ’g, Inc.*, 122 Cal. Rptr. 3d 397 (Ct. App. 2011).

27. See *Best v. Berard*, 776 F. Supp. 2d 752 (N.D. Ill. 2011); *Esch v. Universal Pictures Co.*, 97 U.S.P.Q.2d 1237 (N.D. Ala. 2010); *Aronson v. Dog Eat Dog Films, Inc.*, 738 F. Supp. 2d 1104 (W.D. Wash. 2010).

28. See *Salehoo Grp. v. ABC Co.*, 722 F. Supp. 2d 1210 (W.D. Wash. 2010).

29. *In re Bose Corp.*, 580 F.3d 1240 (Fed. Cir. 2009).

30. See, e.g., *M.C.I. Foods, Inc. v. Bunte*, 96 U.S.P.Q.2d 1544 (T.T.A.B. 2010).

31. See *Meckatzer Löwenbräu Benedikt Weiß KG v. White Gold, LLC*, 95 U.S.P.Q.2d 1185 (T.T.A.B. 2010).

32. See *Bauer Bros. v. Nike Inc.*, 98 U.S.P.Q.2d 1160 (S.D. Cal. 2011); *Scooter Store, Inc. v. SpinLife.com, LLC*, 777 F. Supp. 2d 1102 (S.D. Ohio 2011).

33. See *Alliance Bank v. New Century Bank*, 742 F. Supp. 2d 532 (E.D. Pa. 2010).

34. See *Spin Master, Ltd. v. Zobmondo!! Entm’t LLC*, 778 F. Supp. 2d 1052 (C.D. Cal. 2011).

35. See *Fair Isaac Corp. v. Experian Info. Solutions, Inc.*, 650 F.3d 1139, 1149-50 (8th Cir. 2011).

36. See *Therasense, Inc. v. Becton, Dickinson & Co.*, 649 F.3d 1276, 1291 (Fed. Cir. 2011) (en banc) (“[A]s a general matter, the materiality required to establish inequitable conduct is but-for materiality.”); see also *Modern Fence Techs., Inc. v. Qualipac Home Improvement Corp.*, 726 F. Supp. 2d 975, 991 (E.D. Wis. 2010) (denying defense motion for summary judgment on ground that “it is not clear . . . that, but for the misrepresentation regarding advertising, the federal registrations would not or should not have issued”).

undocumented averments by applicants of a bona fide intent to use their marks in connection with the goods and services recited in their applications. In two separate precedential opinions, the Board emphasized that the inquiry into an applicant's bona fide intent is an objective, rather than a subjective, one.<sup>37</sup> The Board's explanation in one of those opinions of how that inquiry should be undertaken is worth reproduction at length for the benefit of intent-to-use applicants who might not think the issue through carefully:

[A]pplicant's mere statement that it intends to use the mark, and its denial that it lacked a bona fide intent, do not establish . . . that it had a bona fide intent to use the mark in commerce when it filed the involved application. Evidence bearing on bona fide intent is "objective" in the sense that it is evidence in the form of real life facts and by the actions of the applicant, not solely by applicant's uncorroborated testimony as to its subjective state of mind. That is to say, Congress did not intend the issue to be resolved simply by an officer of applicant later testifying, "Yes, indeed, at the time we filed that application, I did truly intend to use the mark at some time in the future."<sup>38</sup>

As the Board explained in the other opinion, this means that the challenger to an intent-to-use application (or, presumably, a registration that has matured from it) can satisfy its *prima facie* case merely by pointing out the absence of documentary evidence of the applicant's intent predating the applicant's filing date, at which point the burden shifts to the applicant to rebut the challenger's case.<sup>39</sup>

Finally, the rules of evidence more often than not lack glamour, but a failure to comply with them can have real consequences for trademark plaintiffs seeking to avail themselves of the evidentiary presumptions attaching to their registrations. For example, having neglected to introduce one of its two registrations into evidence and to document the incontestable status of the other until the parties had filed cross-motions for summary judgment, one registrant struck out in its attempt to have the Ninth Circuit consider its belated showings on those issues on appeal.<sup>40</sup> Another putative owner of an incontestable registration was similarly disadvantaged after the court hearing its preliminary injunction motion found that it had presented "no

---

37. See *SmithKline Beecham Corp. v. Omnisource DDS, LLC*, 97 U.S.P.Q.2d 1300 (T.T.A.B. 2010); *Saul Zaentz Co. v. Bumb*, 95 U.S.P.Q.2d 1723 (T.T.A.B. 2010).

38. *SmithKline Beecham*, 97 U.S.P.Q.2d at 1305.

39. See *Saul Zaentz Co.*, 95 U.S.P.Q.2d at 1729.

40. See *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958 (9th Cir. 2011).

evidence of its compliance with the statutory formalities required for incontestability.”<sup>41</sup> And even the Board’s general patience with pro se litigants ran out when confronted with an opposer whose proof of its registrations was limited to the identification of them in the ESTTA filing form.<sup>42</sup> The message should be clear: It is not enough to plead registrations if they ultimately are not introduced into the record.

## PART I. LIKELIHOOD OF CONFUSION

*By John L. Welch\**

### *A. Likelihood of Confusion Found*

#### *Texas Department of Transportation v. Tucker*

The Trademark Trial and Appeal Board (the TTAB, or the Board) does not often enter summary judgment on the issue of likelihood of confusion under Section 2(d) of the Lanham Act.<sup>43</sup> But in this consolidated opposition and cancellation proceeding involving two entities owning registrations for the mark DON’T MESS WITH TEXAS for various clothing items, it granted the summary judgment motion of the plaintiff, the Texas Department of Transportation (“TxDOT”).<sup>44</sup> TxDOT proved (and the defendant, Tucker, admitted) that TxDOT had priority of use, and TxDOT easily fended off Tucker’s feeble arguments regarding the lack of “significant” evidence as to TxDOT’s interstate use and the *de minimis* nature of its actual confusion evidence.

TxDOT owned four registrations and a pending application for the subject mark; Tucker owned a registration and a pending application. TxDOT opposed Tucker’s application and petitioned to cancel his registration. The Board pointed out that the issue of priority was different in the two proceedings: “In the opposition, the issue of priority has been removed by virtue of TxDOT’s

---

41. See *Sound Surgical Techs., LLC v. Leonard A. Rubenstein, M.D., P.A.*, 734 F. Supp. 2d 1262, 1269 n.14 (M.D. Fla. 2010).

42. See *Melwani v. Allegiance Corp.*, 97 U.S.P.Q.2d 1537 (T.T.A.B. 2010).

\* Author of Parts I, II, and III of this volume. Of counsel, Lando & Anastasi, LLP, Cambridge, Massachusetts. The author wishes to thank Ian S. Mullet and Nathan T. Harris for their invaluable assistance in preparing this manuscript.

In the interest of full disclosure, the author notes that he and his firm have participated to a minor extent in *Amazon Techs, Inc. v. Wax*, 95 U.S.P.Q.2d 1865 (T.T.A.B. 2010), referenced in this volume.

43. 15 U.S.C. § 1052(d).

44. *Texas Dep’t of Transp. v. Tucker*, 95 U.S.P.Q.2d 1241 (T.T.A.B. 2010).

submission of status and title copies of its pleaded registrations.”<sup>45</sup> By contrast, “in the cancellation proceeding, priority is in issue.”<sup>46</sup> Although Tucker admitted that TxDOT had prior use of its mark, he attacked the nature of that use, arguing that the plaintiff did not have “significant prior use” outside of Texas. The Board pointed out, however, that prior significant use *within* Texas was sufficient for priority purposes. Tucker then lamely argued that TxDOT’s evidence of actual confusion was *de minimis*. The Board agreed that the evidence might not “conclusively establish actual confusion,”<sup>47</sup> but, as we all know, evidence of actual confusion is not necessary for a finding of likelihood of confusion.

*Anthony’s Pizza & Pasta International, Inc. v.  
Anthony’s Pizza Holding Co.*

Sustaining a Section 2(d) opposition and granting a petition for cancellation, the Board found the defendant’s mark, ANTHONY’S COAL-FIRED PIZZA, in standard character and design form, for “restaurant services, namely, eat-in and take-out coal oven pizza and other items” [COAL-FIRED PIZZA disclaimed] likely to cause confusion with the registered mark ANTHONY’S PIZZA & PASTA for restaurant services [PIZZA & PASTA disclaimed].<sup>48</sup> The defendant principally argued that because “Anthony’s” was an extremely weak formative, consumers would look to other portions of the marks to distinguish them. The defendant’s testimony, third-party registrations, and telephone listings led the Board to acknowledge that the name “Anthony’s” had often been used for restaurant services, in particular for Italian restaurant and pizzerias. Therefore, the evidence corroborated the testimony that “Anthony’s” suggested “an Italian restaurant or even a New York style Italian restaurant,” and as a consequence the plaintiff’s mark should be given “a restricted scope of protection.”<sup>49</sup> Nonetheless, the Board concluded that consumers would focus on the name “Anthony’s” in the two involved marks, and the remaining words were “not sufficient to

---

45. See *King Candy Co. v. Eunice King’s Kitchen, Inc.*, 496 F.2d 1400, 182 U.S.P.Q. 108, 110 (C.C.P.A. 1974) (explaining that Section 2(d) of the Lanham Act requires consideration of an opposer’s registration, regardless of whether the opposer is the prior user).

46. *Tucker*, 95 U.S.P.Q.2d at 1244; see *Brewski Beer Co. v. Brewski Bros. Inc.*, 47 U.S.P.Q.2d 1281, 1283-84 (T.T.A.B. 1998) (In a cancellation proceeding where both parties have registrations, each may rely on the filing date of the application resulting in its registration, but the evidence of record otherwise determines priority).

47. *Tucker*, 95 U.S.P.Q.2d at 1245.

48. *Anthony’s Pizza & Pasta Int’l, Inc. v. Anthony’s Pizza Holding Co.*, 95 U.S.P.Q.2d 1271 (T.T.A.B. 2009), *aff’d per curiam*, Appeal No. 2010-1191 (Fed. Cir. Nov. 18, 2010).

49. *Id.* at 1278.

distinguish defendant's mark from plaintiff's mark."<sup>50</sup> Thus despite the demonstrated weakness of "Anthony's" as a formative, the Board concluded that the other slices of the *du Pont*<sup>51</sup> likelihood-of-confusion pie outweighed the weakness wedge.

*In re Iolo Technologies, LLC*

In this run-of-the-mine decision, the Board affirmed a Section 2(d) refusal to register the mark ACTIVECARE for "software, namely, a software feature that automatically analyzes and repairs or optimizes performance settings for personal computers, sold as a component of personal computer performance and maintenance utility software." The Board found the mark likely to cause confusion with the registered mark ACTIVE CARE for technical support services, namely, "troubleshooting of electronic communications computer hardware and software problems by telephone, by e-mail, by fax and on-site; installation, maintenance and updating of electronic communications computer software" [CARE disclaimed].<sup>52</sup> The applicant did not dispute that the marks were substantially identical. The Board noted that there was no *per se* rule that computer-related goods and services are related, but it found that "based on the identifications themselves," the applicant offered a product that was "complementary in function and purpose to the software installation, maintenance and updating services offered by registrant."<sup>53</sup> The Examining Attorney provided third-party registrations covering goods and services of the type listed in both the application and the cited registration, and she also submitted evidence from several websites to show that the involved goods and services were advertised to consumers under the same mark. The applicant pressed the consumer sophistication factor but offered no evidence in support. In any case, as Board precedent dictates, "even sophisticated buyers are not immune from source confusion where, as here, the marks are substantially identical."<sup>54</sup>

---

50. *Id.* at 1280.

51. *In re E.I. du Pont de Nemour & Co.*, 177 U.S.P.Q. 563, 567 (C.C.P.A. 1973). The *du Pont* case sets forth the principal factors to be considered in determining likelihood of confusion.

52. *In re Iolo Techs., LLC*, 95 U.S.P.Q.2d 1498 (T.T.A.B. 2010).

53. *Id.* at 1500.

54. *Id.* at 1501; *see* *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 U.S.P.Q.2d 1842, 1846 (Fed. Cir. 2000) (alleged sophistication of golfers outweighed by strong similarity of involved marks and goods).



*M.C.I. Foods, Inc. v. Brady Bunte*

Although this decision is notable for its ruling on fraud, discussed below,<sup>55</sup> it also included a finding of likelihood of confusion, the Board granting MCI's petition for cancellation of Bunte's registration for the mark CABO CHIPS for corn chips [CHIPS disclaimed].<sup>56</sup> MCI alleged a likelihood of confusion with its registered marks CABO PRIMO & Design, LOS CABOS & Design, and CABO CLASSICS, for various Mexican food products. The Board found the word CABO to be the dominant portion of three of the four involved marks, and as to the fourth, LOS CABOS, it found the word CABOS to be highlighted by the word LOS. It concluded that the CABO CHIPS mark was "similar to all three of MCI's marks in terms of appearance, sound, meaning and commercial impression."<sup>57</sup> As to the goods, the Board noted that MCI's Mexican foods and Bunte's corn chips were complementary products. According to the Board, "when [such products are] sold under similar marks, consumers are likely to mistakenly believe that they [*the products not the consumers - ed.*] emanate from the same source."<sup>58</sup> Because the involved registrations were unrestricted as to channels of trade, the Board presumed that the goods moved in the same channels and were sold to the same classes of consumers. As to the care with which the goods would be purchased, three of the four involved marks were for ordinary consumer products that might be purchased on impulse and without much care or deliberation. As to the fourth mark, although the goods of the LOS CABOS registration were sold in bulk to distributors for sale to institutional purchasers, there was no evidence as to the degree of care exercised by these purchasers. Therefore, this factor was neutral as to the LOS CABOS mark. Balancing the *du Pont* factors, the Board found confusion likely and granted the petition for cancellation of the CABO CHIPS registration.

*Mag Instrument, Inc. v. Brinkmann Corp.*

The Board resolved cross-oppositions involving likelihood of confusion between certain word marks owned by competing flashlight manufacturers.<sup>59</sup> In the first, Mag Instrument opposed Brinkmann's application to register the mark MAGNUM

---

55. See Part III.A.1, *infra*.

56. *M.C.I. Foods, Inc. v. Bunte*, 96 U.S.P.Q.2d 1544 (T.T.A.B. 2010).

57. *Id.* at 1552.

58. *Id.*

59. *Mag Instrument, Inc. v. Brinkmann Corp.*, 96 U.S.P.Q.2d 1701 (T.T.A.B. 2010), *aff'd per curiam without opinion*, Appeal Nos. 2011-1052, 1053 (Fed. Cir. Nov. 9, 2011). A third opposition, involving functionality, is discussed below in Part III.A.4.

MAXFIRE for “hand-held portable lights, namely flashlights and spotlights,” alleging likelihood of confusion with Mag’s registered mark MAG-NUM STAR for flashlight bulbs. The Board began by rejecting, as usual, Brinkmann’s *Morehouse* defense.<sup>60</sup> Brinkmann pointed to its prior registration of MAGNUM MAX for “hand-held electric spotlights,” but the Board found that mark not to be substantially identical to the applied-for mark MAGNUM MAXFIRE, and found the goods not to be substantially the same, as required for invocation of *Morehouse*. Turning to the *du Pont* analysis, the Board found the dominant element of each mark to be MAGNUM and therefore found the marks to be “highly similar in appearance, sound and connotation,” and “the similarities in the overall commercial impression engendered by the marks as a whole” to “greatly outweigh the differences.”<sup>61</sup> As to the goods, the Board found them to be complementary and related. Brinkmann pointed to its twenty-five years of use of MAGNUM MAX without any incident of actual confusion, but the Board refused to extrapolate this lack of actual confusion regarding MAGNUM MAX for spotlights to the MAGNUM MAXFIRE mark for flashlights. And so the Board found confusion likely and sustained this opposition.

In the second opposition, Brinkmann challenged Mag’s application to register the mark MAG STAR for flashlights and flashlight accessories in view of the registered mark MAXSTAR for “electric lanterns.” Mag trotted out a “family of marks” argument in defense, contending that, because of the alleged fame of the “MAG” family of marks, consumers would understand that its products came from Mag. The Board, however, pointed out once again that the family-of-marks doctrine is not available as a defense in an *inter partes* proceeding.<sup>62</sup> The Board sustained the opposition, finding the marks “very similar” and the goods related.

*Productos Lacteos Tocumbo S.A. de C.V. v.  
Paleteria La Michoacana, Inc.*

After devouring several flavorful evidentiary and procedural issues, discussed below,<sup>63</sup> the Board turned its attention to the rather flavorless Section 2(d) issues. It granted this petition for

60. See *Morehouse Mfg. Corp. v. J. Strickland & Co.*, 407 F.2d 881, 160 U.S.P.Q. 715, 717 (C.C.P.A. 1969) (no injury from registration of BLUE MAGIC for pressing oil when applicant owned prior registration for BLUE MAGIC for hair dressing and “while there are trifling differences [between the marks] it takes careful inspection to detect them and the record showed the products sold under the two marks were ‘one and the same’”).

61. 96 U.S.P.Q.2d at 1713.

62. See, e.g., *Baroid Drilling Fluids Inc. v. Sun Drilling Prods.*, 24 U.S.P.Q.2d 1048 (T.T.A.B. 1992).

63. See Parts III.A.14.a and III.A.14.e(6), *infra*.

cancellation of a registration for the mark LA INDITA MICHOACANA & Design (illustrated below) for “ice cream and fruit products, namely fruit bars,” on the ground of likelihood of confusion with the petitioner’s marks LA MICHOACANA, LA MICHOACANA NATURAL, and LA MICHOACANA NATURAL & Design, and its “Indian girl” design, registered and/or used for the same goods.<sup>64</sup> The Board found the “Indian girl” portion of the respondent’s mark to be “remarkably similar” to the petitioner’s design and found that as to the word marks, LA INDITA MICHOACANA meant “the Indian girl or woman from Michoacan.” There was no evidence that “Michoacana” had any meaning in the United States *vis-a-vis* ice cream. The respondent pointed to the lack of proof of actual confusion, but the Board observed that such lack of evidence was meaningful only if there had been an appreciable opportunity for confusion. Here the marks of the respective parties were used in discrete geographical regions, and so the lack of actual confusion evidence was not probative. The Board concluded that the respondent’s mark was similar to the petitioner’s aforementioned marks. Finally, the petitioner had pleaded another mark, LA FLOR DE MICHOACAN & Design, but the Board found that the differences between that mark and the respondent’s mark outweighed any similarities.



*Rocket Trademarks Pty Ltd. v. Phard S.p.A.*

Third-party registrations and website evidence helped convince the Board that the term “ZU” in the applicant’s stylized mark ZU ELEMENTS would suffice to distinguish the mark over the registered mark ELEMENT for overlapping clothing items and

---

64. *Productos Lacteos Tocumbo S.A. de C.V. v. Paeteria La Michoacana, Inc.*, 98 U.S.P.Q.2d 1921 (T.T.A.B. 2011).

bags.<sup>65</sup> The Board found this case “akin to” *Knight Textile Corp. v. Jones Investment Co.*,<sup>66</sup> where it deemed the mark NORTON MCNAUGHTON ESSENTIALS to be registrable over ESSENTIALS for identical clothing items because the shared term was “highly suggestive as applied to the parties’ [clothing].”<sup>67</sup> The applicant submitted numerous third-party registrations as well as evidence of third-party use of marks incorporating the word “elements” for clothing. The Board found that, although these registrations were not evidence of use of the marks, they did indicate that the term ELEMENTS had some significance in the clothing industry, as in “essential” clothing items or the “fundamentals” of one’s wardrobe.

*Hunt Control Systems, Inc. v.  
Koninklijke Philips Electronics N.V.*

After an extensive analysis of the meanings of the marks, the Board sustained this opposition to Philips’ application to register the mark SENSE AND SIMPLICITY for “electrical light dimmers, electrical circuit boards, printed circuit boards, electrical circuits for electrical conduction, printed circuits, electrical and controllers,” in light of Opposer Hunt’s mark SIMPLICITY for “electrical light dimmers and lighting control panels.”<sup>68</sup> Philips conceded that Hunt had prior common law rights in its mark. The Board found the involved goods to be, in part, legally identical and presumed therefore that they traveled through the same trade channels to the same classes of purchasers. As to the sophistication of purchasers, the goods included items bought by individual homeowners at the retail store level, and those purchasers would exercise only an ordinary amount of care. As to the marks, the Board noted that the proposed mark, SENSE AND SIMPLICITY, incorporated Hunt’s previously used and registered mark, SIMPLICITY, “in its entirety.”<sup>69</sup>

Philips contended that SIMPLICITY was “highly suggestive, laudatory, and weak” and thus was “only entitled to a narrow scope of protection.”<sup>70</sup> The Board agreed that the numerous registrations for marks containing SIMPLICITY or SIMPLE, and the parties’ own use of the word “simple,” weakened the scope of protection for Hunt’s mark. However, this suggestiveness was not

65. *Rocket Trademarks Pty Ltd. v. Phard S.p.A.*, 98 U.S.P.Q.2d 1066 (T.T.A.B. 2011).

66. *Knight Textile Corp. v. Jones Investment Co.*, 75 U.S.P.Q.2d 1313 (T.T.A.B. 2005).

67. *Id.* at 1315.

68. *Hunt Control Sys., Inc. v. Koninklijke Philips Elecs. N.V.*, 98 U.S.P.Q.2d 1558 (T.T.A.B. 2011).

69. *Id.* at 1566.

70. *Id.*

fatal to Hunt's opposition because "even weak marks are entitled to protection against confusion."<sup>71</sup> Philips further contended that the word SENSE was the dominant portion of its mark, because it appeared first and was "ambiguous" in meaning. The Board, however, did not find any ambiguity, concluding that consumers would understand the word "sense" as suggesting that the products were practical and "ma[d]e sense." Given the suggestiveness of the terms "simplicity" and "sense," the overall commercial impressions or connotations created by the marks are similar. Finally, the Board rejected Philips' suggestion that SENSE AND SIMPLICITY was a unitary mark, finding no altered connotation arising out of the combination of the two words. And so the Board found that this first *du Pont* factor favored Hunt. Concluding that confusion was likely, and resolving any doubts against Philips, the Board sustained the opposition.

*In re Kysela Pere et Fils, Ltd.*

In case after case, the Board has found various alcoholic beverages to be related for purposes of its Section 2(d) *du Pont* analysis. Typically, third-party registrations and website evidence will convince the Board that consumers are accustomed to seeing different alcoholic beverages, for example, beer and wine, emanate from the same source under the same mark. That's what happened here.<sup>72</sup> Despite the applicant's spirited argument, the Board deemed wine and beer to be related goods and so it affirmed a Section 2(d) refusal to register the mark HB for wine, finding it confusingly similar to two registered design marks (shown below) for beer.



The Board was, not surprisingly, unimpressed by the applicant's attempt to distinguish the marks based on the registrant's history as the royal brewhouse of Bavaria, Germany, in the 16th century, and it brushed aside the argument that the registered marks could be read as "I-B" with the observation that many would view the letters as "HB." Furthermore, because the

---

71. *Id.* at 1567; see *King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 U.S.P.Q. 108, 109 (C.C.P.A. 1974) ("likelihood of confusion is to be avoided, as much between 'weak' marks as between 'strong' marks, or as between a 'weak' and 'strong' mark.").

72. *In re Kysela Pere et Fils, Ltd.*, 98 U.S.P.Q.2d 1261 (T.T.A.B. 2011).

applicant's mark was in standard character form, a registration would provide protection for the applicant's use of HB with a shared vertical element. In sum, because the letter combination "HB" dominated the registered marks, the Board concluded that the involved marks were similar in overall appearance.

As to the relatedness of the goods, the Examining Attorney submitted a substantial number of third-party registrations (about twenty being probative) showing that various entities had registered a single mark for both beer and wine. The applicant sharpened its pencil and argued that there were thousands of applications and registrations that included only beer or wine in their identification of goods, and so the handful of registrations submitted by the United States Patent and Trademark Office (USPTO) constituted "a negligible percentage (.00025-.00053)," <sup>73</sup> insufficient to establish a relationship between the goods.

Again, the Board was not persuaded. First, it criticized the applicant's methodology and its failure to provide complete information regarding the USPTO records. Second, it pointed out that there was no requirement that the Examining Attorney submit all registrations listing beer and wine. It concluded that this third-party registration evidence sufficed to establish the relatedness of the goods. Website evidence showing that various companies made and sold both wine and beer bolstered that conclusion.

Although the USPTO and the applicant argued over whether wine was within the natural zone of expansion of the registrant, the Board pointed out that this doctrine was "more appropriate to *inter partes* cases." <sup>74</sup> In the context of an *ex parte* proceeding, "the analysis should be whether consumers are likely to believe that the services emanate from a single source, rather than whether the owner of the cited registration has or is likely to expand its particular business to include the goods of applicant." <sup>75</sup>

Observing that the goods would be sold in the same trade channels to the same classes of consumers, who were not particularly sophisticated, the Board affirmed the Section 2(d) refusal to register.

---

73. *Id.* at 1264.

74. *Id.* at 1266.

75. *Id.*

### ***B. Likelihood of Confusion Not Found***

#### *Citigroup, Inc. v. Capital City Bank Group, Inc.*

The Federal Circuit affirmed the Board's decision in *Citigroup Inc. v. Capital City Bank Group, Inc.*,<sup>76</sup> ruling that the Board had properly applied the *du Pont* factors in dismissing Citibank's Section 2(d) opposition to registration of four standard character marks that include the phrase CAPITAL CITY BANK.<sup>77</sup> Citibank dropped its dilution claim on appeal, and instead focused on the two *du Pont* factors that the Board decided in Capital City Bank's favor: the dissimilarity of the marks and the lack of actual confusion.

The appellate court ruled that substantial evidence supported the Board's factual finding that the CAPITAL CITY BANK marks and the mark CITIBANK were "dissimilar in appearance, sound, connotation, and commercial impression."<sup>78</sup> The court did, however, conclude that the Board erred in its view that only "reasonable" manners of depicting a standard character mark were to be considered.

Neither *Phillips* nor any other opinion of the United States Court of Customs and Patent Appeals, our predecessor court, or this court has endorsed the T.T.A.B.'s "reasonable manner" limitation of variations evaluated in the *DuPont* analysis.

....

The T.T.A.B.'s "reasonable manner" standard limits the range of marks considered in the *DuPont* analysis. . . . The T.T.A.B. should not first determine whether certain depictions are "reasonable" and then apply the *DuPont* analysis to only a subset of variations of a standard character mark. The T.T.A.B. should simply use the *DuPont* factors to determine the likelihood of confusion between depictions of standard character marks that vary in font style, size, and color and the other mark. As explained in *Phillips*, illustrations of the mark as actually used may assist the T.T.A.B. in visualizing other forms in which the mark might appear.<sup>79</sup>

As to the lack of actual confusion evidence, the court concluded that substantial evidence supported the Board's factual finding. Citigroup argued that the lack of actual confusion was not significant, because Capital City Bank had "not used all of the

---

76. *Citigroup Inc. v. Capital City Bank Grp, Inc.*, 94 U.S.P.Q.2d 1645 (T.T.A.B. 2010) (discussed in the 63rd United States Annual Review, 101 TMR 340-41 (2011)).

77. *Citigroup, Inc. v. Capital City Bank Grp., Inc.*, 637 F.3d 1344, 98 U.S.P.Q.2d 1253 (Fed. Cir. 2011).

78. *Id.* at 1259.

79. *Id.* at 1258-59.

potential variations of the standard character mark.”<sup>80</sup> The court was not persuaded: “Although the most potentially confusing form of CCB’s marks, that is, a version deemphasizing ‘Capital’ and emphasizing ‘City Bank,’ has not yet been used, the critical words are all in use and there is no evidence of actual confusion.”<sup>81</sup> However, the Federal Circuit also noted that the actual confusion factor was of “limited probative value in this case.”<sup>82</sup>

Finally, the Federal Circuit agreed with the Board’s legal conclusion of no likelihood of confusion.

*In re HerbalScience Group, LLC*

The Board reversed a Section 2(d) refusal to register the mark MINDPOWER for botanical extracts for use in the manufacture of various products, including nutraceuticals, finding it not likely to cause confusion with the registered mark MIND POWER RX for “dietary and nutritional supplements.”<sup>83</sup> Third-party registration evidence demonstrated that many entities had adopted a single mark for the involved goods, but the applicant successfully argued that the trade channels and classes of customers for the goods did not overlap because the purchasers of dietary and nutritional supplements would never encounter the applicant’s goods. The applicant’s botanical extracts are sold to manufacturers of medicinal, pharmaceutical, herbal, and food products, while registrant’s goods would be found in drug stores and health food stores. The Board observed that there were no limitations as to trade channels in the involved application and registration and therefore the goods must be presumed to travel in the normal channels of trade for those goods. But there was nothing in the record to show that dietary and nutritional supplements were sold to the manufacturers that would purchase the applicant’s goods. Moreover, the buyers of the applicant’s goods would be knowledgeable and careful purchasers. Although the Board agreed with the Examining Attorney (and the applicant) that the registrant’s products might be purchased by ordinary consumers on impulse, those consumers would be unaware of the applicant’s goods and mark, and therefore confusion as to source would not be likely.

---

80. *Id.* at 1260.

81. *Id.*

82. *Id.* at 1261.

83. *In re HerbalScience Grp., LLC*, 96 U.S.P.Q.2d 1321 (T.T.A.B. 2010).



*Coach Services, Inc. v. Triumph Learning LLC*

The Board dismissed this three-pronged opposition brought by the owner of the registered mark COACH for leather goods and various other consumer items.<sup>84</sup> The opposer contended that Applicant Triumph's mark COACH for educational test preparation materials would be likely to cause confusion with, or dilution of, the opposer's COACH mark.<sup>85</sup> Thirdly, the opposer claimed that Triumph's mark COACH was merely descriptive of Triumph's goods.<sup>86</sup>

The Board found the opposer's mark COACH to be famous for purposes of the likelihood of confusion analysis, based in part on annual sales of \$3.5 billion and advertising expenditures of \$10 to \$60 million per year. However, fame proved not to be enough for victory. The Board found the involved goods to be dissimilar and unrelated, and the channels of trade to be distinct. Most importantly, the Board found that the marks created different connotations and commercial impressions. The opposer's COACH mark, when used in connection with fashion accessories, was either arbitrary or suggestive of travel accommodations, such as by stagecoach, train, or motor coach, thereby engendering the commercial impression of a traveling bag. The applicant's COACH mark, on the other hand, called to mind a tutor who prepares a student for an examination. Balancing the relevant *du Pont* factors, the Board found confusion unlikely, and it dismissed the 2(d) claim.

*In re Giovanni Food Co.*

The Board reversed a Section 2(d) refusal to register the mark JUMPIN' JACKS for barbecue sauce in view of the registered mark JUMPIN JACK'S for catering services.<sup>87</sup> In an extension of existing precedent, it ruled that the USPTO had failed to provide the "something more" required by *Jacobs v. International Multifoods Corp.*,<sup>88</sup> to show that food items were related to catering services. The applicant did not contest that the marks were "similar." The real question was whether barbecue sauce and catering services are sufficiently related that confusion of source was likely. The Board noted for the umpteenth time that there is no *per se* rule that restaurant services and food products are

---

84. *Coach Servs., Inc. v. Triumph Learning LLC*, 96 U.S.P.Q.2d 1600 (T.T.A.B. 2010).

85. The dilution issue is discussed in Part III.A.2, *infra*.

86. The mere descriptiveness issue is discussed in Part III.A.5, *infra*.

87. *In re Giovanni Food Co.*, 97 U.S.P.Q.2d 1990 (T.T.A.B. 2011).

88. *Jacobs v. Int'l Multifoods Corp.*, 212 U.S.P.Q. 641 (C.C.P.A. 1982).

related.<sup>89</sup> In order to establish such a likelihood of confusion, the USPTO had to “show *something more* than that similar or *even identical marks*” are used for food products and for restaurant services.”<sup>90</sup> The Board deemed it “appropriate” to apply the “something more” requirement to other services involving prepared foods, such as catering services.

The Examining Attorney relied on third-party registrations showing that a single mark had been registered for both “barbeque sauce” and “restaurant and catering services,” and on website printouts “showing that barbeque restaurant and catering services and barbeque sauce” were “offered under the same mark from a single source.”<sup>91</sup> The Board pointed out, however, that the proffered websites and all but one of the registrations involved restaurant and catering services specializing in barbecue. “The mere fact that some restaurants that specialize in barbecue also provide catering services and sell barbeque sauce is not sufficient to establish a relationship between catering services in general and barbeque sauce.[<sup>92</sup>] . . . There is no evidence that registrant’s catering services specialize in barbecue.”<sup>93</sup> Moreover, nothing in the record demonstrated that the cited mark was a “very unique, strong” term like the mark MUCKY DUCK in *In re Mucky Duck Mustard*.<sup>94</sup> In short, there was insufficient evidence to show that barbeque sauce and catering services were related.

## PART II. *EX PARTE* CASES

*By John L. Welch*

### A. United States Court of Appeals for the Federal Circuit

#### 1. Inherent Distinctiveness

*In re Chippendales USA, Inc.*

The U.S. Court of Appeals for the Federal Circuit affirmed the Board’s decision<sup>95</sup> holding that Chippendales’ “Cuffs & Collar”

89. See *Lloyd’s Food Prods., Inc. v. Eli’s, Inc.*, 987 F.2d 766, 25 U.S.P.Q.2d 2027 (Fed. Cir. 1993).

90. *In re Giovanni Food Co.*, 97 U.S.P.Q.2d at 1991 (quoting *Jacobs*, 212 U.S.P.Q.2d at 642) (emphasis added by T.T.A.B.).

91. *Id.* at 1991.

92. See *In re Coors Brewing Co.*, 68 U.S.P.Q.2d 1059, 1063 (Fed. Cir. 2003).

93. *In re Giovanni Food Co.*, 97 U.S.P.Q.2d at 1992.

94. *In re Mucky Duck Mustard*, 6 U.S.P.Q.2d 1467, 1469 (T.T.A.B. 1988) (MUCKY DUCK for mustard found confusingly similar to MUCKY DUCK for restaurant services).

95. *In re Chippendales USA, Inc.*, 90 U.S.P.Q.2d 1535 (T.T.A.B. 2009) (discussed in the 62nd United States Annual Review, 101 TMR 27-29 (2011)).

costume mark was not inherently distinctive for “adult entertainment services, namely exotic dancing for women.”<sup>96</sup> Applying the *Seabrook* test<sup>97</sup> for product packaging, the Federal Circuit agreed with the Board that the Chippendales’ mark was a mere variant or refinement of the well-known Playboy mark that combined cuffs and collar with bunny ears.

The court first considered whether Chippendales’ ownership of a Lanham Act Section 2(f)<sup>98</sup> registration for this same mark rendered the question moot. Chippendales urged that a registration issued without a Section 2(f) showing was a stronger and more readily enforceable registration. The court agreed, observing that, although Chippendales’ particular situation was unlikely to arise again, there would be “potential collateral consequences” flowing from the particular form of registration, and this would create a “viable controversy.”

Chippendales argued that inherent distinctiveness should be determined as of the time the mark is first used, while the USPTO asserted that it should be measured at the time of registration. The court agreed with the USPTO, concluding that it would be unfair for an applicant to benefit by delaying its application for registration in order to gain a more favorable date for measuring distinctiveness. Under such a scheme, an applicant could preempt intervening users, who may have relied on the fact that registration based on inherent distinctiveness had not been sought earlier.

According to the Federal Circuit, the Board erred in suggesting that any costume in the context of the adult entertainment industry would lack inherent distinctiveness, but the Board was correct in its ultimate conclusion: under the third *Seabrook* factor: the “Cuffs & Collar” mark constituted “a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods.”<sup>99</sup> The Board had found that the “Cuffs & Collar” mark was not inherently distinctive in light of the Playboy mark. Chippendales limply

---

96. *In re Chippendales USA, Inc.*, 622 F.3d 1346, 96 U.S.P.Q. 2d 1681 (Fed. Cir. 2010).

97. *Seabrook Foods, Inc. v. Bar-Well Foods, Ltd.*, 568 F.2d 1342, 196 U.S.P.Q. 289 (C.C.P.A. 1977). The Board had stated that under *Seabrook* it must consider the evidence related to the applicant’s “Cuffs & Collar” mark and determine:

1. whether the Cuffs & Collar Mark is a common basic shape or design; 2. whether the Cuffs & Collar Mark is unique or unusual in the particular field; 3. whether the Cuffs & Collar Mark is a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods or services viewed by the public as a dress or ornamentation for the goods or services; or 4. whether the Cuffs & Collar Mark is capable of creating a commercial impression distinct from any accompanying words.

*In re Chippendales*, 90 U.S.P.Q.2d at 1539.

98. 15 U.S.C. § 1052(f).

99. *Seabrook*, 568 F.2d at 1344.

argued that there were separate markets for male adult entertainment and female adult entertainment, and therefore the Playboy bunny suit was not relevant. The court, however, saw no reason to disturb the Board's finding that the relevant market was adult entertainment, not adult entertainment specifically for women.

Finally, Chippendales quixotically offered its own "better test" for inherent distinctiveness, maintaining that the Supreme Court's decision in *Wal-Mart*<sup>100</sup> was at odds with *Seabrook* and that *Seabrook* should therefore be overruled. The court, however, pointed out that the Supreme Court expressed no disagreement with *Seabrook* (although rejecting it as a test for product configuration marks). In any event, the Federal Circuit panel pointed out that it was bound by *Seabrook* and that only the court *en banc* could overturn it.

## ***B. Trademark Trial and Appeal Board***

### **1. Inherent Distinctiveness**

#### ***In re Chevron Intellectual Property Group LLC***

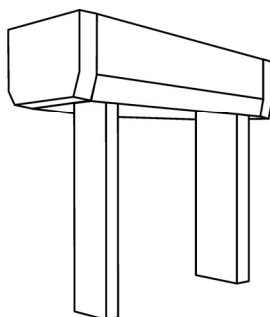
A punster might say that Chevron simply ran out of gas in its attempt to register the shape of its "pole spanner sign" (illustrated below) for "vehicle service station services and automobile maintenance and repair services."<sup>101</sup> The Board found that the design comprised non-distinctive trade dress that had not acquired distinctiveness. The Board again applied the C.C.P.A.'s *Seabrook*<sup>102</sup> test to determine whether Chevron's spanner design was inherently distinctive trade dress. Chevron argued that its three-dimensional, six-sided shape was distinctive and created a commercial impression separate from any other matter on the pole spanner. The Examining Attorney submitted photographs of pole spanner signs from other service stations, maintaining that Chevron's design was nothing more than a refinement of common and well-known pole spanner shapes. The Board agreed, finding that under the third and fourth *Seabrook* factors, the design was a mere refinement of a common form of ornamentation that does not create its own commercial impression. In short, it was not inherently distinctive.

---

100. *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 210-11 (2000).

101. *In re Chevron Intellectual Prop. Grp. LLC*, 96 U.S.P.Q.2d 2026 (T.T.A.B. 2010).

102. *Seabrook*, 568 F.2d at 1344.



## 2. Acquired Distinctiveness

### *In re Chevron Intellectual Property Group LLC*

Having failed on the inherent distinctiveness issue, Chevron claimed acquired distinctiveness in its pole spanner design, pointing out that it had used the design since 1988 at about 8,000 gas stations across the country, which were visited 467 to 667 million times between 2007 and 2008.<sup>103</sup> The Examining Attorney noted that, in the evidence of record, there was no mention made of the specific design features that Chevron claimed would be recognized by consumers. The Board observed that the amount of evidence necessary to establish acquired distinctiveness varies with the nature of the mark and its manner of usage.<sup>104</sup> Here, because the subject design was a mere refinement of a commonly used design, Chevron faced a relatively high hurdle for establishing acquired distinctiveness. Even assuming Chevron's stations were highly successful, the Board pointed out, success would not itself demonstrate that the spanner design was perceived as a source indicator. Chevron did not offer any "look for" advertisements promoting the design as a source indicator, nor any evidence to show that its customers viewed the design as a mark. And so the Board found that Chevron had failed to establish acquired distinctiveness under Section 2(f).

### *In re Thomas Nelson, Inc.*

Reversing a refusal to register the mark NKJV for bibles, the Board found that, in light of the applicant's long use, substantial

---

103. *In re Chevron Intellectual Prop. Grp. LLC*, 96 U.S.P.Q.2d 2026 (T.T.A.B. 2010).

104. *See, e.g., Yamaha Int'l Corp. v. Hoshino Gakki Co.*, 840 F.2d 1572, 6 U.S.P.Q.2d 1001, 1008 (Fed. Cir. 1988) (where the product design sought to be registered was common or ornamental, applicant has an "unusually heavy burden" to show acquired distinctiveness); *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 227 U.S.P.Q. 417, 424 (Fed. Cir. 1985) ("By their nature color marks carry a difficult burden in demonstrating distinctiveness and trademark character").

sales and advertising, and ownership of two incontestable registrations issued under Section 2(f) for marks that included the term NKJV, the mark had acquired distinctiveness.<sup>105</sup> The Board pointed out that, for NKJV to be merely descriptive of bibles, the evidence must show that (1) NKJV was an abbreviation for “New King James Version,” (2) “New King James Version” was merely descriptive of bibles, and (3) a relevant consumer viewing NKJV in connection with bibles would recognize it as an abbreviation of the term “New King James Version.” First, the Board concluded that NKJV was an abbreviation for New King James Version, based on *Acronymfinder.com* and other website evidence, and on the practice of using various acronyms or initials for various version of the Bible. Furthermore, the applicant’s own registered mark NKJV NEW KING JAMES VERSION suggested that NKJV was an acronym for NEW KING JAMES VERSION. Next, based on dictionary definitions and website evidence, the Board found that NEW KING JAMES VERSION was descriptive of a particular version of the Bible. Finally, the website evidence demonstrated that consumers would recognize NKJV as an abbreviation for “New King James Version.” In view of the applicant’s evidence of acquired distinctiveness and its two incontestable 2(f) registrations, the Board expressed its displeasure that this matter was not resolved without the need for an appeal, remarking that the Examining Attorney’s position that the mark lacked acquired distinctiveness appeared “illogical on its face.”<sup>106</sup>

### *In re Van Valkenburgh*

After finding this applicant’s design for a motorcycle stand to be unregistrable on the ground of functionality,<sup>107</sup> and emphasizing that a functional design is *ipso facto* unregistrable, the Board considered the alternative refusal based on lack of acquired distinctiveness.<sup>108</sup> Van Valkenburgh claimed 16 years of continuous and exclusive use of the design, and he submitted 14 declarations from consumers, 23 “consumer surveys,” and proof of intentional copying by infringers. Not good enough, said the Board: “First, applicant’s 16 years of use is substantial but not necessarily conclusive or persuasive considering that its mark is a product configuration.”<sup>109</sup> According to the Board, popularity or commercial

---

105. *In re Thomas Nelson, Inc.*, 97 U.S.P.Q.2d 1712 (T.T.A.B. 2011).

106. *Id.* at 1718.

107. *In re Van Valkenburgh*, 97 U.S.P.Q.2d 1757 (T.T.A.B. 2011); the functionality issue is discussed in Part II.B.8, *infra*.

108. Of course, under the Supreme Court decision in *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205 (2000), a product configuration can never be inherently distinctive.

109. *In re Van Valkenburgh*, 97 U.S.P.Q.2d at 1766; see *In re R.M. Smith, Inc.*, 734 F.2d 1482, 222 U.S.P.Q. 1, 3 (Fed. Cir. 1984) (eight years of use not sufficient evidence of

success of the product do not automatically demonstrate that consumers recognize the shape as a source indicator.

Van Valkenburgh declined to provide sales figures, citing confidentiality concerns; he also declined to offer information regarding advertising expenditures or market share. His “surveys” were questionnaires filled out by several people at motorcycle events, and the Board treated them as mere declarations: “To put the matter simply, that 16 people in the entire ‘Sportbike Motorcycle/Motorsports Industry’ through applicant’s 16 years of doing business, have come to recognize applicant’s product configuration as a trademark for motorcycle stands is not persuasive.”<sup>110</sup> Finally, the Board refused to accept the applicant’s evidence of copying as probative of acquired distinctiveness because “[w]here the proposed mark is a product design, the copier may be attempting to exploit a desirable product feature, rather than seeking to confuse customers as to the source of the product.”<sup>111</sup> And so the Board affirmed the alternative refusal.

### 3. Genericness

#### *In re Trek 2000 International Ltd.*

In a case whose outcome was surprising to more than a few, the Board reversed a refusal to register the mark THUMBDRIVE for portable electronic storage devices, ruling that the USPTO had failed to meet its burden to provide the required clear evidence to support its genericness refusal.<sup>112</sup> The record included both trademark and generic uses, as well as evidence of lack of competitor use, which, at a minimum, created doubt “sufficient to tip the balance in favor of registration.”<sup>113</sup>

The Board stepped back to view the policy behind genericness refusals: to prevent harm resulting from monopolization of a term that should be available to competitors. A finding of genericness is a “fateful step” that tosses the term into the public domain, a step not to be taken “until the trademark has gone so far toward becoming the exclusive descriptor of the product that sellers of

---

acquired distinctiveness for the configuration of pistol grip water nozzle for water nozzles); *In re ic! berlin brillen GmbH*, 85 U.S.P.Q.2d 2021, 2023-24 (T.T.A.B. 2008) (five years of use not sufficient to establish acquired distinctiveness for a configuration of an earpiece for sunglasses and spectacles); *In re Ennco Display Sys. Inc.*, 56 U.S.P.Q.2d 1279, 1286 (T.T.A.B. 2000) (applicant’s use of product designs ranging from 7 to 17 years insufficient to bestow acquired distinctiveness).

110. *In re Van Valkenburgh*, 97 U.S.P.Q.2d at 1768.

111. *Id.*

112. *In re Trek 2000 Int’l Ltd.*, 97 U.S.P.Q.2d 1106 (T.T.A.B. 2010).

113. *Id.* at 1114.

competing brands cannot compete effectively without using the name to designate the product they are selling.”<sup>114</sup>

The Examining Attorney relied on excerpts from various Internet websites showing that several retailers use the term “thumb drive” generically for portable data storage devices. Trek pointed to its ownership of a Supplemental Registration for THUMBDRIVE for various computer-related goods, including apparatus for storing data, arguing that the Examining Attorney had not met her evidentiary burden because the record raised doubt about whether the mark was generic.

Trek’s evidence showed that it coined the term THUMBDRIVE in 2000, that its sales exceeded \$4 million from 2002 through 2007, that it advertised and promoted the mark and authorized others to co-brand and sell USB storage devices bearing the mark, and that it policed the mark. It also submitted Internet pages showing media usage of THUMBDRIVE as a brand name, a Wikipedia entry referring to the term as a trademark, and “negative” dictionary evidence (i.e., evidence that the term does not appear in certain dictionaries).

The Board particularly noted the absence of generic use of the terms THUMBDRIVE or THUMB DRIVE by competitors during the applicant’s ten years of use of THUMBDRIVE. Instead, competitors call their devices “flash drives,” demonstrating the lack of a competitive need for the term “thumb drive.” “[W]here the record demonstrates both trademark and generic uses, evidence of the lack of competitor use, at a minimum, may create doubt sufficient to tip the balance in favor of registration.”<sup>115</sup> The Board found this case to be similar to *In re America Online Inc.*<sup>116</sup> in its “mixed record on the question of genericness.”<sup>117</sup> Such a mixed record creates a doubt that must be resolved in favor of the applicant.

Recognizing that its genericness determination is an “all or nothing” proposition and that the USPTO’s evidentiary burden to prove genericness is a heavy one, the Board refused to take the “fateful step” of full “eradication” of Trek’s rights. The Board distinguished this case, involving “a coined term used as a trademark [and] quickly taken up by the public but not by competitors,”<sup>118</sup> from those in which a term was in the public

---

114. *Id.* at 1108 (quoting *Ty Inc. v. Softbelly’s Inc.*, 353 F.3d 528, 69 U.S.P.Q.2d 1213, 1215 (7th Cir. 2003)).

115. *In re Trek 2000 Int’l Ltd.*, 97 U.S.P.Q.2d at 1114.

116. *In re Am. Online Inc.*, 77 U.S.P.Q.2d 1618 (T.T.A.B. 2009) (reversing genericness refusals of INSTANT MESSENGER and AOL INSTANT MESSENGER for electronic messaging services).

117. *In re Trek 2000 Int’l Ltd.*, 97 U.S.P.Q.2d at 1113.

118. *Id.* at 1114.



domain at the time of adoption (e.g., POCKET BOOK<sup>119</sup>) and those where the term is simply a combination of generic terms (e.g., SCREENWIPE<sup>120</sup>).

The reader will note that the outcome of the genericness issue could be different in an *inter partes* context, where an adversary might offer survey evidence, or in an infringement context, where the genericness question may not be an “all or nothing” proposition because the court may craft injunctive relief that “protect[s] trademark significance while allowing other generic uses.”<sup>121</sup>

There is a lesson here for trademark owners trying to fend off a potential claim of genericness: actively police your mark, hound the media about using the mark correctly, and insist that dictionaries recognize the mark as a trademark. Also note that *Wikipedia* is available for posting a favorable entry regarding the mark. A trademark owner, particularly in the case of a very strong and unique mark, will never be able to stop all improper usage by ordinary consumers (on eBay, Twitter, and the like). Nonetheless, a reasonable policing effort is the price of creating and maintaining a strong trademark. In that regard, the owner might take some solace in the Board’s observation regarding the modern media:

Today, with a 24-hour news cycle and 24/7 online global activity, undoubtedly many trademarks are misused repeatedly, perhaps, in part, because there is less time for editing and reflection before news reports or blog posts are released, and, in part, because what was the casual spoken word between people is now the written word posted to the world.<sup>122</sup>

### *In re Greenliant Systems, Ltd.*

In an interesting companion case to *Trek*, the Board affirmed a refusal to register the term NANDRIVE, finding it generic for “electronic integrated circuits.”<sup>123</sup> Alternatively, it found the term to be merely descriptive and lacking in acquired distinctiveness. The Examining Attorney relied on a number of Internet web pages and dictionary definitions in contending that “applicant’s electronic integrated circuits are memory storage devices which utilize NAND flash memory technology or are flash memory

---

119. *In re Ex Parte Pocket Books, Inc.*, 91 U.S.P.Q. 182, 185 (Chief Examiner 1951).

120. *In re Gould Paper Corp.*, 834 F.2d 1017, 5 U.S.P.Q.2d 1110 (Fed. Cir. 1987).

121. *In re Trek 2000 Int’l Ltd.*, 97 U.S.P.Q.2d at 1114; *see, e.g.*, *King-Seeley Thermos Co. v. Aladdin Indus., Inc.*, 138 U.S.P.Q. 349, 352-353 (2d Cir. 1963) (allowing competitors to use the term “thermos” with a lower-case “t” but not with the words “original” or “genuine”).

122. *In re Trek 2000 Int’l Ltd.*, 97 U.S.P.Q.2d at 1113.

123. *In re Greenliant Sys., Ltd.*, 97 U.S.P.Q.2d 1078 (T.T.A.B. 2010).

drives. The applicant's goods are NAND drives."<sup>124</sup> The Board found the genus of the goods to be "electronic integrated circuits," and further that this genus encompasses solid state flash memory drives. "In other words," the Board stated, "while the broad category of goods in the present case may be electronic integrated circuits, there is a narrower category of solid state flash drives within that broad category."<sup>125</sup> Relevant precedent holds that "registration is properly refused if the subject matter for registration is generic of any one of the goods for which registration is sought."<sup>126</sup> The Board then found "clear evidence to support a finding that the relevant public, when it considers NANDRIVE in conjunction with electronic integrated circuits, readily understands that term as identifying a type of electronic integrated circuit, namely, a solid-state flash drive."<sup>127</sup> The Board deemed the combination, or "telescoping," of the terms "NAND" and "drive" to be immaterial because any purchaser would recognize the combination as meaning "NAND drive."

Applicant Greenliant pointed out that 48 of 52 hits for NANDRIVE in an Internet search referred to its devices, as did all 132 Lexis/Nexis hits. The Board was not impressed:

First, as indicated above, because applicant may be the only user of the compound term NANDRIVE, its internet and Lexis/Nexis hits are going to be heavily skewed to articles referencing applicant. Second, it is not clear to us how consumers will perceive the term NANDRIVE as used in the articles. . . . There is simply no evidence to support applicant's claim that consumers will perceive NANDRIVE or NANDrive as a trademark or anything other than a generic term.<sup>128</sup>

Turning to the Section 2(e)(1)<sup>129</sup> refusal, and assuming *arguendo* that NANDRIVE was not generic, Greenliant relied on the fact that it was the only user of the term (beginning its use in 2007). But the Board was again not impressed: "This evidence merely demonstrates that applicant is the only company that misspells the term NAND drive, not that the relevant consumers of such products have come to view the designation NANDRIVE as applicant's source identifying trademark."<sup>130</sup> The Board found that,

---

124. *Id.* at 1079.

125. *Id.* at 1082.

126. *Id.*; see, e.g., *In re Analog Devices, Inc.*, 6 U.S.P.Q.2d 1808, 1810 (T.T.A.B. 1988), *aff'd*, 871 F.2d 1097, 10 U.S.P.Q.2d 1879 (Fed. Cir. 1989) (unpublished) (registration is properly refused if the subject matter for registration is generic of any one of the goods for which registration is sought).

127. *In re Greenliant Sys., Ltd.*, 97 U.S.P.Q.2d at 1083.

128. *Id.* at 1084.

129. 15 U.S.C. § 1052(e)(1).

130. *In re Greenliant Sys., Ltd.*, 97 U.S.P.Q.2d at 1084.

given the highly descriptive nature of NANDRIVE, the applicant’s Section 2(f)<sup>131</sup> evidence fell “far short” of establishing distinctiveness. “Notably,” the Board stated, “the record contains little direct or circumstantial evidence that the relevant classes of purchasers of applicant’s goods view NANDRIVE as a distinctive source indicator for applicant’s goods.”<sup>132</sup> Moreover, Greenliant did not submit any evidence regarding its sales, advertising, market share, or renown in the field. And so the Board affirmed the alternative Section 2(e)(1) refusal.

4. Failure to Function

*In re T.S. Designs, Inc.*

The Board affirmed a refusal to register the mark “Clothing Facts” in standard character form for various clothing items, on the ground that the mark as appearing on the specimens of use (illustrated below) functions as informational matter and not as a source-identifier.<sup>133</sup> The Examining Attorney agreed with the applicant that its “Clothing Facts” label was “reminiscent of the ‘Nutrition Facts’ label required for food products by the United States Food and Drug Administration (USFDA).” The Board appreciated that this imagery involved “a humorous play on the USFDA’s ubiquitous nutrition labeling device” and was “designed to communicate applicant’s commitment to social justice and environmental stewardship.”<sup>134</sup>



However, the Board agreed with the Examining Attorney that prospective consumers would view the words “Clothing Facts” as

131. 15 U.S.C. § 1052(f).  
132. *In re Greenliant Sys., Ltd.*, 97 U.S.P.Q.2d at 1085.  
133. *In re T.S. Designs, Inc.*, 95 U.S.P.Q.2d 1669 (T.T.A.B. 2010).  
134. *Id.* at 1671.

informational matter, not as a source identifier for the goods. The Board concluded as follows: “The likelihood that consumers will so perceive these words on the label is enhanced because the label contains two clear source identifiers, namely ‘tsdesigns.com’ and ‘printing t-shirts for good,’ the latter specifically bearing the informal ‘TM’ designation, while the phrase *Clothing Facts* does not.”<sup>135</sup>

*In re Eagle Crest, Inc.*

In affirming a refusal to register the slogan ONCE A MARINE, ALWAYS A MARINE for various clothing items, the Board pointed out that

[N]ot every designation that is placed or used on or in connection with a product necessarily functions . . . as a trademark for said product; not every designation adopted with the intention that it perform[] a trademark function and even labeled as a trademark necessarily accomplishes that purpose; and there are certain designations that are inherently incapable of functioning as trademarks to identify and distinguish the source of the products in connection with which they are used.<sup>136</sup>

Of course, the decision as to whether a particular designation functions as a trademark hinges on public perception of the mark, based on the specimens and other evidence of record showing how the designation is used in the marketplace.<sup>137</sup> Informational matter and common laudatory phrases ordinarily used in a business or industry are not registrable.<sup>138</sup>

The Examining Attorney maintained that the slogan at issue, as it appeared on Eagle Crest’s specimens of use (a T-shirt and a cap), would be perceived as merely informational and not as a trademark. Eagle Crest admitted that the phrase was a “motto associated with and used by and about Marines by them and their admirers,” and website evidence showed that this slogan was commonly used on T-shirts and other products.<sup>139</sup> The Board

135. *Id.*

136. *In re Eagle Crest, Inc.*, 96 U.S.P.Q.2d 1227, 1229 (T.T.A.B. 2010) (quoting *Am. Velcro, Inc. v. Charles Mayer Studios, Inc.*, 177 U.S.P.Q. 149, 154 (T.T.A.B. 1973)).

137. *See In re Volvo Cars of N. Am. Inc.*, 46 U.S.P.Q.2d 1455 (T.T.A.B. 1998) (DRIVE SAFELY not registrable because it does not function as a trademark for applicant’s automobiles).

138. *See In re Boston Beer Co. L.P.*, 53 U.S.P.Q.2d 1056 (Fed. Cir. 1999) (holding THE BEST BEER IN AMERICA incapable of registration as a trademark for beer). Furthermore, the more common the phrase, the less likely it will be perceived as a mark. *See Reed v. Amoco Oil Co.*, 225 U.S.P.Q. 876, 877 (M.D. Tenn. 1984) (On preliminary injunction motion, plaintiff not likely to prove secondary meaning for the phrase GOIN’ THE EXTRA MILE).

139. *In re Eagle Crest*, 96 U.S.P.Q.2d at 1229.

found, moreover, that the applicant's manner of use of the slogan would likely reinforce the perception of ONCE A MARINE, ALWAYS A MARINE as merely informational: Eagle Crest offered the customer this and eight other military or patriotic messages for imprinting on a clothing item. The Board declared:

There is no dispute that the phrase ONCE A MARINE, ALWAYS A MARINE is an old and familiar Marine expression, and as such it is the type of expression that should remain free for all to use. In fact, the evidence shows that the slogan is commonly used in an informational and ornamental manner on t-shirts and various other retail items produced and/or sold by others. . . . Applicant is not entitled to appropriate the slogan to itself and thereby attempt to prevent competitors from using it to promote the sale of their own clothing.<sup>140</sup>

*In re Brouwerij Bosteels*

In a case that raised several unique issues, the Board considered the USPTO's refusal to register the applied-for mark (shown in the photograph below) consisting of a flask, flask holder/stand, scrollwork, and wording, for beer, on the ground that the alleged mark was "merely a glass" and did not "serve as product packaging for the applicant's beer."<sup>141</sup> The applicant contended, however, that the mark comprised product packaging that was either inherently distinctive or had acquired distinctiveness in view of twenty-five years of use.



The Board noted that the applicant sought to register the configuration as a trademark for "beer," not for a "beer glass and stand with wording and scrollwork."<sup>142</sup> Thus the mark was not a

---

140. *Id.* at 1230.

141. *In re Brouwerij Bosteels*, 96 U.S.P.Q.2d 1414, 1415 (T.T.A.B. 2010).

142. *Id.* at 1420.

product configuration that would be precluded from being inherently distinctive under *Wal-Mart*.<sup>143</sup>

The Examining Attorney contended that the proposed mark would be perceived as a mere “serving suggestion” and would not function as a mark, and further that it was not product packaging because the beer did not “reside” in the mark.<sup>144</sup> The Board, however, construed the goods to be “beer sold in restaurants, bars, pubs and the like,” and it deemed the purported mark to be “trade dress in the nature of product packaging.”<sup>145</sup> Therefore, the issues to be decided were “whether the alleged mark, i.e., the beer glass and stand with wording and scrollwork,” was “inherently distinctive” or had “acquired distinctiveness for beer sold in restaurants, bars, pubs and the like.”<sup>146</sup>

To determine whether this packaging was inherently distinctive, the Board again applied the Court of Customs and Patent Appeals (C.C.P.A.)’s *Seabrook* test.<sup>147</sup> The Examining Attorney stated that the configuration was a mere refinement of a “commonly-adopted style of beer glass” known as a “yard of ale glass,” relying on Internet web pages showing more than ten examples of beer-glass-and-stand products described as “Yard,” “Half Yard,” or “Foot of Ale Glass with Stand.” The Board observed that these other glasses and stands were not being used as source indicators and were not associated with particular brands of beer. It therefore found it “reasonable to assume that the public’s perception of the alleged mark would be as a mere refinement of this type of beer glass and stand, rather than an inherently distinctive indicator of source for the beer served within it in a bar or restaurant.”<sup>148</sup> The inclusion of the brand name PAUWEL KWAK and the other wording and scrollwork did not render the beer glass and stand inherently distinctive.

The applicant pointed to its sale of gift sets comprising bottled beer and its beer glass and stand, but the Board found that fact not to be probative of consumer perception regarding use of the glass and stand as a container in restaurants and bars. Third-party website evidence was likewise unpersuasive and third-party registrations for bottle and container designs were irrelevant to the consideration of the particular configuration here at issue.

---

143. *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 54 U.S.P.Q.2d 1065 (2000).

144. *In re Brouwerij Bosteels*, 96 U.S.P.Q.2d at 1416.

145. *Id.* at 1420.

146. *Id.*

147. *Seabrook Foods, Inc. v. Bar-Well Foods, Inc.*, 568 F.2d 1342, 196 U.S.P.Q. 289 (C.C.P.A. 1977).

148. *In re Brouwerij Bosteels*, 96 U.S.P.Q.2d at 1421.

And so the Board concluded that the applied-for mark was “a mere refinement of a common Yard, Half Yard, or Foot of Ale glass with stand” and therefore fell “short of being inherently distinctive” for the applicant’s goods.<sup>149</sup>

As to the second issue, acquired distinctiveness, the Board agreed with the Examining Attorney that, because the alleged mark was “highly similar to a specific type of glass and stand for serving and holding beer,” the applicant’s claim of twenty-five years of use was insufficient to prove acquired distinctiveness, particularly without evidence of the extent of use. “[M]ore evidence would be necessary to show that it has become distinctive of applicant’s goods, e.g., affidavits or declarations from the ultimate purchasers and/or unsolicited publicity and references in the media.”<sup>150</sup>

In this case, there is simply no evidence that the alleged mark has ever been promoted by applicant as its trademark in the United States using “Look for . . .” promotions, and the record is devoid of evidence that anyone other than applicant regards a beer glass and stand with wording and scrollwork as a trademark for beer sold at restaurants, bars, pubs and the like.<sup>151</sup>

The applicant lamely argued that it could rely on the transfer of acquired distinctiveness from its registration of a two-dimensional mark consisting of a line drawing of a beer glass and stand. The Board observed that such a transfer of distinctiveness requires that the two marks be “the same mark,” that is, they must be legal equivalents.<sup>152</sup> That was not the case here.

And so the Board affirmed the refusal to register under Sections 1, 2, and 45 of the Lanham Act<sup>153</sup> on the ground that the applied-for mark fails to function as a trademark.

## 5. Consent of Living Person

### *In re Hoefflin*

In one of those cases that makes you want to ask someone, “would you have appealed?,” the Board affirmed a rare Section 2(c) refusal to register the marks OBAMA BAHAMA PAJAMAS, OBAMA PAJAMA, and BARACK’S JOCKS DRESS TO THE LEFT

---

149. *Id.* at 1422.

150. *Id.* at 1424.

151. *Id.*

152. *See* Trademark Rule 2.41(b), 37 C.F.R. § 2.41(b); *see also* Van Dyne-Crotty, Inc. v. Wear-Guard Corp., 926 F.2d 1156, 17 U.S.P.Q.2d 1866, 1868 (Fed. Cir. 1991); *In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 57 U.S.P.Q.2d 1807, 1812 (Fed. Cir. 2001).

153. 15 U.S.C. §§ 1051, 1052, 1127.

for pajamas and briefs, because the file did not include the written consent of President Barack Obama, the living individual identified in the marks.<sup>154</sup>

Section 2(c) of the Lanham Act<sup>155</sup> “absolutely bars the registration of a designation that identifies a particular living individual absent written consent.”<sup>156</sup> In determining whether a particular living individual with that “name” would be associated with the mark, the Board must consider “(1) if the person is so well known that the public would reasonably assume the connection, *or* (2) if the individual is publicly connected with the business in which the mark is being used.”<sup>157</sup> In short, this provision of the Act “is intended to protect the intellectual property right of privacy and publicity that a living person has in his/her identity.”<sup>158</sup>

The Examining Attorney cited a January 2009 news story regarding the “Obamification” that the nation had experienced over the year prior to Barack Obama’s election as President, that is, the manufacture of words from Obama’s name. One “early online favorite” was “Obama pajama.”<sup>159</sup> The Board commended the Examining Attorney (another rarity) for an “excellent job” in marshalling various media excerpts to demonstrate “the obvious—namely, that President Barack Obama is extremely well known.”<sup>160</sup> Each of the names “Barack” and “Obama” is “so closely associated with this particular historic individual that the usages of these names in applicant’s three claimed trademarks will instantly create an association with the President.”<sup>161</sup>

Applicant Hoefflin, himself an attorney, weakly claimed that the terms “Barack” and “Obama” did not refer to any particular individual, and certainly not to “the United States President Barack Hussein Obama II.”<sup>162</sup> The Board had no doubt, however, that the three marks referred to the 44th President of the United States. Section 2(c) is not limited in scope to full names but encompasses “surnames, shortened names, nicknames, etc., so long

---

154. *In re Hoefflin*, 97 U.S.P.Q.2d 1174 (T.T.A.B. 2010).

155. 15 U.S.C. § 1052(c).

156. *In re Hoefflin*, 97 U.S.P.Q.2d at 1175.

157. *Id.* at 1176; *see* *Martin v. Carter Hawley Hale Stores, Inc.*, 206 U.S.P.Q. 931, 933 (T.T.A.B. 1979) (dismissal of opposition based on Section 2(c) because Opposer Neil Martin not sufficiently well known nor publicly associated with men’s shirts); *In re Sauer*, 27 U.S.P.Q.2d 1073 (T.T.A.B. 1993), *aff’d*, 26 F.3d 140 (Fed. Cir. 1994) (affirming Section 2(c) refusal to register BO BALL for a ball due to lack of consent from sports star Bo Jackson).

158. *In re Hoefflin*, 97 U.S.P.Q.2d at 1176.

159. *Id.*

160. *Id.* at 1177.

161. *Id.*

162. *Id.* at 1176.



as the name in question does, in fact, ‘identify’ a particular living individual.”<sup>163</sup>

Moreover, when an individual is so well known, he or she is entitled to the protection of Section 2(c) without having to show a connection with the involved goods or services: e.g., EISENHOWER was refused registration for greeting cards,<sup>164</sup> PRINCE CHARLES for meat.<sup>165</sup>

Applicant Hoefflin pointed to various third-party registrations for marks including given names like “George,” “Ronald,” and “Jimmy,” but those names (unlike “Barack”) are in common usage. And Hoefflin had the same problem with his surname evidence: the Examining Attorney showed that, while the Whitepages.com directory lists tens (if not hundreds) of thousands of persons having the surnames of the six immediate past presidents, the surname Obama appears in the same directory only 82 times.

Vetoing Hoefflin’s assertion that the terms “Barack” and “Obama” are arbitrary and distinctive, the Board panel voted to affirm.

## 6. Primarily Merely a Surname

### *In re P.J. Fitzpatrick, Inc.*

The Board reversed a Section 2(e)(4)<sup>166</sup> refusal to register the mark P.J. FITZPATRICK, INC. for various construction services, finding the mark not to be primarily merely a surname.<sup>167</sup> The Board attempted to clarify prior case law by stating that “if a mark consists of two initials (or more) coupled with a surname, it typically will convey a commercial impression of a personal name, and thus generally will not be primarily a surname.”<sup>168</sup> The case that particularly needed clarification was the C.C.P.A.’s decision in *In re I. Lewis Cigar Mfg. Co.*,<sup>169</sup> in which the court found the mark “S. Seidenberg & Co.’s” to be primarily merely a surname. The Board observed that in *Lewis Cigar*, “the court did not find as a matter of law that a single initial added to a surname could never convey something other than surname significance.”<sup>170</sup> It depends on the facts.

---

163. *Id.* at 1177.

164. *In re Masucci*, 179 U.S.P.Q. 829 (T.T.A.B. 1973).

165. *In re Steak & Ale Rests. of Am., Inc.*, 185 U.S.P.Q. 447 (T.T.A.B. 1975).

166. 15 U.S.C. § 1052(e)(4).

167. *In re P.J. Fitzpatrick, Inc.*, 95 U.S.P.Q.2d 1412 (T.T.A.B. 2010).

168. *Id.* at 1413.

169. *In re I. Lewis Cigar Mfg. Co.*, 98 U.S.P.Q. 265 (C.C.P.A. 1953).

170. *In re P.J. Fitzpatrick, Inc.*, 95 U.S.P.Q.2d at 1413.

Here there were two initials, not one. The Board found that “a segment of society uses multiple initials in lieu of given names, a fact not before the court in *Lewis Cigar*.” According to the Board, *Lewis Cigar* suggested “that the coupling of two initials and a surname creates a full name and therefore a registrable mark.” Of course, the term “INC.” has no effect on the Section 2(e)(4) question. The Board therefore held that P.J. FITZPATRICK, INC. was not primarily a surname.

## 7. Geographically Deceptive Misdescriptiveness

### *In re Jonathan Drew, Inc. d/b/a Drew Estate*

The Board sought to clarify the law of Section 2(e)(3)<sup>171</sup> in this affirmation of a refusal to register KUBA KUBA for cigars, tobacco, and related products, on the ground that the mark was primarily geographically deceptively misdescriptive of the goods.<sup>172</sup> Applicant Drew did not dispute that the primary meaning of “Cuba” was geographic or that Cuba was famous for its tobacco products and cigars. Although Drew conceded that its products would not originate in Cuba, nor would its products be made from Cuban seed tobacco, it argued that the term KUBA and the mark KUBA KUBA had meanings and associations different from the country of Cuba. In particular, Drew contended that KUBA would be viewed as a non-geographic term with a meaning associated with the art and culture of the African Kuba Kingdom, and that KUBA had several other geographic meanings—including locations in Uzbekistan, Panama, Azerbaijan, and Japan—and non-geographic meanings—KUBA was a Polish given name and an acronym for the Korea University Buddy Assistance (KUBA) program. Drew also maintained that the Examining Attorney did not meet the high burden of proving that a substantial portion of relevant consumers would be materially influenced by the mark to purchase the products, and he further argued that because of the United States embargo on goods from Cuba, consumers would not likely believe that Drew’s goods originated in Cuba.

The Board found nothing unusual or fanciful about the spelling of Cuba as KUBA, and it found no evidence that the “alternative” meanings offered by Drew were anything other than obscure to the ordinary consumer. The Board pointed out that the mark must be considered in the context of the involved goods, which include tobacco and cigars purchased by the general public. In that light, the Board concluded that the term KUBA KUBA denotes Cuba, a well-known geographic location, and further that

---

171. 15 U.S.C. § 1052(e)(3).

172. *In re Jonathan Drew, Inc.*, 97 U.S.P.Q.2d 1640 (T.T.A.B. 2011).

the geographic meaning was its primary meaning. It observed that even if the Kuba Kingdom were commonly known, that would not diminish “the significance of KUBA KUBA as a reference to Cuba,” because Drew’s goods were “cigars, not tribal artifacts.”<sup>173</sup>

The Board then turned to the issue of materiality, because a Section 2(e)(3) refusal requires that the misrepresentation be a material factor in the consumer’s purchasing decision. The Federal Circuit held in *In re Spirits International N.V.*,<sup>174</sup> that “in order to establish a prima facie case of materiality there must be some indication that a substantial portion of the relevant consumers would be materially influenced in the decision to purchase the product or service by the geographic meaning of the mark.”<sup>175</sup> The Examining Attorney’s evidence established Cuba’s renown for high-quality tobacco and cigars. Therefore, the Board could “infer that at least a substantial portion of consumers who encounter KUBA KUBA on applicant’s cigars” were “likely to be deceived into believing” that the cigars came from Cuba.<sup>176</sup>

Drew urged that the Federal Circuit’s decisions in *Spirits* and in *In re California Innovations Inc.*<sup>177</sup> increased the USPTO’s burden by requiring a higher showing of deceptiveness, and claimed that direct evidence of public deception is required. The Board, however, disagreed with Drew’s reading of those two cases, and it ruled that a “strong or heightened goods/place association, which we have here, is sufficient to support a finding of materiality.”<sup>178</sup> Moreover, direct evidence of public deception is not required. Evidence of the relevant public’s understanding of a term may be shown by direct evidence, such as consumer testimony and surveys, but it also may be inferred from indirect or circumstantial evidence, such as the gazetteer entries and third-party website evidence.

The Board concluded that it could be inferred “from the evidence showing that Cuba is famous for cigars, that a substantial portion of relevant consumers would be deceived.”<sup>179</sup> Finally, with respect to the embargo argument, the Board noted that it had previously considered and rejected that same argument, citing *In re Boyd Gaming Corp.*,<sup>180</sup> and it pointed out

---

173. *Id.* at 1643.

174. *In re Spirits Int’l N.V.*, 563 F.3d 1347, 90 U.S.P.Q.2d 1489, 1495 (Fed. Cir. 2009).

175. *In re Drew, Inc.*, 97 U.S.P.Q.2d at 1644 (quoting *In re Spirits*, 90 U.S.P.Q.2d at 1495).

176. *Id.* at 1645.

177. *In re California Innovations Inc.*, 66 U.S.P.Q.2d 1853 (Fed. Cir. 2003).

178. *In re Drew, Inc.*, 97 U.S.P.Q.2d at 1645.

179. *Id.* at 1646.

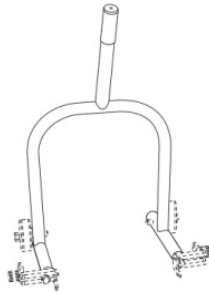
180. *In re Boyd Gaming Corp.*, 57 U.S.P.Q.2d 1944, 1946 (T.T.A.B. 2000).

that Drew offered no evidence that the embargo would have any effect on the perception of KUBA KUBA as a geographically deceptive term.

## 8. Functionality

### *In re Van Valkenburgh*

Once this applicant's utility patent reared its ugly head, the issue of functionality cast an ominous shadow over his appeal from a Section 2(e)(5)<sup>181</sup> refusal to register the product configuration illustrated below.<sup>182</sup> The Board found the design to be functional for a "motorcycle stand," and alternatively, if not functional, then lacking in Section 2(f)<sup>183</sup> acquired distinctiveness. In typical fashion, the Board applied the *Morton-Norwich* factors,<sup>184</sup> first concluding that although the configuration was not identical to the patented invention, the proposed mark adopted "a significant portion of the invention disclosed in the patent"; it was "not merely an ornamental, incidental, or arbitrary aspect of the motorcycle stand."<sup>185</sup>



In view of the facts that the drawing of the invention in U.S. Patent No. 7,000,901 incorporates the proposed mark, the "detailed description of the invention" describes the proposed mark, and Claim 1(a) of the patent claims the proposed mark as part of the subject matter of applicant's invention, we find that the patent is *prima facie* evidence that the proposed mark is functional. In the face of this showing, it was incumbent upon applicant to rebut why the patent does not disclose the utilitarian advantages of the proposed mark.<sup>186</sup>

---

181. 15 U.S.C. § 1052(e)(5).

182. *In re Van Valkenburgh*, 97 U.S.P.Q.2d 1757 (T.T.A.B. 2011).

183. 15 U.S.C. § 1052(f).

184. *In re Morton-Norwich Prods. Inc.*, 671 F.2d 1332, 213, U.S.P.Q. 9 (C.C.P.A. 1982).

185. *In re Van Valkenburgh*, 97 U.S.P.Q.2d at 1760.

186. *Id.* at 1761.

Van Valkenburgh argued that there were alternative designs for motorcycle stands, but he failed to explain “why the design of the supporting base” was “not essential to the function or purpose of the motorcycle stand or why it did not affect [the] quality of the product. Thus, the applicant failed to carry his ‘heavy burden of showing that the feature [was] not functional.’”<sup>187</sup> Furthermore, advertising by the applicant’s competitors touted the utilitarian advantages of motorcycle stands similar in design to the proposed mark. Although Van Valkenburgh claimed that there were 85 alternative designs for motorcycle stands, the Board noted that “the availability of alternative designs does not convert a functional design into a non-functional design.”<sup>188</sup> According to the Board, “registration of the claimed matter could well hinder competitors who would not know if the features they used in the supporting base of their motorcycle stands, whose overall configurations are not dissimilar from those of applicant, might well subject them to a suit for trademark infringement.”<sup>189</sup>

As to the fourth *Morton-Norwich* factor, the Board found that “the cost and complexity of manufacturing applicant’s product design [was] comparable to some of his competitors. Nevertheless, even if applicant’s motorcycle stands with this design [were] more costly to produce, a higher cost [would] not detract from its functionality.”<sup>190</sup> According to the Board, “[a]s stated in *TrafFix*, 58 U.S.P.Q.2d at 1006, a product feature is functional ‘when it affects the cost or quality of the article. (Emphasis added [by the Board]). Thus, even at a higher manufacturing cost, applicant would have a competitive advantage for what is essentially, as claimed in the patent, a superior motorcycle stand.’”<sup>191</sup>

The Board therefore affirmed the functionality refusal, concluding that the proposed mark was “an efficient and superior design for the supporting base of a motorcycle stand and, thus, functional.”<sup>192</sup>

---

187. *Id.* (quoting *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 58 U.S.P.Q.2d 1001, 1005 (2001)).

188. *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 58 U.S.P.Q.2d at 1006 (“Here, the functionality of the spring design means that competitors need not explore whether other spring juxtapositions might be used. The dual-spring design is not an arbitrary flourish in the configuration of MDI’s product; it is the reason the device works. Other designs need not be attempted.”).

189. *In re Van Valkenburgh*, 97 U.S.P.Q.2d at 1763.

190. *Id.* at 1765.

191. *Id.*

192. *Id.*

## 9. Consent to Register

### *In re Wacker Neuson SE*

The Board reversed a refusal to register the mark WACKER NEUSON for machines for the building industry and the building material industry, finding it not likely to cause confusion with the registered mark NEUSON for construction excavators.<sup>193</sup> The applicant dug itself out of the Section 2(d)<sup>194</sup> hole by submitting a consent agreement and a license from the registrant, which the Board found sufficient to outweigh the other *du Pont* factors. There was little dispute that the marks were similar and the goods related. The Examining Attorney argued that the consent was “naked” and that there was no evidence of a “unity of control” such that the applicant and the registrant could be considered the same source. The Board reviewed the law as to the weight to be accorded a consent agreement and the determination of what constitutes a single source. First, for background, it revisited the Federal Circuit’s statement regarding the USPTO’s examination function, as memorably characterized in *In re Four Seasons Hotels Ltd.*:

Believing that its role in enforcing section 2(d) of the Lanham Act is to second-guess the conclusions of those most familiar with the marketplace, the PTO is, at times, like a cat watching the wrong rat hole. The role of the PTO is not in denying registration if it feels there is, by its independent determination, any likelihood of confusion of any kind as between the mark sought to be registered and the prior registration, without regard to the desires, opinions or agreements of the owner of the prior registration. . . . Rather, the PTO’s role is to protect owners of trademarks by allowing them to register their marks. Denial of registration does not deny the owner the right to use the mark, and thus, will not serve to protect the public from confusion. No government could police trademark use so as to protect the public from confusion. It must count on the self-interest of trademark owners to do that.<sup>195</sup>

---

193. *In re Wacker Neuson SE*, 97 U.S.P.Q.2d 1408 (T.T.A.B. 2010).

194. 15 U.S.C. § 1052(d).

195. *In re Four Seasons Hotels Ltd.*, 987 F.2d 1565, 26 U.S.P.Q.2d 1071 (Fed. Cir. 1993) (citations and internal quotations omitted); *see also* *Bongrain Int’l v. Delice de France*, 811 F.2d 1479, 1 U.S.P.Q.2d 1775, 1778 (Fed. Cir. 1987) (“We have often said in trademark cases involving agreements reflecting parties’ views on the likelihood of confusion in the marketplace, that they are in a much better position to know the real life situation than bureaucrats or judges and therefore such agreements may, depending on the circumstances, carry great weight. . . . Here, the board appears effectively to have ignored the views and conduct of the parties.”).

With that in mind, the Board turned to the facts at hand. As to the “unity of control” issue, the Board noted that “in some circumstances, where there is a relationship, but perhaps not the ‘unity of control’ envisioned by the *Wella* doctrine,<sup>[196]</sup> a consent from a related company may suffice.”<sup>197</sup> Reviewing the consent agreement and the license submitted by the applicant, the Board found that they overcame the other *du Pont* factors. The registrant clearly consented (albeit in a “thin consent”) to the applicant’s use and registration of WACKER NEUSON. Moreover, the parties were related and the goods and services under both marks were provided by the applicant. The license agreement acknowledged the applicant’s right to register and use the WACKER NEUSON mark, and an addendum recognized the “applicant’s proprietary rights in the WACKER NEUSON trademark, inasmuch as” it provided that the applicant grant the registrant a right to use the NEUSON mark “in the event that applicant’s ‘industrial property rights in the WACKER NEUSON trademark’” otherwise prevented such use.<sup>198</sup>

The Board therefore concluded, based on the particular relationship and arrangements between the parties, that confusion was not reasonably likely to occur.

## 10. Specimens of Use

### *In re Anpath Group, Inc.*

The Board affirmed a refusal to register the mark ANPATH for disinfectant cleaning preparations, on the ground that the mark, as used on the applicant’s specimens of use (a pamphlet and a flyer), failed to function as a trademark for the goods.<sup>199</sup> The applicant argued that its specimens should be treated as point-of-sale displays, but the Board found them to be merely promotional pieces touting the advantages of the products and lacking sufficient ordering information to qualify as a proper trademark specimen. The Board observed that there is a “clear line of demarcation” between mere advertising materials (unacceptable) and point-of-purchase materials (acceptable as a display associated with the goods). The Examining Attorney maintained that, despite the prominent inclusion of a toll-free telephone number, the specimens did not provide sufficient information to allow the customer to actually order the goods. The applicant asserted that

---

196. *In re Wella A.G.*, 5 U.S.P.Q.2d 1359, 1361 (T.T.A.B. 1987), *rev’d and remanded on other grounds*, *In re Wella A.G.*, 8 U.S.P.Q.2d 1365 (Fed. Cir. 1988).

197. *In re Wacker Neuson SE*, 97 U.S.P.Q.2d at 1413; *see In re Sumitomo Elec. Indus., Ltd.*, 184 U.S.P.Q. 365 (T.T.A.B. 1974).

198. *In re Wacker Neuson SE*, 97 U.S.P.Q.2d at 1415.

199. *In re Anpath Grp., Inc.*, 95 U.S.P.Q.2d 1377 (T.T.A.B. 2010).

the specimens were the mechanisms through which purchases of the goods could be made. The Board found that the applicant's "pamphlet" and its "product ordering information" did not have "the many characteristics of the *Land's End* catalogue<sup>200</sup> (e.g., detailed descriptions and pictures having trademarks displayed prominently nearby, specifications and options, prices, colors, sizes, a detailed order form, etc.)" and hence were "not clearly analogous to printed material" from which the goods were ordered.<sup>201</sup> In sum, the Board agreed with the Examining Attorney that the specimens did not contain sufficient information to allow a consumer to decide to purchase the goods and to place an order: the specimens were "nothing more than mere advertisements that do not show use of ANPATH as a trademark for the goods."<sup>202</sup>

*In re Osmotica Holdings Corp.*

The Board affirmed a refusal to register the mark OSMODEX for "consultation services regarding controlled release drug delivery technology for pharmaceutical companies," on the ground that the mark did not function as a service mark.<sup>203</sup> Although the applicant's specimens (website screenshots) included the word OSMODEX, the Board concluded that the specimens would be perceived by the relevant public as referring only to the applicant's drug delivery technology and not to its consulting services. The Examining Attorney maintained that the mark OSMOTICA was used in connection with the only reference to "consulting" and that OSMODEX merely referred to one of the applicant's many technologies. The applicant feebly argued to the contrary.

The Board observed that it was not enough that the mark appeared in a specimen that referred somewhere to the services. There must be a direct association between the mark and the services offered; that is, the mark must identify the service and its source.<sup>204</sup> The Board found that, although the subject mark OSMODEX was used to identify the applicant's technologies, it did not identify the consultation services. Rather, the statements in the specimens called out by the applicant were "at most oblique references to consulting services and would only be so construed if the reader already knew that applicant offered such services."<sup>205</sup> This did not create the required direct association between OSMODEX and the applicant's consulting services.

---

200. *Land's End, Inc. v. Manbeck*, 797 F. Supp. 511, 24 U.S.P.Q.2d 1314 (E.D. Va. 1992).

201. *In re Anpath Grp., Inc.*, 95 U.S.P.Q.2d at 1381.

202. *Id.* at 1382.

203. *In re Osmotica Holdings Corp.*, 95 U.S.P.Q.2d 1666 (T.T.A.B. 2010).

204. *See In re Aerospace Optics Inc.*, 78 U.S.P.Q.2d 1861, 1862 (T.T.A.B. 2006).

205. *In re Osmotica Holdings Corp.*, 95 U.S.P.Q.2d at 1669.



### PART III. *INTER PARTES* CASES

*By John L. Welch*

#### *A. Trademark Trial and Appeal Board*

##### **1. Fraud**

*Meckatzer Löwenbräu Benedikt Weiß KG v. White Gold, LLC*

In several post-*Bose*<sup>206</sup> decisions, the Board has attempted to clarify the pleading requirements for a claim of fraud on the USPTO. Petitioner Löwenbräu alleged that, according to its investigation, Respondent White Gold, at the time of filing its Statements of Use, was using its marks only on vodka and not on all the goods listed in its two registrations.<sup>207</sup> Furthermore, Löwenbräu alleged that the respondent (but not any particular individual) had the requisite intent to deceive the USPTO. The Board found those allegations sufficiently specific and particular to satisfy the heightened pleading standard of Rule 9(b) of the Federal Rules of Civil Procedure,<sup>208</sup> and it accordingly denied the respondent's motion to dismiss.

The respondent received registrations in 2008 for its mark WHITE GOLD in standard character and design form, for some thirty alcoholic products, including vodka. Löwenbräu alleged:

“[u]pon information and belief, and upon the results of the investigation” that: (1) at the time it filed Statements of Use in connection with the applications that issued as its Registrations, the subject marks “were not in use in connection with all of the goods referenced in the Statements of Use;” and that (2) “Respondent knowingly made false, material misrepresentations of fact in procuring the Registrations with the intent to defraud the U.S.P.T.O.” because “Respondent knew that [its involved marks] were not in use in connection with all of the goods referenced in the Statements of Use at the time the Statements of Use were filed. . . .”<sup>209</sup>

The respondent moved to dismiss, contending that Löwenbräu did not allege sufficient facts for the Board to “reasonably infer that a

---

206. *In re Bose Corp.*, 580 F.3d 1240, 91 U.S.P.Q.2d 1938 (Fed. Cir. 2009).

207. *Meckatzer Löwenbräu Benedikt Weiß KG v. White Gold, LLC*, 95 U.S.P.Q.2d 1185 (T.T.A.B. 2010).

208. Fed. R. Civ. P. 9(b) (“Fraud or Mistake; Conditions of Mind: In alleging fraud or mistake, a party must state with particularity the circumstances constituting fraud or mistake. Malice, intent, knowledge, and other conditions of a person's mind may be alleged generally.”).

209. *Meckatzer Löwenbräu*, 95 U.S.P.Q.2d at 1186.

specific individual knew of the withheld material information or of the falsity of the material misrepresentation, and withheld or misrepresented this information with a specific intent to deceive the PTO.”<sup>210</sup> It further argued that, in any case, it was entitled to registrations covering vodka.

The Board observed that, although allegations of fraud made on mere information and belief, without more, do not satisfy the particularity requirements of Rule 9(b),<sup>211</sup> Löwenbräu’s allegations were based not just on “information and belief,” but on a factual investigation. Moreover, Löwenbräu properly pleaded that the respondent “knowingly made false, material misrepresentations of fact in procuring the Registrations with the intent to defraud the U.S.P.T.O.”<sup>212</sup> The Board pointed out that the proper inquiry is whether the owner of the challenged registrations—not a non-party, specific individual—had the requisite intent.

We do not read *In re Bose* as requiring that a party identify a “specific individual” who “knew of the withheld material information or of the falsity of the material misrepresentation, and withheld or misrepresented this information with a specific intent to deceive the PTO,” as respondent argues.<sup>213</sup>

As to the respondent’s assertion that in any case it was entitled to keep its registrations, but only for vodka, the Board remarked that “*In re Bose* did not change the consequences of fraud, when it is proved. A finding of fraud with respect to a particular class of goods or services renders any resulting registration void as to that class.”<sup>214</sup>

### *M.C.I. Foods, Inc. v. Bunte*

The preceding case provides some guidance on pleading fraud, but pleading is the relatively easy part. Proving fraud post-*Bose* is another story altogether, because the requirement that intent to deceive be proven “to the hilt” by clear and convincing evidence makes it unlikely that fraud will be established except in the rarest case. This case underscores the point.<sup>215</sup> Bunte petitioned for cancellation of MCI’s registration for the mark CABO PRIMO & Design for various Mexican style food products, including burritos, tacos, tortillas, tamales, and the like. He alleged that

---

210. *Id.* at 1187.

211. *See Asian and Western W. Classics B.V. v. Selkow*, 92 U.S.P.Q.2d 1478 (T.T.A.B. 2009).

212. *Meckatzer Löwenbräu*, 95 U.S.P.Q.2d at 1186.

213. *Id.* at 1188.

214. *Id.*

215. *M.C.I. Foods, Inc. v. Bunte*, 96 U.S.P.Q.2d 1544 (T.T.A.B. 2010).

MCI never used the mark for nearly all the goods identified in its registration. Indeed, MCI's president testified that it had used the mark only on burritos and that MCI included the additional goods "in anticipation of future use."<sup>216</sup>

The Board found that, in filing its application to register, MCI made a false representation when it claimed use of the mark on products other than burritos, and that it did so to obtain as broad a scope of protection as possible. Nonetheless, the Board found that MCI did not intend to deceive the USPTO when it filed its application: "Because MCI filed its application to register the CABO PRIMO and design mark with the advice of counsel, the overly expansive description of goods, while a false statement, falls short of constituting a fraudulent statement which carries with it an actual or implied intent to deceive the USPTO."<sup>217</sup>

Pointing out that there was no evidence indicating that MCI was advised that it could not or should not apply for Mexican food products not identified by its CABO PRIMO & Design mark, the Board refused to find an intent to deceive. It was Bunte's burden to establish a factual basis for its allegation of intent to deceive by, for example, obtaining further testimony as to the actual advice that MCI received when it discussed with its counsel the goods it intended to include in the application, and as to whether or to what extent MCI relied on that advice. Bunte failed to show by direct evidence that MCI intended to deceive the USPTO, or by indirect evidence that no reasonable conclusion could be drawn by the Board other than that MCI intended to deceive the USPTO.

The Board hastened to add that its finding did not mean that the mere assertion that one acted with advice of counsel would automatically comprise a good defense to a fraud claim. Instead, the party claiming fraud must show that the advice of counsel defense, once raised, is "inapplicable or inappropriate under the particular circumstances of the case at hand."<sup>218</sup> And so the Board denied Bunte's fraud claim, but it ordered that MCI's registration be restricted to burritos.

## 2. Dilution

### *National Pork Board v. Supreme Lobster and Seafood Co.*

Since dilution became available as a ground for opposition and cancellation in 1999, only once had the Board upheld a dilution claim: namely, in *Nasdaq Stock Market Inc. v. Antartica S.r.l.*<sup>219</sup>

---

216. *Id.* at 1548.

217. *Id.* at 1549.

218. *Id.* at 1550.

219. *Nasdaq Stock Mkt. Inc. v. Antartica S.r.l.*, 69 U.S.P.Q.2d 1718 (T.T.A.B. 2003).

But after a seven-year hiatus, it found the mark THE OTHER RED MEAT for “fresh and frozen salmon” to be dilutive of the registered mark THE OTHER WHITE MEAT for “association services, namely, promoting the interests of members of the pork industry.”<sup>220</sup> A well-designed telephone survey demonstrated an association between the marks, and played a crucial role in the Board’s decision.

In its 59-page opinion, the Board addressed in some detail the elements of a Section 43(c)<sup>221</sup> dilution claim: (1) whether the opposers’ mark is famous; (2) whether it became famous prior to the applicant’s (constructive) first use date (i.e., its filing date); and (3) whether the applicant’s mark is likely to blur the distinctiveness of the opposers’ famous mark. Advertising expenditures, tracking studies, consumer surveys, and media references convinced the Board that THE OTHER WHITE MEAT was famous. In particular, 80 to 85 percent of the general adult population was aware of the mark and nearly 70 percent could correctly identify its source, placing the mark among the most well-known advertising slogans in the country. The Board also concluded that the fame of THE OTHER WHITE MEAT was established prior to the filing date of the challenged application.

Turning to the issue of blurring, the Board ran through the nonexclusive factors set out in Section 43(c)(2)(B).<sup>222</sup> It found the marks to be highly similar: they had the same structure and cadence, and elicited the same type of mental comparison. Moreover, survey evidence showed that more than 35 percent of survey respondents associated the applicant’s THE OTHER RED MEAT mark with the opposer’s THE OTHER WHITE MEAT mark or with the pork being promoted by the opposer’s mark. The Board concluded that this degree of association demonstrated that “a sizeable segment of the target population” considered the two marks to be “highly similar.”<sup>223</sup>

Because the opposers’ mark was registered, it was entitled to a presumption of inherent distinctiveness. Moreover, the mark was merely suggestive of “a healthy attribute of the commodity being promoted by the pork industry, namely, the color of some cuts of

---

220. *Nat’l Pork Bd. v. Supreme Lobster & Seafood Co.*, 96 U.S.P.Q.2d 1479 (T.T.A.B. 2010).

221. 15 U.S.C. § 1125(c).

222. Section 43(c)(2)(B) lists six factors:

(i) The degree of similarity between the mark or trade name and the famous mark; (ii) The degree of inherent or acquired distinctiveness of the famous mark; (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark; (iv) The degree of recognition of the famous mark; (v) Whether the user of the mark or trade name intended to create an association with the famous mark; (vi) Any actual association between the mark or trade name and the famous mark.

223. *Nat’l Pork Bd.*, 96 U.S.P.Q.2d at 1497.

pork after being cooked.”<sup>224</sup> The Board found the mark to be inherently distinctive, and this factor weighed in the opposers’ favor. Moreover, the opposers’ use of the mark was virtually exclusive, which, again, supported a finding of dilution by blurring. Voluminous evidence established the wide recognition of the opposers’ mark and led the Board to conclude that THE OTHER WHITE MEAT had become “part of the fabric of popular culture in the United States”<sup>225</sup> and that dilution by blurring would be likely to occur upon introduction of the applicant’s mark.

As to the applicant’s intent, the Board was reluctant to find bad faith on the part of the applicant (not required under Section 43(c), anyway), but it did find that the applicant’s principals may have believed it was permissible to create such an association, and so the Board concluded that this intent factor favored the opposers. Finally, as to any actual association between the applicant’s mark and the opposers’ mark, the Board noted that the applicant had not yet used its mark, and so it found, somewhat strangely, that this factor was “neutral but consistent with a likelihood of dilution by blurring.”<sup>226</sup>

The Board therefore ruled that dilution by blurring was likely, and it sustained the opposition on that ground, declining to reach the opposers’ likelihood-of-confusion claim.

*Coach Services, Inc. v. Triumph Learning LLC*

The owner of the registered mark COACH for leather goods and various other consumer items brought a claim under Section 43(c), alleging that its mark would likely be diluted by Applicant Triumph’s mark COACH for educational test preparation materials.<sup>227</sup> The Board began by observing that proof of fame for dilution purposes requires a more stringent showing than fame for Section 2(d)<sup>228</sup> purposes. Quoting the Board’s seminal *Toro* decision: “the owner of a mark alleged to be famous must show that a change has occurred in the public’s perception of the term such that it is now primarily associated with the owner of the mark even when it is considered outside of the context of the owner’s goods or services.”<sup>229</sup> The Board found the opposer’s evidence insufficient to prove fame for dilution purposes. The opposer’s brand awareness study was of doubtful probative value,

---

224. *Id.*

225. *Id.* at 1493.

226. *Id.* at 1498.

227. *Coach Servs., Inc. v. Triumph Learning, LLC*, 96 U.S.P.Q.2d 1600 (T.T.A.B. 2010); see Parts I.B, *supra*, and III.5, *infra*, for discussion of other issues in this case.

228. 15 U.S.C. § 1052(d).

229. *Toro Co. v. ToroHead Inc.*, 61 U.S.P.Q.2d 1164, 1180-1181 (T.T.A.B. 2001).

its media evidence failed to show widespread recognition in the general populace, and its evidence of sales and advertising expenditures was limited to a single year. While lack of fame was alone enough to deep-six the dilution claim, the Board proceeded to plow through the other dilution factors. It first found that the opposer failed to prove that its mark had become famous before Triumph's first use date. It next found that the marks were not "essentially the same," as required for dilution. And there was no evidence that Triumph intended to create an association with the opposer's mark. Balancing the relevant Section 43(c) factors, the Board found no likelihood of dilution by blurring. Furthermore, the opposer's claim of dilution by tarnishment also proved to be a dud because there was no evidence that the opposer's mark would suffer any negative association by Triumph's use of its mark.

### 3. Lack of Bona Fide Intent

#### *Saul Zaentz Co. v. Bumb*

This applicant's quest for the golden ring of registration went up in flames when the Board sustained an opposition to registration of the mark MITHRIL for various jewelry items, finding that Mr. Bumb lacked the requisite bona fide intention to use the mark in commerce when he filed his intent-to-use application.<sup>230</sup> There was no dispute that "mithril" is the name of a mythical precious metal that figures prominently in J.R.R. Tolkien's works. The opposer had standing to oppose because it was licensed to use the mark MITHRIL MINIATURES for collectible figurines. Mr. Bumb admitted that, other than his intent-to-use application and documents pertaining to his registration of several domain names, he had no documentation relating to his adoption of the subject mark or his intent to use it. Moreover, the candid trial testimony of Mr. Bumb (taken by the opposer) established that he adopted the MITHRIL mark because of its significance in the Tolkien works and that his intention as of the filing date was at most merely to reserve a right in the term MITHRIL without a bona fide intent to actually use the mark in commerce.

Q. And did you have any plans for a particular product line?

A. No, not specifically. I mean just the opportunity to create something in the future.

Q. I guess what I'm trying to understand is whether you were going to make a line of jewelry and call it Mithril or LOTR or whether there were going to be two separate lines of jewelry.

---

230. *Saul Zaentz Co. v. Bumb*, 95 U.S.P.Q.2d 1723 (T.T.A.B. 2010).

A. I had no intent either way.

Q. Okay.

A. At this point I was just applying for the trademark or first the domain and then cover the trademark in lieu of something growing. No intent.<sup>231</sup>

The Board regularly relies on *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*<sup>232</sup> for the proposition that the lack of documentary evidence on the part of an applicant regarding its intent to use an applied-for mark is sufficient to establish a prima facie case of lack of bona fide intent. It is then incumbent upon the applicant to rebut that prima facie case with objective evidence. Mr. Bumb's lack of documentation, coupled with his testimony, sufficed to establish the opposer's prima facie case. Mr. Bumb submitted no testimony or other evidence in rebuttal. Finding that Mr. Bumb's subjective assertions regarding his intent do not constitute objective evidence that would rebut the opposer's prima facie case, the Board sustained the opposition and ruled that the application was void ab initio.

*SmithKline Beecham Corp. v. Omnisource DDS, LLC*

Similarly, the Board sustained this opposition to the registration of AQUAJETT for "dental instruments, namely, oral irrigators," on the ground that Applicant Omnisource lacked a bona fide intent to use its mark in commerce.<sup>233</sup> Again, the applicant had no documentation to demonstrate the requisite bona fide intent, and neither its filing of a trademark application nor its mere statement that it intended to use the mark was probative evidence.

Probing the evidentiary record, the Board located a major cavity: Omnisource had no business plans, no documents relating to manufacture, licensing, marketing, or use of the mark, and no labels or promotional materials. Thus the opposer, SmithKline, established its prima facie case. Omnisource tried in vain to fill the hole in its proofs. It pointed to two patents for dental irrigators owned by its principal, Dr. William Weissman, but the patents did not mention the AQUAJETT mark. The fact that Dr. Weissman, a practicing dentist, attended trade shows where oral irrigators were marketed by others was not probative of his intent to use the mark, nor were his statements that he contemplated how and to whom the goods would be marketed. Vague references to business

---

231. *Id.* at 1728-29.

232. *Commodore Elecs. Ltd. v. CBM Kabushiki Kaisha*, 26 U.S.P.Q.2d 1503, 1507 (T.T.A.B. 1993).

233. *SmithKline Beecham Corp. v. Omnisource DDS, LLC*, 97 U.S.P.Q.2d 1300 (T.T.A.B. 2010).

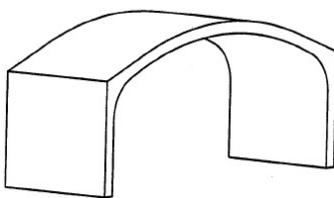
plans and research and development, contained in the minutes of the applicant's annual meeting, were not enough. And the mere fact that the applicant had filed an application to register a trademark cannot establish a bona fide intent because if that were the case, lack of bona fide intent would never be a ground for opposition or cancellation.

Lastly, and rather desperately, Omnisource contended that SmithKline must show that the applicant acted in bad faith and that SmithKline's claim was like an accusation of fraud that must be specifically pled and proven by clear and convincing evidence. The Board, however, observed that Omnisource cited no authority in support of its argument and indeed had incorrectly conflated the requirements for pleading and proving lack of bona fide intent with those for fraud. A showing of bad faith is not required to prove a lack of bona fide intent.

#### 4. Functionality

*Kistner Concrete Products, Inc. v.  
Contech Arch Technologies, Inc.*

Giving heavy weight to five utility patents that showed "the functionality of each of the features claimed to be respondent's trademark," and little weight to "respondent's evidence and speculation about other alternative designs," the Board granted a petition for cancellation of a Supplemental Registration for the product configuration (illustrated below)<sup>234</sup> for a precast concrete unit for constructing a bridge or culvert, finding the design to be de jure functional under Sections 2(e)(5) and 23(c).<sup>235</sup>



Applying the *Morton-Norwich*<sup>236</sup> factors, the Board concluded that they weighed decidedly in favor of a finding that the design is

---

234. According to the registration, "[t]he mark consists of the configuration of a one-piece open bottom bridge unit, with parallel spaced vertical side walls connected by an arched top wall and having sharp outside corners and a width substantially greater than its length."

235. *Kistner Concrete Prods., Inc. v. Contech Arch Techs., Inc.*, 97 U.S.P.Q.2d 1912, 1931 (T.T.A.B. 2011). 15 U.S.C. §§ 1052(e)(5) and 1091(c).

236. *In re Morton-Norwich Prods. Inc.*, 671 F.2d 1332, 213 U.S.P.Q. 9, 12-15 (C.C.P.A. 1982); see *Valu Eng'g Inc. v. Rexnord Corp.*, 278 F.3d 1268, 61 U.S.P.Q.2d 1422 (Fed. Cir. 2002) (restating the *Morton-Norwich* factors as follows: "1. The existence of a utility patent



functional. First, the Board observed that a utility patent is strong evidence that the features claimed in the patent are functional. It found that each element of the design is an essential element of one particular patent, and that the respondent failed to show that any of the elements is ornamental, incidental, or arbitrary. Although the respondent had also obtained design patents for very similar designs, that was “insufficient to counter the significant probative value accorded to the utility patents.”<sup>237</sup>

Furthermore, the respondent’s advertising and other materials touted the utilitarian benefits of the specific configuration of its bridge units: for example, the arch shape requires less material, it carries heavy loads at low stress levels, its curved top sheds water, and it provides large waterway openings with minimum headroom and compact shape.

In light of the heavy probative weight to be given the utility patents, the Board saw no need to consider alternative designs. Nonetheless, it declared that, even if it did consider alternative designs, it would not rule in the respondent’s favor. The Board pointed out that the question was whether there are alternative designs that perform equally well. The parties submitted detailed testimony involving geometric ratios and other numeric values, but the Board found the respondent’s highly technical expert testimony from a patent lawyer to be unhelpful, and it gave little weight to the respondent’s hypothetical design alternatives.

The respondent pointed out that the utility patent claims recite specific geometric ratios, arguing that there are designs that fall within the scope of the purported trademark that are not covered by the patent claims. The Board was not impressed:

While the patent claims specific geometric ratios, this fact does not establish the non-functionality of the trademark that lacks the same specificity, because the patent shows that the features claimed as respondent’s trademark are essential or integral parts of the invention and have utilitarian advantages. Simply put, respondent’s trademark comprises functional features as set forth in the patent, minus the mathematical ratios (except to the extent that one might view “a width substantially greater than its length” as a substitution for the ratios in a very general sense).<sup>238</sup>

---

that discloses the utilitarian advantages of the registered design; 2. Advertising by the registrant that touts the utilitarian advantages of the registered design; 3. Facts pertaining to the availability of alternative designs; and 4. Facts pertaining to whether the registered design results from a comparatively simple or inexpensive method of manufacture.”).

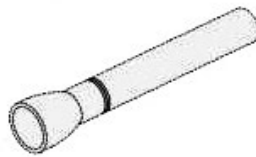
237. *Kistner Concrete Prods.*, 97 U.S.P.Q.2d at 1924.

238. *Id.* at 1931 (citations omitted).

Finally, the Board found that the respondent's design was less costly to produce than other designs, which may require more concrete and/or reinforcing materials.

*Mag Instrument, Inc. v. Brinkmann Corporation*

Brinkmann challenged Mag's attempt to register the product design mark illustrated below, for flashlights, the proposed mark consisting of two bands encircling the barrel of the flashlight. Brinkmann maintained that this configuration was functional, and if not found functional, then it should be found lacking in distinctiveness.<sup>239</sup> The Board agreed on both counts.



According to Brinkmann, the ring design was “necessary to charge the flashlight and the reason that the charging feature works.”<sup>240</sup> Mag contended that the mark, as used, consisted of two bands that *visibly contrasted* with the body of the flashlight, but the Board found no indication in the application that the bands contrasted with the body.

The Board again applied the *Morton-Norwich*<sup>241</sup> factors, finding that the first three pointed in Brinkmann's favor. First, the Board reviewed an expired utility patent owned by Mag and concluded that the features of the proposed mark were covered by the expired patent, which patent also disclosed the utilitarian advantages of the two bands. As to the second factor, the Board found that Mag had touted several advantages of the dual bands: “you can get 360 degree contact . . . no matter how you place the flashlight in the charger.”<sup>242</sup> And as to alternative designs, Mag offered only some theoretical possibilities and none that included the 360-degree feature. Finally, the evidence was inconclusive regarding whether the Mag design resulted in an easier or less expensive manner of production. The Board concluded that the proposed mark was functional.

---

239. *Mag Instrument, Inc. v. Brinkmann Corp.*, 96 U.S.P.Q.2d 1701 (T.T.A.B. 2010), *aff'd per curiam without opinion*, Appeal Nos. 2011-1052, 1053 (Fed. Cir. Nov. 9, 2011).

240. *Id.* at 1717.

241. *See* note 236, *supra*.

242. *Mag Instrument*, 96 U.S.P.Q.2d at 1720.

For purposes of completeness, and assuming *arguendo* that the subject design was not de jure functional, the Board considered Mag's Section 2(f)<sup>243</sup> evidence of acquired distinctiveness, finding it inadequate. According to the Board, Mag had to show that "the primary significance of the two bands or recharging rings in the minds of the consumers was not the utilitarian parts of the flashlight but the source of that flashlight, in order to establish acquired distinctiveness."<sup>244</sup> The Board once again belittled the probative value of form declarations, and it further observed that only one of the declarants was an end consumer, the others being sales reps or employees of retail companies. The Board also pooh-poohed Mag's indirect evidence—sales and advertising figures—particularly harping on what it found to be "most damaging" to Mag's case: the lack of "look for" advertising. And so the Board ruled that, in the alternative, Mag had failed to prove acquired distinctiveness for its proposed product configuration mark.

## 5. Acquired Distinctiveness

### *Coach Services, Inc. v. Triumph Learning LLC*

The opposer claimed that Triumph's mark COACH was merely descriptive of the goods identified in the opposed application: "educational materials for preparing for standardized tests."<sup>245</sup> The dictionary definition of the word, as well as its use in the titles of educational books and CDs, led the Board to conclude that the word COACH directly informs consumers that the products are for instruction. Triumph pleaded as an affirmative defense that its marks have acquired distinctiveness, based on revenues in the "seven figures" and on distribution of some four million promotional pieces in 2008. The Board noted that COACH was descriptive, but not so highly descriptive that the applicant needed to show a correspondingly high level of acquired distinctiveness. The opposer argued that Triumph's only evidence of acquired distinctiveness, the testimony of its own witness, was self-serving and uncorroborated, but the Board pointed out that the witness was rigorously cross-examined and it found her testimony credible. Concluding that Triumph's use of the COACH marks had been substantially exclusive for its goods, and that its marks had "made

---

243. 15 U.S.C. § 1052(f).

244. *Mag Instrument*, 96 U.S.P.Q.2d at 1723; see *In re Steelbuilding.com*, 415 F.3d 1293, 75 U.S.P.Q.2d 1420, 1422 (Fed. Cir. 2005); *In re Ennco Display Sys. Inc.*, 56 U.S.P.Q.2d 1279 (T.T.A.B. 2000).

245. *Coach Servs., Inc. v. Triumph Learning, LLC*, 96 U.S.P.Q.2d 1600 (T.T.A.B. 2010).

an impact on the purchasing public,”<sup>246</sup> the Board dismissed the opposer’s Section 2(e)(1)<sup>247</sup> claim.

## 6. Priority of Use

### *Weatherford/Lamb, Inc. v. C&J Energy Services, Inc.*

This rather mundane decision<sup>248</sup> was likely deemed precedential by the Board in order to showcase its Alternative Case Resolution (ACR) procedure.<sup>249</sup> The parties to this cancellation proceeding opted for ACR to resolve the only issue in dispute: priority of use. After filing cross-motions for summary judgment, they entered into a stipulation that permitted the Board to resolve the proceeding based on the summary judgment submissions, resolving any genuine issue of material fact without trial. Weatherford sought cancellation of C&J’s registration for the mark FRAC-SURE for “oil and gas well treatment services; oil and gas well fracturing services,” claiming likelihood of confusion with its allegedly earlier-used mark FRACSURE for oil well fracturing and oil and gas treatment services.

Likelihood of confusion was not in dispute, only priority. The earliest date upon which Respondent C&J could rely was the filing date of its underlying application; it offered no evidence of use of its mark prior to that date. Weatherford needed to prove, under Section 2(d),<sup>250</sup> that it owned “a mark or trade name previously used in the United States . . . and not abandoned.” Although the prior use need not be “technical trademark use,”<sup>251</sup> Weatherford relied on “actual or technical use of its mark in commerce.” C&J strenuously argued that FRACSURE is laudatory and not inherently distinctive, but the Board found no evidence thereof. The Board observed that FRACSURE “appears . . . to be a coined term, albeit one that is evocative of the term fracture.”<sup>252</sup> Moreover, C&J’s own registration issued without any claim to acquired distinctiveness. Looking at the totality of the evidence,

246. *Id.* at 1620.

247. 15 U.S.C. § 1052(e)(1).

248. *Weatherford/Lamb, Inc. v. C&J Energy Servs., Inc.*, 96 U.S.P.Q.2d 1834 (T.T.A.B. 2010).

249. See Section 528.05(a)(2) of the Trademark Board Manual of Procedure (TBMP) (3d ed. 2011).

250. 15 U.S.C. § 1052(d).

251. A party may establish prior use through “use analogous to trademark use” which is nontechnical use of a trademark in connection with the promotion of services “under circumstances which do not provide a basis for an application to register, usually because the statutory requirement for use on or in connection with the sale of goods [or services] in commerce has not been met.” *Shalom Children’s Wear Inc. v. In-Wear A/S*, 26 U.S.P.Q.2d 1516, 1519 (T.T.A.B. 1993).

252. *Weatherford/Lamb*, 96 U.S.P.Q.2d at 1838.

the Board concluded that Weatherford had established its priority of use, and so it sustained the petition for cancellation.

## 7. Lawful Use

### *Automedx, Inc. v. Artivent Corp.*

The sole contested issue in this Section 2(d)<sup>253</sup> opposition was also priority of use, but with a twist involving the question of whether the prior use was lawful.<sup>254</sup> The Board sided with the opposer, Automedx, based on its earlier sale of ventilators to the Air Force for purposes of testing and refinement, sustaining a Section 2(d) opposition to registration of the mark SAVE for medical “ventilators” on the ground of likelihood of confusion with Automedx’s mark SAVe for portable ventilators. Applicant Artivent was entitled to claim the filing date of its intent-to-use application as its date of first use. Automedx relied on sales of its ventilators before that date, which sales were “made for purposes of testing and were completed prior to FDA approval of opposer’s ventilators for human use.”<sup>255</sup> Artivent contended that those sales constituted neither bona fide use, nor lawful use.

As to the sales themselves, the issue was whether the opposer’s sales were test sales for legitimate commercial purposes in the ordinary course of trade, or token sales to reserve the mark for registration. The Board found the former and not the latter. It disagreed with Artivent’s assertion that FDA approval is required before a sale of goods for human use may be bona fide. The sales were mutually beneficial because they permitted the military to test the units before making a larger commitment, and they permitted Automedx to refine the product in order to make it more commercially attractive. These were arm’s-length transactions in which properly labeled SAVe ventilators were sold and transported in commerce. The fact that they were sold for testing purposes did not make the sale and transportation of the goods less bona fide.

The issue of whether use of a mark is unlawful involves two questions: (1) whether there is a previous determination that a party has not complied with a relevant statute; or (2) whether there is a *per se* violation of a statute.<sup>256</sup> Here, there was no prior determination of illegality and so Artivent relied on the *per se* prong of the test. According to Artivent, if the portable ventilators are goods in trade, which they must be in order for Automedx to claim

---

253. 15 U.S.C. § 1052(d).

254. *Automedx, Inc. v. Artivent Corp.*, 95 U.S.P.Q.2d 1976 (T.T.A.B. 2010).

255. *Id.* at 1978.

256. *General Mills Inc. v. Healthy Valley Foods*, 24 U.S.P.Q.2d 1270, 1273 (T.T.A.B. 1992).

priority, then the sale of the portable ventilators must be approved for human use by the USFDA to constitute lawful use in commerce. Thus, according to Artivent, the sales violated USFDA regulations. The Board, however, reiterated that there is no requirement of USFDA approval for goods sold to the military for testing purposes, and it found no *per se* violation of any laws or regulations.

## 8. Assignability of Intent-to-Use Application

### *Amazon Technologies, Inc. v. Wax*

Decisions that involve the application of Section 10 of the Lanham Act<sup>257</sup> to the “assignment” of Section 1(b)<sup>258</sup> intent-to-use applications are rare. Here, the opposed ITU application for the mark AMAZON VENTURES for investment consultation services was originally filed jointly by the applicants, Wax and Friedman, in 2000.<sup>259</sup> Friedman assigned his interest in the application to Wax in 2008. The business had no assets and no business plan; it never paid taxes and never advertised. Friedman testified that he had no intent to use the mark and never worked with Wax on any project. Wax, on the other hand, provided declarations from third parties stating that he did provide consultation services under the mark. He claimed that Friedman had been out of the business since 2001 and that the assignment was formally executed only when needed (in 2008). The Board ruled as a matter of law that Section 10 had not been violated by the “assignment” from Friedman to Wax.

The Board observed that an “assignment” is defined as “[a] transfer or making over to another the whole of any property.”<sup>260</sup>

In this case, there was no transfer to “another,” as Mr. Wax was an original joint applicant and is now the sole remaining applicant. In fact, the “Trademark Assignment” in this case was more akin to a change in the type of entity which owned the application than to a traditional assignment of a mark from one unrelated party to another.<sup>261</sup>

The Board noted that the purpose of Section 10 is to preclude “trafficking” in unused trademarks. Here there was no “trafficking.”

In short, the assignment from one joint applicant to another, where the assignee joint applicant was and remains an owner

---

257. 15 U.S.C. § 1060.

258. *Id.* § 1051(b).

259. *Amazon Techs., Inc. v. Wax*, 95 U.S.P.Q.2d 1865 (T.T.A.B. 2010).

260. *Id.* at 1871.

261. *Id.*

of the application, is more in the nature of a “relinquishment” of ownership rights by one of the joint owners than a true “assignment” to a different legal entity and, thus, it is not prohibited under Section 10 of the Trademark Act.<sup>262</sup>

### 9. Effect of Third-Party Consent Agreement

*Anthony's Pizza & Pasta International, Inc. v.  
Anthony's Pizza Holding Co.*

In this previously discussed<sup>263</sup> Section 2(d)<sup>264</sup> proceeding involving the plaintiff's mark ANTHONY'S PIZZA & PASTA and the defendant's mark ANTHONY'S COAL-FIRED PIZZA, both for restaurant services, the defendant maintained that the plaintiff was barred from challenging the defendant's mark because of a prior consent agreement that the plaintiff had reached with a third party.<sup>265</sup>

Prior to filing its application to register, the plaintiff had signed a consent agreement with the Army and Air Force Exchange Service (the Service), owner of a registration for ANTHONY'S PIZZA THE WORLD'S GREATEST & Design for restaurant services. The Service had agreed to use its mark only on military bases, while the plaintiff agreed not to do so. The defendant contended that (1) the agreement showed an acknowledgment that two ANTHONY'S restaurants could co-exist, and the plaintiff could not change positions on that point, and (2) in its application the plaintiff verified that no other confusingly similar marks existed, thereby conceding that slight variations in ANTHONY'S marks were sufficient to distinguish them for Section 2(d) purposes. The Board did not agree. It pointed out that “file wrapper estoppel” does not apply in trademark cases,<sup>266</sup> and that the plaintiff's opinion regarding the two marks involved in the agreement does not rise to the level of an admission against interest.<sup>267</sup> Moreover, entry into a coexistence agreement when the plaintiff believed that the different channels of trade would

---

262. *Id.* at 1872.

263. *See* Part I.A, *supra*.

264. 15 U.S.C. § 1052(d).

265. *Anthony's Pizza & Pasta Int'l, Inc. v. Anthony's Pizza Holding Co.*, 95 U.S.P.Q.2d 1271 (T.T.A.B. 2009), *aff'd per curiam*, Appeal No. 2010-1191 (Fed. Cir. Nov. 18, 2010).

266. *See, e.g., Giant Food, Inc. v. Standard Terry Mills, Inc.*, 229 U.S.P.Q. 955, 963 (T.T.A.B. 1986).

267. *Interstate Brands Corp. v. Celestial Seasonings, Inc.*, 576 F.2d 926, 198 U.S.P.Q. 151, 153-154 (C.C.P.A. 1978) (noting likelihood of confusion is a legal conclusion; therefore, it cannot be an admission because only facts may be admitted).

prevent confusion epitomized “the type of circumstance in which the Federal Circuit has encouraged such agreements.”<sup>268</sup>

## 10. Ownership of Pledged Registration

*Hunt Control Systems Inc. v.  
Koninklijke Philips Electronics N.V.*

In this Section 2(d)<sup>269</sup> opposition, Applicant Philips objected to Opposer Hunt’s reliance on a registration that matured from a pleaded application on the ground that Philips had not been fairly apprised that Hunt would rely on the subsequently issuing registration.<sup>270</sup> The Board overruled the objection, pointing out that Philips had been put on notice that Hunt sought to rely on the application, and that Philips would have an opportunity to oppose the issuance of a registration or to counterclaim for cancellation once the registration issued.<sup>271</sup> Nonetheless, the Board refused to allow Hunt to rely on the registration for a different reason: the registration was not owned by Hunt but by a holding company, a separate legal entity. The presumptions afforded by Section 7(b)<sup>272</sup> do not inure to the opposer, and so it may not rely on the registration for purposes of priority.<sup>273</sup>

## 11. Standing for Foreign Trademark Owner

*Petróleos Mexicanos v. Intermix S.A.*

The Board denied Respondent Intermix’s Rule 12(b)(6) motion for dismissal of this cancellation proceeding involving its registration for the mark PEMEX for petroleum products and

268. *Anthony’s Pizza & Pasta*, 95 U.S.P.Q.2d at 1282.

269. 15 U.S.C. § 1052(d).

270. *Hunt Control Sys. Inc. v. Koninklijke Philips Elecs. N.V.*, 98 U.S.P.Q.2d 1558 (T.T.A.B. 2011).

271. *See UMG Recordings Inc. v. O’Rourke*, 92 U.S.P.Q.2d 1042, 1045 n.12 (T.T.A.B. 2009) (“The pleading of the application . . . provided sufficient notice to the applicant that the opposer would rely on a registration from the application for its likelihood of confusion claim.”).

272. 15 U.S.C. § 1057(b).

273. *See Chem. N.Y. Corp. v. Conmar Form Sys., Inc.*, 1 U.S.P.Q.2d 1139, 1144 (T.T.A.B. 1986) (wholly owned subsidiary of owner of registrations may not rely on registrations to prove priority); *Yamaha Int’l Corp. v. Stevenson*, 196 U.S.P.Q. 701, 702 (T.T.A.B. 1979) (opposer could not rely on Section 7(b) presumptions where registration is owned by its parent company); *Fuld Bros., Inc. v. Carpet Tech. Serv. Inst., Inc.*, 174 U.S.P.Q. 473, 475-76 (T.T.A.B. 1972) (although petitioner can rely on its wholly owned subsidiary’s use of a mark, petitioner cannot rely on the registrations owned by its wholly owned subsidiary for statutory presumptions); *Joseph S. Finch & Co. v. E. Martinoni Co.*, 157 U.S.P.Q. 394, 395 (T.T.A.B. 1968) (opposer cannot rely on registrations owned by its parent or its parent’s subsidiaries); *see also* TBMP 704.03(b)(1)(B) (3d ed. May 2011). *See also* Section 7(b) of the Lanham Act, 15 U.S.C. § 1057.



services. The Board found that the petitioner, Petróleos Mexicanos, had standing and had properly pleaded three claims for relief: false association under Section 2(a),<sup>274</sup> likelihood of confusion under Section 2(d),<sup>275</sup> and fraud.<sup>276</sup> In its motion, Intermix asserted that the petitioner lacked standing because it neither pleaded use nor registration of its identical mark PEMEX in the United States, nor did it otherwise claim any trademark rights in the mark that are protectable in the United States. Intermix also argued that the petitioner could not rely on the alleged fame of its mark in Mexico under a “famous mark” theory, because the Board does not recognize the “well known mark” or “famous foreign mark” doctrine as a basis for preventing registration by another.<sup>277</sup>

The Board pointed out that if the petitioner established standing as to any of its pleaded grounds, then it had the right to assert any other ground having a reasonable basis in fact that would negate the applicant’s right to registration.<sup>278</sup> First turning to the Section 2(a) claim of false association, the Board observed that the petitioner need not allege proprietary rights in its name for purposes of this claim. “[A] petitioner may have standing by virtue of who petitioner is, that is, its identity.”<sup>279</sup> Here, the petitioner adequately pleaded that “it is the actual institution with which consumers will presume a false suggestion of a connection when confronted with respondent’s identical PEMEX mark, and which is allegedly implicated by that false suggestion.”<sup>280</sup>

Moreover, the petitioner also sufficiently pleaded its Section 2(d) claim by alleging that it had “extensive business activities” in the United States. The respondent Intermix argued that these activities fell far short of the required bona fide use of a trademark. The Board, however, pointed out that Section 2(d), by its terms, requires merely that a prior mark has been “used in the United States by another.” The foreign owner’s use need not meet the level of use required for obtaining a registration in this country. As the Federal Circuit held in *First Niagara Insurance Brokers Inc. v. First Niagara Financial Group Inc.*, “a foreign opposer can present its opposition on the merits by showing mere

---

274. 15 U.S.C. § 1052(a).

275. *Id.* § 1052(d).

276. *Petróleos Mexicanos v. Intermix S.A.*, 97 U.S.P.Q.2d 1403 (T.T.A.B. 2010).

277. *See, e.g.*, *Bayer Consumer Care AG v. Belmora LLC*, 90 U.S.P.Q.2d 1587 (T.T.A.B. 2009).

278. *See Lipton Indus., Inc. v. Ralston Purina Co.*, 213 U.S.P.Q. 184, 188 (C.C.P.A. 1982).

279. 97 U.S.P.Q.2d at 1405 (citing *Estate of Biro v. Bic Corp.*, 18 U.S.P.Q.2d 1382, 1385 (T.T.A.B. 1991)).

280. *Id.* at 1406.

use of its mark in the United States.”<sup>281</sup> Specifically, the *First Niagara* court held that a Canadian insurance company, operating out of Canada and having no physical presence in the United States, had sufficient connections with the United States to establish priority of use under Section 2(d) by reason of, inter alia, selling policies issued by United States–based underwriters and selling policies to United States citizens having Canadian property. And so the Board concluded that the petitioner’s Section 2(d) allegations were adequate, pointing out that whether those activities “constitute use, or use analogous to trademark use, . . . sufficient to prove priority, is a matter for trial.”<sup>282</sup>

Finally, the Board reviewed the petitioner’s fraud allegations and found them to be sufficient as well: “[P]etitioner alleges with particularity that respondent knowingly, with the intent to deceive the USPTO, made a material misrepresentation that it was using its mark in commerce in the United States on the identified goods and services as of the time it filed its statement of use, when no such use had been made.”<sup>283</sup>

Foreign trademark owners seeking to protect their marks in this country would be wise to keep this case in mind, along with last year’s decision in *Fiat Group Autos S.p.A. v. ISM, Inc.*<sup>284</sup> There, the Board ruled that a foreign owner without use of its mark in the United States may bring a claim for dilution based on the fame of its mark here, provided that it has filed an application to register the mark in this country.

## 12. Partial Cancellation or Disclaimer of a Generic Term

### *Montecash v. Anzar Enterprises Inc.*

In a case of first impression involving Section 18 of the Lanham Act,<sup>285</sup> the Board granted the respondent’s Rule 12(b)(6) motion to dismiss this petition for cancellation of a more-than-five-year-old registration for the mark MONTEPIO & Design for “pawn shop services,” on the ground that the petition failed to state a claim on which relief could be granted.<sup>286</sup> Montecash alleged that MONTEPIO means “pawnshop” in Spanish and is therefore generic, requiring (1) cancellation of the entire registration, or (2) cancellation of the registration in part by removing the word

---

281. *First Niagara Ins. Brokers, Inc. v. First Niagara Fin. Grp., Inc.*, 476 F.3d 867, 81 U.S.P.Q.2d 1375, 1378 (Fed. Cir. 2007).

282. *Petróleos Mexicanos*, 97 U.S.P.Q.2d at 1406.

283. *Id.* at 1408.

284. *Fiat Grp. Autos. SpA. v. ISM, Inc.*, 94 U.S.P.Q.2d 1111 (T.T.A.B. 2010).

285. 15 U.S.C. § 1068.

286. *Montecash LLC v. Anzar Enters., Inc.*, 95 U.S.P.Q.2d 1060 (T.T.A.B. 2010).

MONTEPIO from the mark, or (3) restriction of the registration by entering a disclaimer of MONTEPIO.

The Board observed that, under its decision in *Finanz St. Honore, B.V. v. Johnson & Johnson*,<sup>287</sup> a registration that is more than five years old may not be cancelled on the ground that a portion of the registered mark is generic. Moreover, deletion of matter from a registered mark is not provided for under Section 14(3)<sup>288</sup> of the Lanham Act and is therefore unavailable. Indeed, a deletion of matter from a registered mark that would materially alter the mark as used by the registrant is prohibited.<sup>289</sup>

Finally, as to restriction of the registered mark by means of a disclaimer of MONTEPIO, the Board construed this claim as one seeking relief under Section 18 of the Lanham Act. Reviewing the terms of Section 18 and its legislative history, the Board concluded that this type of relief is not expressly contemplated and furthermore would be inconsistent with the plain wording of both Sections 14(3) and 18. The legislative history indicates that Section 18 would provide the Board with authority to limit or otherwise modify the goods and services in a registration or application to avoid a likelihood of confusion, even for a registration more than five years old. However, restriction of a registration is allowed in Section 2(d)<sup>290</sup> cases in order to avoid a likelihood of confusion when the opponent is not using its mark on the goods or services to be deleted, “so as to allow the claiming party a place for its mark on the register.” Here, in contrast, the request for a disclaimer of a part of the registered mark, unlike cases involving restriction of the identification of goods, would not, in and of itself, allow two conflicting marks to coexist on the register. The Board pointed out that its jurisdiction is limited to issues relating to the registrability of marks, and a claim for restriction under Section 18 must not only be commercially significant but must also be related to the registrability of marks on the register. The petitioner’s claim was not aimed at allowing it to register its own mark and therefore it failed to state a claim under Section 18.

---

287. *Finanz St. Honore, B.V. v. Johnson & Johnson*, 85 U.S.P.Q.2d 1478 (T.T.A.B. 2007).

288. 15 U.S.C. § 1064(3).

289. See Trademark Rule 2.72, 37 C.F.R. § 2.72; TMEP §§ 807.14(a) (8th ed., Oct. 2011).

290. 15 U.S.C. § 1052(d).

### 13. Cancellation for Noncompliance with Regulatory Requirements

#### *Flash & Partners S.p.A. v. I.E. Manufacturing LLC*

Opposer Flash moved under Rule 12(b)(6), Federal Rules of Civil Procedure, to dismiss the applicant's counterclaim for cancellation of one of the opposer's pleaded registrations, and the Board granted the motion on the ground that the applicant's allegations, based on *ex parte* examination matters, failed to state a claim upon which relief can be granted.<sup>291</sup> The underlying intent-to-use application for the challenged registration was originally filed without a verification. The drawing page was then amended and the verification was subsequently filed, confirming the applicant's bona fide intent as of the original filing date. The applicant contended that (1) the underlying application was incomplete and thus void ab initio, and (2) the opposer did not have a bona fide intent to use the original mark, nor to use the mark as amended. As to (1), the Board pointed out that even an unsigned application is given a filing date. The Examining Attorney must require that the applicant submit a verification that relates back to the original filing date, and that is what happened here. The determination of the opposer's compliance with the signature requirement was an *ex parte* examination issue addressed during prosecution. That issue, as with similar *ex parte* examination matters, does not form a basis for cancellation. As to (2), the submission of an amended drawing does not require verification, and the submission does not raise the issue of the opposer's bona fide intent. The Examining Attorney's acceptance of the amended drawing is an *ex parte* decision that necessarily involves the determination of whether the amended mark creates the same commercial impression as the original mark. The opposer's filing of an amended drawing therefore did not affect its statutory allegation of a bona fide intent to use either the original or the amended mark as of the application filing date. As the Board pointed out, canceling a registration based on a finding of a material alteration to the mark would have the effect of punishing the opposer for the Examining Attorney's alleged error, without allowing the opposer the opportunity it would have had to remedy the matter if it had been raised during prosecution.

We recognize that prosecution of a trademark application involves numerous regulatory requirements, and that whether an applicant has satisfied them often entails some degree of subjective judgment on the part of the examining attorney.

---

291. *Flash & Partners S.p.A. v. I. E. Mfg. LLC*, 95 U.S.P.Q.2d 1813 (T.T.A.B. 2010); see also Fed. R. Civ. P. 12(b)(6).

Considerations of due process, as well as fairness to parties against whom allegations of examination error are asserted, dictate that such matters be solely a matter for ex parte determination, and not grounds for opposition or cancellation.<sup>292</sup>

## 14. Procedural Issues

### *a. Issues Tried by Implied Consent*

#### *Productos Lacteos Tocumbo S.A. de C.V. v. Paleteria La Michoacana Inc.*

In this Section 2(d)<sup>293</sup> cancellation proceeding, the petitioner attempted to rely on marks that were not pleaded, arguing that the marks were put in issue by implied consent.<sup>294</sup> The Board observed that implied consent to the consideration of an unpleaded issue may be found “only where the nonoffering party (1) raised no objection to the introduction of evidence on the issue, and (2) was fairly apprised that the evidence was being offered in support of the issue.”<sup>295</sup> The question is one of fairness: “[t]he non-moving party must be aware that the issue is being tried, and therefore there should be no doubt on this matter.”<sup>296</sup> In its final brief, the petitioner claimed rights in the marks LA MICHACANA and an “Indian girl” design, but the respondent objected on the ground that those marks were not pleaded. Reviewing the testimony and evidence, the Board ruled that the issue of likelihood of confusion as to those two marks was tried by consent because the respondent was made aware of the petitioner’s intention to rely on those marks both by the petitioner’s notices of reliance and by its testimony depositions, at which time the respondent did not object. In fact, in a separate deposition that it took during its own testimony period, the respondent questioned one of the petitioner’s witnesses regarding use of those two marks. The Board therefore overruled the respondent’s objection, and it deemed the pleadings amended to conform to the evidence pursuant to Rule 15 of the Federal Rules of Civil Procedure.

---

292. *Flash*, 95 U.S.P.Q.2d at 1816.

293. 15 U.S.C. § 1052(d).

294. *Productos Lacteos Tocumbo S.A. de C.V. v. Paleteria La Michoacana Inc.*, 98 U.S.P.Q.2d 1921, 1924 (T.T.A.B. 2011).

295. *Id.* at 1924 (quoting TBMP § 507.03(b)); *see also* *Morgan Creek Prods. Inc. v. Foria Int’l Inc.*, 91 U.S.P.Q.2d 1134, 1138 (T.T.A.B. 2009); *H.D. Lee Co. v. Maidenform Inc.*, 87 U.S.P.Q.2d 1715, 1720-1721 (T.T.A.B. 2008); *Long John Silver’s Inc. v. Lou Scharf Inc.*, 213 U.S.P.Q. 263, 266 n.6 (T.T.A.B. 1982); *Boise Cascade Corp. v. Cascade Coach Co.*, 168 U.S.P.Q. 795, 797 (T.T.A.B. 1970).

296. *Productos Lacteos*, 98 U.S.P.Q.2d at 1925 (quoting *Morgan Creek Prods. Inc. v. Foria Int’l Inc.*, 91 U.S.P.Q.2d at 1139).

### *b. Claim Preclusion*

#### *Orouba Agrifoods Processing Co. v. United Food Import*

The Board denied Petitioner Orouba a second bite of the apple by entering summary judgment on its various claims for cancellation of a registration for a particular design mark for frozen fruit and vegetables.<sup>297</sup> Orouba had previously opposed the application that matured into the challenged registration, but the opposition was dismissed with prejudice when Orouba failed to take testimony or submit evidence. That opposition was based on allegations that the respondent United was a mere importer and had committed fraud by claiming ownership of the applied-for mark.

The petition for cancellation added claims of likelihood of confusion under Section 2(d),<sup>298</sup> false suggestion of a connection under Section 2(a),<sup>299</sup> and misrepresentation of source under Section 14(3).<sup>300</sup> United argued that Orouba was relying on the same set of transactional facts as in the opposition proceeding and that nothing raised in the pending cancellation petition could not have been raised in the opposition. Orouba maintained that, although the Board rendered a final decision in the opposition proceeding, it did not reach the substantive merits of the case, and further that the cancellation petition is based on different facts (particularly regarding confusion), that some of the allegations were newly discovered, and that the graveness of the allegations regarding misappropriation of a mark by a distributor required their consideration by the Board.

The Board granted United's summary judgment motion on the ground of claim preclusion. It observed that the judgment in the opposition was a final judgment on the merits, which "bars a second suit involving the same parties or their privies based on the same cause of action."<sup>301</sup> The Board noted that although the dismissal of the prior opposition would not be sufficient for issue preclusion purposes, it is a final judgment on the merits for purposes of claim preclusion.<sup>302</sup> The question, then, was whether the allegations in the petition for cancellation were based on the same transactional facts as, and could have been litigated in, the

---

297. *Orouba Agrifoods Processing Co. v. United Food Imp.*, 97 U.S.P.Q.2d 1310 (T.T.A.B. 2010).

298. 15 U.S.C. § 1052(d).

299. *Id.* § 1052(a).

300. *Id.* § 1064(3).

301. *Jet, Inc. v. Sewage Aeration Sys.*, 223 F.3d 1360, 55 U.S.P.Q.2d 1854, 1856 (Fed. Cir. 2000) (quoting *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 326 n. 5 (1979)).

302. *Young Eng'rs, Inc. v. U.S. Int'l Trade Comm'n*, 721 F.2d 1305, 219 U.S.P.Q. 1142, 1151 (Fed. Cir. 1983).

prior opposition. The Board found the transactional facts in the two proceedings to be the same: allegations of ownership, priority of use, and fraud. Orouba's assertions that the allegations were newly discovered was just a different way of describing a new legal theory on the same transactional facts. "Petitioner cannot avoid the application of claim preclusion by merely bringing additional claims in this proceeding based on the same transactional facts as the prior opposition."<sup>303</sup> Although the pleaded grounds in the opposition did not include priority and likelihood of confusion, false suggestion of a connection, or misrepresentation of source, those claims are based on the same facts alleged in the opposition and Orouba "could (and should) have asserted each of these [additional] claims in the earlier case."<sup>304</sup> Finally, the petitioner's characterization of its allegations as "grave" did not move the Board: it pointed out that Orouba had failed to pursue the opposition and failed to respond to the Board's inquiry regarding the status of a pending civil action between the parties.

*Zoba International Corp. v.  
DVD Format/LOGO Licensing Corp.*

The respondent moved for summary judgment on the ground of claim preclusion in these three consolidated cancellation proceedings involving registrations for the mark DVD in logo form for optical disks, readers, and related devices.<sup>305</sup> The respondent contended that the petitioner's fraud and abandonment claims were virtually identical to counterclaims that were previously dismissed with prejudice by stipulation and order in a prior civil action between the parties. The Board granted the motion as to two of the three proceedings.

The Board observed that "[a] subsequent claim will be barred by claim preclusion if: '(1) there is identity of parties (or their privies); (2) there has been an earlier final judgment on the merits of a claim; and (3) the second claim is based on the same set of transactional facts as the first.'"<sup>306</sup>

As to the claim preclusion factors for the first two cancellations, there was no dispute that the parties here are identical to those in the civil action. Likewise, there was no "genuine" dispute that the stipulated order in the civil action was a

---

303. *Vitaline Corp. v. General Mills Inc.*, 891 F.2d 273, 13 U.S.P.Q.2d 1172, 1173 (Fed. Cir. 1989).

304. *Orouba Agrifoods*, 97 U.S.P.Q.2d at 1314.

305. *Zoba Int'l Corp. v. DVD Format/LOGO Licensing Corp.*, 98 U.S.P.Q.2d 1106 (T.T.A.B. 2011).

306. *Jet, Inc. v. Sewage Aeration Sys.*, 223 F.3d 1360, 55 U.S.P.Q.2d 1854, 1857 (Fed. Cir. 2000), *reh'g and reh'g en banc denied* (Sept. 28, 2000), citing *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 326 n.5 (1979).

final judgment. As to the third factor for claim preclusion—namely, whether the claims in the later proceeding are based on the same set of transactional facts as those asserted in a prior action—the Board “must consider whether [the petitioner’s] counterclaims comprise the same ‘core [or nucleus] of operative facts’ or are ‘based on the same, or nearly the same, factual allegations’ as those asserted in these proceedings.”<sup>307</sup>

The fraud claims raised by the petitioner relied on the same allegedly false affidavits and specimens of use filed by the respondent when renewing two of its registrations, and so the Board concluded that the third factor had been satisfied as to these claims. Likewise, the third factor was satisfied as to the petitioner’s abandonment claims, which were based on the same set of transactional facts that gave rise to its counterclaims in the civil action: namely, that the respondent was not using the DVD Logo as a trademark for its own goods; that the DVD Logo was being used by third parties; and therefore that the DVD Logo no longer identified a single source. Although the terminology used in the cancellation petitions was different from that in the civil action counterclaims, that did “not raise a genuine dispute” as to whether the counterclaim and the instant claims were “based on the same set of transactional facts.”<sup>308</sup> And so the Board granted the motion for summary judgment as to the first two cancellation proceedings.

As to the third cancellation, the challenged registration was not pleaded by the respondent in the prior civil action, and the petitioner therefore had no obligation to assert a defense of trademark invalidity regarding that registration. And although the mark was the same as in the other two registrations, the goods are different and broader. Thus the fraud and non-use counterclaims in the prior civil action were not based on the same transactional facts as in this cancellation proceeding.<sup>309</sup> Moreover, because the third registration was not pleaded in the civil action, the complaint did not provide the petitioner with notice that it had a right or need to assert a defense against that registration. The Board ruled, based on both precedent and fairness, that the

---

307. *Zoba*, 98 U.S.P.Q.2d at 1111 (quoting *Jet*, 55 U.S.P.Q.2d at 1857).

308. *Zoba*, 98 U.S.P.Q.2d at 1113; see *Jet*, 55 U.S.P.Q.2d at 1856.

309. See *Nasalok Coating Corp. v. Nylok Corp.*, 86 U.S.P.Q.2d 1369, 1374 (Fed. Cir. 2008) (“preclusion as to validity applies only ‘if the accused product in the second suit [is] ‘essentially the same’ as the specific device that was before the court in the first suit’” (internal citations omitted); *Mayer/Berkshire Corp. v. Berkshire Fashions Inc.*, 424 F.3d 1229, 76 U.S.P.Q.2d 1310, 1314 (Fed. Cir. 2005); *Realex Chem. Corp. v. S.C. Johnson & Son, Inc.*, 849 F.2d 299, 7 U.S.P.Q.2d 1161, 1164 (8th Cir. 1988) (“There is no *res judicata* or claim preclusion where, while the legal theory is the same, the accused mark is a newly designed label used on a different product. The cause of action is different and there is no ‘splitting’ of a cause of action.”).



petitioner's fraud and abandonment claims in the third proceeding were not barred by the doctrine of claim preclusion.

*c. Issue Preclusion*

*Stephen Slesinger Inc. v. Disney Enterprises Inc.*

The Board granted Disney's summary judgment motion in this consolidated proceeding (eleven oppositions and one cancellation), ruling that collateral estoppel barred Stephen Slesinger Inc. (SSI) from relitigating the issue of ownership of various WINNIE THE POOH trademarks.<sup>310</sup> Absent ownership, SSI's claims for likelihood of confusion, dilution, and fraud must fail.

This proceeding is but one chapter in a long-running battle over rights arising out of the works of A.A. Milne; this case involved only the registrability of certain trademarks. The dispute centers on a 1983 agreement between the parties. SSI claimed that certain rights in the POOH works were reserved to it by the agreement, whereas Disney maintained that the agreement assigned all of SSI's ownership rights (including trademark rights) to Disney.

Here, Disney sought to register several Pooh-related marks for a variety of goods. SSI opposed on the grounds of likelihood of confusion, dilution, fraud, and lack of ownership. SSI also sought to cancel more than a dozen Disney registrations on the same grounds. Disney moved to dismiss all of SSI's claims on the ground that SSI is collaterally estopped from relitigating the issue of ownership of the marks because that issue was decided in 2009 in a civil action between the parties. SSI argued that the court did not actually decide that issue, and further that any such determination was not necessary to the district court's judgment. It asserted that the court decided only whether Disney's uses were authorized, without having to reach the issue of whether there was an assignment or a mere license of the rights. Disney, on the other hand, contended that the issue of ownership was extensively briefed and was necessarily decided by the court in order to consider SSI's counterclaims for trademark infringement and for a declaratory judgment that would require the USPTO to correct the title of Disney's registrations. Because both parties relied on documents outside of the pleadings, the Board treated Disney's motion to dismiss as a motion for summary judgment.

Four requirements must be met for issue preclusion to apply: (1) the issues must be identical in each case; (2) the issue must have been raised and adjudicated in the prior action; (3) the determination of the issue must have been necessary and essential

---

310. *Stephen Slesinger, Inc. v. Disney Enters., Inc.*, 98 U.S.P.Q.2d 1890 (T.T.A.B. 2011).

to the prior judgment; and (4) the party precluded must have been fully represented in the prior case.<sup>311</sup> SSI had the burden to prove ownership in the TTAB proceeding because its claims were not based on its own federal registrations and it therefore could not rely on any presumption of validity. The Board noted that, in the district court, the action involved the specific issue of which party owned the POOH marks as a result of the contracts between the parties. There was no dispute that the issue of ownership was raised and adjudicated in the court, or that SSI was fully represented by counsel. Finally, the Board was persuaded by the entire record that the district court's determination regarding the nature and scope of the conveyance from SSI to Disney was necessary and essential to the resulting judgment in the civil action.

[B]efore considering whether Disney's actions were infringing (or whether SI was entitled to have USPTO records regarding Disney's registrations corrected to show SSI as owner), the district court necessarily had to consider whether SSI had any rights in the POOH works. The question of whether Disney's uses were infringing or 'authorized' is only relevant once SSI's rights are established.<sup>312</sup>

The Board therefore granted Disney's motion for summary judgment on the ground of issue preclusion.

#### *d. Stay of Proceedings*

##### *Super Bakery, Inc. v. Benedict*

On remand from the Federal Circuit,<sup>313</sup> the Board ruled that Trademark Rule 2.127(d)<sup>314</sup> does not provide for an automatic stay of a proceeding when a party files a motion for summary judgment.<sup>315</sup> As a consequence, the Board again granted Super

---

311. See *Mayer/Berkshire Corp. v. Berkshire Fashions Inc.*, 424 F.3d 1229, 76 U.S.P.Q.2d 1310, 1312-13 (Fed. Cir. 2005); *Jet, Inc. v. Sewage Aeration Sys.*, 223 F.3d 1360, 55 U.S.P.Q.2d 1854, 1858-59 (Fed. Cir. 2000); *Larami Corp. v. Talk To Me Programs Inc.*, 36 U.S.P.Q.2d 1840, 1843-44 (T.T.A.B. 1995).

312. *Stephen Slesinger*, 98 U.S.P.Q.2d at 1897.

313. *Benedict v. Super Bakery, Inc.*, Appeal No. 2010-1085 (Fed. Cir., Mar. 3, 2010).

314. Trademark Rule 2.127(d), 37 C.F.R. § 2.127(d), states:

When any party files a motion to dismiss, or a motion for judgment on the pleadings, or a motion for summary judgment, or any other motion which is potentially dispositive of a proceeding, the case will be suspended by the Trademark Trial and Appeal Board with respect to all matters not germane to the motion and no party should file any paper which is not germane to the motion except as otherwise specified in the Board's suspension order. If the case is not disposed of as a result of the motion, proceedings will be resumed pursuant to an order of the Board when the motion is decided.

315. *Super Bakery, Inc. v. Benedict*, 96 U.S.P.Q.2d 1134 (T.T.A.B. 2010).

Bakery's petition for cancellation as a sanction against Respondent Benedict for failing to comply with a Board discovery order.<sup>316</sup> Benedict, appearing *pro se*, was twice ordered by the Board to respond to Bakery's discovery requests. One day before his responses were due (for the second time, and twenty months after the discovery requests were served), Benedict filed a motion for summary judgment. Eighteen days later, the Board issued a suspension order pending determination of the motion. The opposer then filed a response to the summary judgment motion and a motion for sanctions, asking the Board for judgment under Rule 2.120(g). The Board granted the sanction motion, entered judgment against Benedict, and denied the summary judgment motion as moot. Benedict appealed to the Federal Circuit, which vacated the Board's decision and remanded the case for consideration of the applicability of Rule 2.127(d).

The Board ruled that the mere filing of a dispositive motion does not automatically suspend a proceeding; only a formal suspension order by the Board has that effect.<sup>317</sup> Here, because the Board's suspension order was not issued until March 30, 2009, Benedict was still obligated to respond to petitioner's discovery requests, as ordered, by the March 13, 2009 deadline set by the Board. The Board observed that, in certain situations, the filing of a motion for summary judgment may serve as good cause for not responding to discovery requests. But not this time:

Rather than providing justification for the failure to comply with the Board's order, the filing of respondent's clearly meritless motion for summary judgment just one day before respondent's discovery responses were due can only be viewed as an effort to further obstruct petitioner's rights to obtain discovery under the Board's rules, the Board's order compelling discovery, and the Board's order granting discovery sanctions.<sup>318</sup>

The Board recognized that the sanction of judgment was harsh, but pointed out that Benedict had been given multiple opportunities to comply with the Board's discovery rules and

---

316. The C.A.F.C. affirmed this decision in December 2011. *Ward E. Benedict v. Super Bakery, Inc.*, 101 U.S.P.Q.2d 1089 (Fed. Cir. 2011). It concluded that the Board had not abused its discretion in entering judgment in light of Benedict's repeated failures to comply with Board orders. As to the question of whether the case was or was not suspended automatically upon the filing of Benedict's summary judgment motion, the court found Rule 2.127(d) too ambiguous for purposes of the Board's sanction. Nonetheless, the CAFC ruled that the entry of judgment by default was "well supported without this event." *Id.* at 1092.

317. *See Giant Food, Inc. v. Standard Terry Mills, Inc.*, 229 U.S.P.Q. 955, 965 (T.T.A.B. 1986); *Consultants & Designers, Inc. v. Control Data Corp.*, 221 U.S.P.Q. 635, 637 n.8 (T.T.A.B. 1984).

318. *Super Bakery*, 96 U.S.P.Q.2d at 1136.

orders, and it found no reason to believe that, afforded additional opportunities, he would do so.

### *e. Admissibility of Evidence*

#### **(1) Hearsay Objections**

In two precedential decisions, the Board ruled on rather elementary hearsay objections. In one, it held that testimony that third-party restaurants answer their telephones using the word “Anthony’s” is not inadmissible hearsay, but that testimony regarding conversations with third parties (e.g., how long the restaurant had been open or what kind of food it served), was inadmissible because it was offered to prove the truth of the statements and was not based on something the witness herself knew or experienced.<sup>319</sup> In another, it ruled that a witness’s testimony that certain items were for sale or in stock, based on what she was told by store employees, and handwritten notes to that effect attached to exhibits, may not be used as evidence to prove that those items were on sale or in stock; however, the exhibits, comprising website pages for the stores, were not excluded outright because they had been authenticated and on their face showed that public may have been exposed to retail websites and may be aware of advertisements on such sites.<sup>320</sup>

#### **(2) Pre-Litigation Surveys**

##### *National Pork Board v. Supreme Lobster and Seafood Co.*

The Board deemed admissible nearly 20 years’ worth of the opposers’ annual tracking surveys, despite an objection that they were not properly authenticated.<sup>321</sup> The opposers’ witnesses testified that the studies were regularly kept business records that the opposers relied upon for various purposes. The surveys had probative value because each contained extensive information concerning the methodology of the survey, the survey questionnaire used, and the demographics of the respondents questioned.

---

319. *Anthony’s Pizza & Pasta Int’l, Inc. v. Anthony’s Pizza Holding Co.*, 95 U.S.P.Q.2d 1271 (T.T.A.B. 2009), *aff’d per curiam*, Appeal No. 2010-1191 (Fed. Cir. Nov. 18, 2010).

320. *Rocket Trademarks Pty Ltd. v. Phard S.p.A.*, 98 U.S.P.Q.2d 1066 (T.T.A.B. 2011).

321. *Nat’l Pork Bd. v. Supreme Lobster & Seafood Co.*, 96 U.S.P.Q.2d 1479 (T.T.A.B. 2010).

### (3) Testimony Based on Witness's Experience

#### *Mag Instrument Inc. v. Brinkmann Corp.*

The Board overruled an objection to the testimony of Brinkmann's president regarding the utilitarian advantages of Mag's flashlights, concluding that his testimony was not objectionable expert testimony but rather was based upon his experience in the industry and his familiarity with flashlight products.<sup>322</sup> According to the Board, his opinions concerning the features or advantages of the flashlights fell within the scope of expertise expected from an individual who is not an expert witness but has experience and knowledge in the industry.

### (4) Testimony from Prior Proceedings

#### *Threshold.TV Inc. v. Metronome Enterprises, Inc.*

The Board sustained Applicant Metronome's objection to the admissibility of discovery deposition testimony from a prior civil action.<sup>323</sup> It pointed out that testimony from another proceeding must be introduced pursuant to a stipulation of the parties approved by the Board or by motion granted by the Board. Moreover, the Board has construed the term "testimony," as used in Trademark Rule 2.122(f),<sup>324</sup> as meaning only (1) trial testimony, or (2) a discovery deposition that was used, by agreement of the parties, as trial testimony in the other proceeding.<sup>325</sup> However, the Board overruled Metronome's objection to the discovery deposition testimony of another witness in the same prior civil action because that witness testified at trial that certain exhibits were copies of his deposition and declaration, that his deposition testimony was truthful, and that the statements in the declaration were true and accurate. Trademark Rule 2.122(f) did not require a different result because that Rule is meant to be "a relatively quick and simple means by which to introduce testimony from another proceeding into evidence. It is not intended as specifying the only

---

322. *Mag Instrument Inc. v. Brinkmann Corp.*, 96 U.S.P.Q.2d 1701 (T.T.A.B. 2010).

323. *Threshold.TV, Inc. v. Metronome Enters., Inc.*, 96 U.S.P.Q.2d 1031 (T.T.A.B. 2010).

324. Trademark Rule 2.122(f), 37 C.F.R. § 2.122(f), provides:

*Testimony from other proceedings.* By order of the Trademark Trial and Appeal Board, on motion, testimony taken in another proceeding, or testimony taken in a suit or action in a court, between the same parties or those in privity may be used in a proceeding, so far as relevant and material, subject, however, to the right of any adverse party to recall or demand the recall for examination or cross-examination of any witness whose prior testimony has been offered and to rebut the testimony.

325. See TBMP §§ 530 and 704.13 (2d ed. rev. 2004).

means by which oral or written statements from another proceeding can be introduced at trial in a Board proceeding.”<sup>326</sup>

### (5) Introducing Registrations into Evidence

#### *Melwani v. Allegiance Corp.*

A *pro se* opposer was tripped up at the TTAB’s doorstep when he failed to properly submit into evidence his three pleaded registrations.<sup>327</sup> The Board ruled that it is not enough for a plaintiff to identify his registrations on the electronic filing form. Although Rule 2.122 has been liberalized,<sup>328</sup> the Rules do not contemplate the “mere inputting of a registration number when prompted by the ESTTA.”<sup>329</sup> The opposer must electronically attach copies of the database printouts or otherwise comply with the Rule. Even though completion of the Electronic System for Trademark Trials and Appeals (ESTTA) filing form results in the creation of electronic records in the Board’s TTABVUE system, and although such records are linked to information regarding a pleaded registration, that arrangement is purely for administrative ease, and completion of the form does not make the pleaded registrations of record.

### (6) No Probative Value for Non-English Documents

#### *Productos Lacteos Tocumbo S.A. de C.V. v. Paleteria La Michoacana Inc.*

The petitioner introduced several documents written in Spanish without providing English translations.<sup>330</sup> Although the respondent did not object to those documents and treated them as being of record, the Board accorded them no probative value

---

326. *Threshold.TV*, 96 U.S.P.Q.2d at 1035.

327. *Melwani v. Allegiance Corp.*, 97 U.S.P.Q.2d 1537 (T.T.A.B. 2010).

328. The Board amended Trademark Rule 2.122(d)(1), 37 C.F.R. § 2.122(d)(1), effective August 31, 2007, to expand the means for introducing a pleaded registration into evidence. The rule now reads, in relevant part, as follows:

A registration of the opposer or petitioner pleaded in an opposition or petition to cancel will be received in evidence and made part of the record if the opposition or petition is accompanied by an original or photocopy of the registration prepared and issued by the United States Patent and Trademark Office showing both the current status of and current title to the registration, or by a current printout of information from the electronic database records of the USPTO showing the current status and title of the registration.

329. *Melwani*, 97 U.S.P.Q.2d at 1540.

330. *Productos Lacteos Tocumbo S.A. de C.V. v. Paleteria La Michoacana, Inc.*, 98 U.S.P.Q.2d 1921 (T.T.A.B. 2011).

because the Board conducts its proceedings in English.<sup>331</sup> Nonetheless, because the respondent did not object to the testimony regarding the documents, the Board considered the testimony of the witnesses regarding the documents.

### (7) Adequacy of Pre-Trial Disclosures

*Carl Karcher Enterprises, Inc. v.  
Carl's Bar & Delicatessen, Inc.*

The Board used this mundane case as an opportunity to expound on the workings of its pre-trial disclosure scheme.<sup>332</sup> The applicant moved to strike the opposer's trial testimony and exhibits, asserting that the opposer did not timely serve its pre-trial disclosures nor file them with the Board, and further that the information the opposer did provide prior to trial was insufficient. The Board, however, found that the opposer served its disclosures in timely fashion, declared (not surprisingly) that pre-trial disclosures need not be filed with the Board, and concluded that the opposer's disclosures were adequate.

The opposer served its pre-trial disclosures on October 13, 2009, one day before the due date. Subsequently the opposer moved for summary judgment, and after that motion was denied the Board, as a matter of routine, reset the deadline for the opposer's pretrial disclosures on several occasions. The Board ruled that there was no need for the opposer to re-serve the disclosures each time the date was reset. Its only obligation would be to supplement the disclosures as necessary.

As to filing of the disclosures, Trademark Rule 2.121(e) does not require a party making a pretrial disclosure to file same with the Board. Moreover, the Board observed, there is no reason why a party should be required to file its pretrial disclosures because trial testimony is taken out of the presence of the Board anyway. As to the adequacy of the disclosures: the opposer named its potential witness and provided a general summary of the topics on which the witness was expected to testify and a general summary of the types of documents and things to be introduced during the testimony of the witness. Accordingly, this case did not involve presentation of a witness or exhibits not revealed by the original disclosure, nor a failure to timely amend or supplement the disclosure. And so the Board denied the motion and issued a new scheduling order for the remainder of the case.

---

331. See *Hard Rock Cafe Licensing Corp. v. Elsea*, 48 U.S.P.Q.2d 1400, 1405 (T.T.A.B. 1998) (holding that documents in a language other than English are inadmissible).

332. *Carl Karcher Enters., Inc. v. Carl's Bar & Delicatessen, Inc.*, 98 U.S.P.Q.2d 1370 (T.T.A.B. 2011).

## (8) Documents Not Produced During Discovery

### *Rocket Trademarks Pty Ltd. v. Phard S.p.A.*

The Board overruled the opposer's objections to the admissibility of certain documents at trial, which documents the applicant claimed should have been produced during discovery.<sup>333</sup> The Board noted that the documents were not within the applicant's possession or control when it was responding to document requests, but rather were obtained or created in anticipation of its testimony period. The applicant did not have a duty to investigate third-party use during discovery.<sup>334</sup> Moreover, the applicant's attempt to present this evidence of third-party use should not have surprised the opposer because it is common practice to introduce third-party use to demonstrate that a mark is weak and consequently entitled to only a narrow scope of protection. The documents at issue were publicly available via the Internet, and furthermore the opposer had ample time to prepare any rebuttal against the evidence of third-party use.

## *f. Pleading in Madrid Protocol Cases*

### (1) Completion of the ESTTA Form

#### *Hunt Control Systems Inc. v. Koninklijke Philips Electronics N.V.*

An opposition to a Section 66(a)<sup>335</sup> application (i.e., a Request for Extension of Protection under the Madrid Protocol) must be filed via ESTTA, the Board's electronic filing system, and the notice of opposition may not be amended to add new grounds.<sup>336</sup> These rules facilitate prompt notification to the World Intellectual Property Organization (WIPO) that an opposition has been filed. This notification must be sent within strict time limits, and failure to timely notify WIPO may result in the opposition being limited by the information sent or dismissed entirely.

ESTTA generates an opposition form that is automatically forwarded to WIPO. Here, on the ESTTA form, the opposer listed six of the items in the applicant's Class 9 list of goods, but argued that the scope of the opposition was broader because it had attached to the ESTTA form a supplementary explanation of the basis for the opposition that specifically recited the same six goods

---

333. *Rocket Trademarks Pty Ltd. v. Phard S.p.A.*, 98 U.S.P.Q.2d 1066 (T.T.A.B. 2011).

334. *See Sports Auth. Mich. Inc. v. PC Auth. Inc.*, 63 U.S.P.Q.2d 1782, 1788 (T.T.A.B. 2001) (no obligation to search for third-party uses).

335. 15 U.S.C. § 1141f(a).

336. *See* Trademark Rules 2.101(b)(2) and 2.107(b), 37 C.F.R. §§ 2.101(b)(2) and 2.107(b).



as well as “related products in International Class 9.”<sup>337</sup> The Board ruled that, for Madrid oppositions, the opposed goods must be limited to those identified on the ESTTA form because that is the information transmitted to WIPO. Otherwise, the USPTO would not be in compliance with its obligations to WIPO.

## (2) Amending a Notice of Opposition

### *O.C. Seacrets, Inc. v. Hotelplan Italia S.p.A.*

This opposer sought to amend its Notice of Opposition to add a new ground (lack of bona fide intent), but it ran into one big problem: the opposed application was filed under Section 66(a), and Rule 2.107(b)<sup>338</sup> prohibits such an amendment.<sup>339</sup> The opposer claimed that it was merely clarifying an existing ground, but the Board disagreed and it denied the motion to amend. The opposer’s notice of opposition alleged that “Applicant lacks a bona fide intent to use SECRETS LINE . . . and therefore, has committed fraud on the U.S. Patent and Trademark Office.”<sup>340</sup> The proposed amendment would have replaced that allegation with the following: “In violation of 15 U.S.C. 1141(f) Applicant lacked a bona fide intent to use SECRETS LINE” for certain goods and services in the opposed application.<sup>341</sup> The opposer argued that the lack of bona fide intent was an element of its original fraud claim, and that the proposed amendment is therefore a permissible clarification of an existing ground. The Board found that argument unpersuasive:

Although the particular basis for opposer’s claim of fraud in this case was the allegation that applicant falsely stated it had a bona fide intent to use its mark on all of its identified goods and services, applicant was apprised of only one ground by Paragraph 13 of the original notice of opposition, that of fraud. Fraud was the ground that applicant defended against in its motion for judgment on the pleadings, and the ground upon which judgment for applicant was entered by the Board in its April 2, 2010 order. We will not parse an asserted ground to

---

337. *Hunt Control Sys., Inc. v. Koninklijke Philips Elecs. N.V.*, 98 U.S.P.Q.2d 1558, 1561 (T.T.A.B. 2011).

338. Section 2.107(b) states:

Pleadings in an opposition proceeding against an application filed under Section 66(a) of the Act may be amended in the same manner and to the same extent as in a civil action in a United States district court, except that, once filed, the opposition may not be amended to add to the grounds for opposition or to add to the goods or services subject to opposition.

339. *O.C. Seacrets, Inc. v. Hotelplan Italia S.p.A.*, 95 U.S.P.Q.2d 1327 (T.T.A.B. 2010).

340. *Id.* at 1329.

341. *Id.*

see if any of the elements that go to pleading that ground would independently state a separate ground.<sup>342</sup>

### *g. Affirmative Defenses*

#### *Blackhorse v. Pro Football Inc.*

The long-running battle over the REDSKINS trademark registrations began in 1992, when seven Native Americans filed a petition for cancellation, asserting that the REDSKINS marks are disparaging under Section 2(a) of the Lanham Act.<sup>343</sup> In the last court decision,<sup>344</sup> the U.S. Court of Appeals for the District of Columbia Circuit affirmed a district court ruling that the disparagement claims of the plaintiffs were barred by laches. However, in 2006 a new petition for cancellation had been filed by six different Native American petitioners, including Amanda Blackhorse, seeking to knock out the same six REDSKINS registrations on the ground of disparagement. The petition alleges that the new petitioners had only just recently reached the age of majority, the age from which the D.C. Circuit Court of Appeals has determined that laches begins to run.

Exercising its inherent authority to control its docket, the Board ordered the parties to appear for a pre-trial conference.<sup>345</sup> The Board declared that it would be “taking a more active role in pretrial management of cases that the Board identifies as having the potential to become overly contentious and/or involve creation by the parties of excessive records.”<sup>346</sup> It required the parties to submit a detailed table of evidence and asked for further comment on certain issues of law, aiming toward an agreement regarding the applicable law prior to trial.<sup>347</sup>

As part of its effort to streamline the case, the Board reviewed the respondent’s affirmative defenses and ruled that ten of twelve were out of bounds, including failure to state a claim (not an affirmative defense), lack of standing (not an affirmative defense), equitable estoppel (overlaps with the defense of laches), lack of damage (actual damage not required), and several constitutional violations (not within the Board’s jurisdiction).

In particular, the Board observed that standing is an element of the petitioners’ claim, and so lack of standing is not considered a defense. As to the asserted lack of damages, it pointed out that the

---

342. *Id.* at 1329.

343. 15 U.S.C. § 1052(a).

344. *Pro Football Inc. v. Harjo*, 90 U.S.P.Q.2d 1593 (D.C. Cir. 2009).

345. *Blackhorse v. Pro Football Inc.*, 98 U.S.P.Q.2d 1633 (T.T.A.B. 2011).

346. *Id.* at 1634.

347. *Id.* at 1637.

term “damage” as used in Sections 13 and 14<sup>348</sup> concerns only a party’s standing to file an opposition or petition to cancel. A party may establish its standing to oppose or to petition to cancel by showing that it has a real interest in the case—that is, a personal interest beyond that of the general public. There is no requirement that actual damage be pleaded and proved in order to establish standing or to prevail in an opposition or cancellation proceeding.<sup>349</sup> Finally, five of the respondent’s purported affirmative defenses were based on constitutional grounds: that Section 2(a) violates the right of freedom of speech guaranteed by the First Amendment, that it is constitutionally overbroad and void for vagueness, and that, as applied, it deprives the registrant of due process. The Board swept these defenses aside because they would require the Board to rule on the constitutionality of the Lanham Act. “Simply put the Board does not have the authority to determine constitutional claims.”<sup>350</sup>

#### ***h. TTAB Review of Procedural Errors***

##### *In re Trek 2000 International Ltd.*

Applicant Trek maintained that this case had been improperly restored to the Examining Attorney after publication because no showing of “clear error” was made with regard to the approval for publication.<sup>351</sup> The Board pointed out that any question involving the application of the “clear error” standard is properly the subject of a petition to the Director of the USPTO, not an appeal to the Board.<sup>352</sup> The Board’s jurisdiction is limited to the correctness of the substantive refusal, and does not encompass procedural issues arising out of prosecution practice.<sup>353</sup>

---

348. 15 U.S.C. §§ 1063-1064.

349. See *Books on Tape Inc. v. Booktape Corp.*, 836 F.2d 519, 5 U.S.P.Q.2d 1301 (Fed. Cir. 1987); *Jewelers Vigilance Comm. Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 U.S.P.Q.2d 2021 (Fed. Cir. 1987); *Int’l Order of Job’s Daughters v. Lindeburg & Co.*, 727 F.2d 1087, 220 U.S.P.Q. 1017 (Fed. Cir. 1984).

350. *Blackhorse*, 98 U.S.P.Q.2d at 1638. See TBMP § 102.01 (2d ed. rev. 2004); see generally *In re Mavety Media Grp. Ltd.*, 33 F.3d 1367, 1374, 31 U.S.P.Q.2d 1923 (Fed. Cir. 1994); *In re Int’l Flavors & Fragrances Inc.*, 183 F.3d 1361, 1368, 51 U.S.P.Q.2d 1513 (Fed. Cir. 1999).

351. *In re Trek 2000 Int’l Ltd.*, 97 U.S.P.Q.2d 1106 (T.T.A.B. 2010); for a discussion of the genericness issue, see Part II.B.3, *supra*.

352. See *In re Jump Designs, LLC*, 80 U.S.P.Q.2d 1370, 1373 (T.T.A.B. 2006).

353. See *In re Sambado & Son Inc.*, 45 U.S.P.Q.2d 1312, 1314-15 (T.T.A.B. 1997); see also Trademark Rules 2.63 and 2.146, 37 C.F.R. §§ 2.63 and 2.146.

## 15. Motion Practice

### *a. Motion to Compel Discovery Responses*

*Johnson & Johnson v.*

*Obschestvo s ogranitchennoy; otvetstvennostiu “WDS”*

The applicant responded to certain interrogatories by referencing its business records, pursuant to Rule 33(b), Federal Rules of Civil Procedure.<sup>354</sup> The documents were in Russian. When the opposers moved to compel supplemental responses that did not reference the Russian documents, the Board granted the motion. The applicant failed to demonstrate that it would be unduly burdensome to provide separate and full answers to the interrogatories. Moreover, the Board found that the applicant’s burden to ascertain the answers from its own business records would be far less than the opposers’ burden of deriving same from documents in Russian.<sup>355</sup> The Board pointed out that, by requiring written responses in English, it was ordering the applicant and its counsel merely to summarize the documents they had already reviewed and to explain how and why the documents were responsive.

*Amazon Technologies Inc. v. Wax*

Amazon produced 31,000 pages of documents without an index and not in chronological order.<sup>356</sup> The Board deemed the production “a textbook document dump,”<sup>357</sup> and it granted a motion to compel Amazon to organize and label the documents to correspond to the categories in the applicant’s discovery requests. The Board also required Amazon to provide an index within thirty days, and to fully respond in narrative form to two interrogatories.

---

354. *Johnson & Johnson and RoC Int’l S.A.R.L. v. Obschestvo s ogranitchennoy; otvetstvennostiu “WDS,”* 95 U.S.P.Q.2d 1567 (T.T.A.B. 2010).

355. *Id.* at 1570. Curiously, the Board stated that it was unaware of any precedential decision involving foreign language documents, *but see* *Hard Rock Cafe Licensing Corp. v. Elsea*, 48 U.S.P.Q.2d 1400, 1405 (T.T.A.B. 1998) (holding that documents in a language other than English are inadmissible); *Productos Lacteos Tocumbo S.A. de C.V. v. Paleteria La Michoacana, Inc.*, 98 U.S.P.Q.2d 1921 (T.T.A.B. 2011); *see* discussion, Part III.A.14.e(6), *supra* (rejecting Spanish-language documents).

356. *Amazon Techs., Inc. v. Wax*, 95 U.S.P.Q.2d 1865 (T.T.A.B. 2010).

357. *Id.* at 1868.

***b. Motion to Exclude Witness***

*Byer California v. Clothing for Modern Times Ltd.*

In its initial disclosures, the opposer, Byer, did not name a potential witness, one Mr. Manburg, as a person with knowledge of relevant facts.<sup>358</sup> Byer did, however, name Mr. Manburg in its discovery responses and in its pre-trial witness list. But because the applicant waited until the last day of the discovery period to serve its discovery demands, it did not learn of Manburg during its discovery period and did not have a chance to depose Manburg. So it moved to exclude Manburg as a trial witness. Noting the fairly unique circumstances at hand, the Board concluded that fairness required a compromise approach. It decided to reopen discovery to allow Manburg's deposition to be taken and to permit Manburg to testify at the trial stage, but only as to subject matter to which only he and not the other trial witness (properly identified by Byer) could accurately testify.

***c. Motion to Exclude Expert Witness's  
Anticipated Testimony***

*General Council of the Assemblies of God v.  
Heritage Music Foundation*

The Board denied the petitioner's motion to exclude the respondent's expert witness, ruling that the respondent had cured any technical deficiencies in its expert disclosure by prompt supplementation.<sup>359</sup> The respondent served its expert disclosures in timely fashion under Rule 2.120(a)(2), thirty days prior to the close of discovery. One week later, the petitioner moved to "strike" the respondent's expert witness testimony (i.e., exclude it, because the testimony hadn't been given yet) on the ground that the disclosure failed to comply with Rule 26(a)(2) of the Federal Rules of Civil Procedure: it was not signed by the expert, did not include a list of her publications, did not include a list of cases in which she had testified, and did not state her compensation. In response, the respondent promptly provided the missing information. The Board ruled that the problem had been satisfactorily resolved, and it reset the discovery and trial dates.

---

358. *Byer Cal. v. Clothing for Modern Times Ltd.*, 95 U.S.P.Q.2d 1175 (T.T.A.B. 2010).

359. *General Council of the Assemblies of God v. Heritage Music Found.*, 97 U.S.P.Q.2d 1890 (T.T.A.B. 2011).

***d. Motion to Amend First Use Dates***

*Threshold.TV, Inc. v. Metronome Enterprises, Inc.*

An applicant may be entitled to prove an earlier date of use than that alleged in its application, but its proof “must be clear and convincing and must not be characterized by contradiction, inconsistencies or indefiniteness.”<sup>360</sup> Here, because there was no evidence in the record to support the proposed new dates, the applicant failed to meet that evidentiary standard. The Board therefore denied the applicant’s motion to amend its first use dates.

***e. Motion for Involuntary Dismissal***

*Melwani v. Allegiance Corp.*

The Board showed this *pro se* opposer a quick exit by granting the applicant’s Rule 2.132(a) motion to dismiss for failure to prosecute and by denying the opposer’s motion to reopen the case.<sup>361</sup> Opposer Melwani asserted that he mistakenly thought the case was suspended when the applicant included in its answer a motion to strike one of his claims, and so he submitted no evidence or testimony during his trial period.<sup>362</sup> As to the motion to reopen, the Board applied the Supreme Court’s four-factor *Pioneer* test to determine whether Melwani had established excusable neglect.<sup>363</sup> As usual, the Board said no, finding that the reasons for his inaction did not amount to excusable neglect that would justify reopening the case.

---

360. *Threshold.TV, Inc. v. Metronome Enters., Inc.*, 96 U.S.P.Q.2d 1031, 1036 (T.T.A.B. 2010). See *Hydro-Dynamics, Inc. v. George Putnam & Co., Inc.*, 811 F.2d 1470, 1 U.S.P.Q.2d 1772, 1773 (Fed. Cir. 1987).

361. *Melwani v. Allegiance Corp.*, 97 U.S.P.Q.2d 1537 (T.T.A.B. 2010).

362. As to Melwani’s unsuccessful attempt to rely on three registrations identified on the ESTTA electronic form, see Part III.A.14.e(5), *supra*.

363. *Pioneer Inv. Servs. Co. v. Brunswick Assoc. Ltd. P’ship*, 507 U.S. 380, 395 (1993). The factors are: (1) the danger of prejudice to the nonmoving party; (2) the length of delay and its potential impact on judicial proceedings; (3) the reason for the delay, including whether it was within the reasonable control of the moving party; and (4) whether the moving party has acted in good faith. Several courts have stated that the third factor may be considered the most important factor in a particular case. See *Pumpkin Ltd. v. The Seed Corps*, 43 U.S.P.Q.2d 1582, 1586 n.7 (T.T.A.B. 1997).

## PART IV. TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION IN THE COURTS OF GENERAL JURISDICTION

*By Theodore H. Davis, Jr.*

### *A. Establishing Protectable Trademark and Service Mark Rights*

#### 1. The Effect of Federal Trademark Registrations on the Mark Validity Inquiry

A putative mark owner lacking a federal registration bears the burden of demonstrating that it owns protectable rights to its mark.<sup>364</sup> That principle is expressly codified in Section 43(a)(1)(A)(3) of the Lanham Act<sup>365</sup> where the functionality inquiry is concerned, and courts addressing the issue in the distinctiveness context reached the same conclusion.<sup>366</sup> Moreover, as the Federal Circuit confirmed in an application of Third Circuit law, that principle applies as well to owners of registrations on the Supplemental Register;<sup>367</sup> simply put, “[there] is no authority for the proposition that the Supplemental Register carries the same clout as the Principal Register. In fact, the opposite is true.”<sup>368</sup>

As a pair of plaintiffs learned the hard way at the hands of the Ninth Circuit, it also applies in cases in which registrants fail to place their registrations into evidence.<sup>369</sup> In the case producing this cautionary lesson, the lead plaintiff neglected to introduce one of its registrations until after the parties had filed cross-motions for summary judgment and the district court had asked for supplemental briefing on those motions. The district court declined to consider the registration, and the Ninth Circuit affirmed: Although the district court might have exercised its discretion to admit the untimely-filed evidence, it was not obligated to do so.<sup>370</sup>

364. For an example of a court making this point despite the plaintiff's ownership of six Massachusetts registrations, see *Peoples Fed. Sav. Bank v. People's United Bank*, 750 F. Supp. 2d 217, 221-23 (D. Mass. 2010).

365. 15 U.S.C. § 1125(a)(1)(A)(3) (2006) (“In a civil action for trade dress infringement . . . for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.”).

366. See, e.g., *Borescopes R Us v. 1800Endoscope.com, LLC*, 728 F. Supp. 2d 938, 946 (M.D. Tenn. 2010).

367. See *ERBE Elektromedizin GmbH v. Canady Tech. LLC*, 629 F.3d 1278, 1288 (Fed. Cir. 2010).

368. *Great Neck Saw Mfrs., Inc. v. Star Asia U.S.A., LLC*, 727 F. Supp. 2d 1038, 1061 n.11 (W.D. Wash. 2010).

369. See *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958 (9th Cir. 2011).

370. See *id.* at 966.

With the appellate court further holding that it would not take judicial notice of the registration, any presumption of validity the claimed mark might have enjoyed was lost.<sup>371</sup>

Things were different, however, when registrations on the Principal Register actually were introduced. The Lanham Act defines in straightforward terms the evidentiary value of a federal registration on the Principal Register that has not become incontestable, either because it is less than five years old or because the registrant has not filed a declaration of incontestability under Section 15 of the Act.<sup>372</sup> As Section 7(b) provides, “[a] certificate of a mark upon the principal register . . . shall be prima facie evidence of the validity of the registered mark . . .”;<sup>373</sup> Section 33(a) is to identical effect.<sup>374</sup> The situation changes, however, once a registration passes its fifth anniversary of issuance: It is automatically immune from cancellation except on the limited grounds recognized by Section 14(3),<sup>375</sup> and, as most (but not all) courts recognized, it becomes “conclusive evidence” of the registered mark’s validity under Section 33(b)<sup>376</sup> if a Section 15 declaration is filed,<sup>377</sup> subject to the affirmative defenses provided for by Section 33(b)(1)-(9).<sup>378</sup>

Consistent with the majority rule (but not the arguable trend), some courts held that a nonincontestable registration affirmatively shifts the burden of proof on mark validity from the plaintiff to the defendant; the defendant therefore must establish by a preponderance of the evidence that the registered mark is not valid.<sup>379</sup> For the most part, these holdings occurred in the context of plaintiffs seeking to prove the distinctiveness of their marks. As one court held:

---

371. *See id.*

372. 15 U.S.C. § 1065 (2006).

373. *Id.* § 1057(b).

374. *Id.* § 1115(a) (“Any registration . . . of a mark registered on the principal register . . . shall be prima facie evidence of the validity of the registered mark . . .”).

375. *Id.* § 1064(3). For an application of Section 14(3), see *Fiji Water Co. v. Fiji Mineral Water USA, LLC*, 741 F. Supp. 2d 1165, 1170 n.1 (C.D. Cal. 2010) (“[The defendant’s] alleged intention to file a lawsuit challenging the [plaintiff’s incontestably registered] mark as a geographic description is not enough to rebut the presumption of validity, because the grounds on which an incontestable mark can be challenged are prescribed by statute and do not include descriptiveness.”).

376. 15 U.S.C. § 1115(b).

377. *Id.* § 1065. For an example of a court failing to recognize the evidentiary significance of an incontestable registration and conducting an inquiry into the underlying mark’s secondary meaning, possibly because of the registrant’s failure to argue the point, see *R.J. Ants, Inc. v. Marinelli Enters.*, 771 F. Supp. 2d 475, 483, 492-93 (E.D. Pa. 2011).

378. *See* 15 U.S.C. § 1115(b)(1)-(9).

379. *See, e.g., Ricks v. BMEzine.com, LLC*, 727 F. Supp. 2d 936, 953 (D. Nev. 2010) (“If the mark has been properly registered, the burden shifts to the alleged infringer to show by a preponderance of the evidence that the mark is not protectable.”).



A certificate of registration with the PTO is *prima facie* evidence that the mark is valid (*i.e.*, protectible), that the registrant owns the mark, and that the registrant has the exclusive right to use the mark in commerce. Registration by the PTO without proof of secondary meaning creates the presumption that the mark is more than merely descriptive, and, thus, that the mark is inherently distinctive. As a result, when a plaintiff sues for infringement of its registered mark, the defendant bears the burden to rebut the presumption of [the] mark's protectibility by a preponderance of the evidence.<sup>380</sup>

Of course, in jurisdictions following this rule, there is no need to distinguish between nonincontestable registrations and their incontestable counterparts. Thus, in an action in which the senior user's (substantively identical) marks were covered by both types of registrations, the Ninth Circuit did not see fit to articulate separate rules governing the evidentiary weight properly afforded to the two types.<sup>381</sup> Rather, a one-size-fits-all standard was appropriate: Because the disputed term was a registered trademark, it had "a presumption of validity" that placed the burden of proving genericness upon the defendant.<sup>382</sup> While entertaining an appeal that presented a similar mix of registrations, the Eighth Circuit took the same approach, holding broadly that "[the defendants] [have] the burden of proving by a preponderance of the evidence that the registered marks are generic and that their registrations should thus be cancelled."<sup>383</sup> And still another court held that "[t]he first two elements required to prove infringement and unfair competition under the Lanham Act—validity and ownership of the mark—are satisfied by a showing that the plaintiff's mark is registered upon the Principle Register of the U.S. Patent and Trademark Office (USPTO), particularly if the mark has become incontestable."<sup>384</sup>

Unusually, there were no reported opinions over the past year adopting the minority rule that a nonincontestable registration merely obligates a challenger to the underlying mark's validity to produce at least some cognizable evidence or testimony that the mark lacks distinctiveness. One unreported opinion, however, held

---

380. *Pretty Girl, Inc. v. Pretty Girl Fashions, Inc.*, 778 F. Supp. 2d 261, 266-67 (E.D.N.Y. 2011) (citation omitted) (quoting *Lane Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc.*, 192 F.3d 337, 344 (2d Cir. 1999)).

381. *See Advertise.com, Inc. v. AOL Adver., Inc.*, 616 F.3d 974, 976-77 (9th Cir. 2010).

382. *Id.* at 977.

383. *Cnty. of Christ Copyright Corp. v. Devon Park Restoration Branch of Jesus Christ's Church*, 634 F.3d 1005, 1011 (8th Cir. 2011).

384. *CSC Holdings, LLC v. Optimum Networks, Inc.*, 731 F. Supp. 2d 400, 406 (D.N.J. 2010).

that “[t]rademark registration is prima facie evidence that the registered term is not generic; however, this presumption of validity merely serves to shift the burden of producing sufficient evidence that the term is generic to the party seeking to invalidate a registration.”<sup>385</sup> Another similarly concluded that “[t]rademark registration confers only procedural advantages, and does not enlarge the registrant’s ownership rights. Registration creates a prima facie rebuttable presumption that the one registering the mark is its owner, and that the trademark is valid; the burden of production shifts to the alleged infringer.”<sup>386</sup>

In cases in which the registration in question was incontestable and evidence of that incontestability was a matter of record,<sup>387</sup> most courts had little difficulty determining the significance of the “conclusive” evidence of validity provided for by Section 33(b): Such a registration shifts the burden of proof from the registrant to any challenger to the registered mark’s validity. This was apparent in a holding by the Sixth Circuit in the distinctiveness context that “we agree with the district court . . . that the [plaintiffs’] mark is presumptively nongeneric and that [the defendant] bore the burden of proving otherwise (because the mark[] had become ‘incontestable,’ which [the defendant] did not challenge) . . . .”<sup>388</sup> The import of this shift was apparent in the court’s rejection of the defendant’s contention that the plaintiff’s mark was generic: “[The defendant] works to show that the plaintiffs’ evidence—previous judicial rulings, survey evidence, expert testimony—does not establish genericness by a preponderance of the evidence, but that approach gets the burden of persuasion backwards.”<sup>389</sup>

Indeed, even the mere averment of an incontestable registration may suffice to defeat a motion to dismiss grounded in the theory that the registered mark lacks distinctiveness. In one case making this point, the defendants invited the court to hold at

---

385. *Assurant, Inc. v. Medassurant, Inc.*, No. 3:08-CV-569-RJC-DCK, 2010 WL 3489129, at \*6 (W.D.N.C. July 26, 2010).

386. *Z Prods., Inc. v. SNR Prods., Inc.*, No. 8:10-CV-966-T-23MAP, 2011 WL 3754693, at \*4 (M.D. Fla. Aug. 18, 2011).

387. For examples of cases in which registrants introduced evidence of their registrations but nevertheless failed to document their incontestability, see *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958, 967 (9th Cir. 2011) (declining to allow registrant to supplement record on appeal to document incontestability and therefore acknowledging possibility of defendants rebutting evidence of distinctiveness attaching to registrations); *Sound Surgical Techs., LLC v. Leonard A. Rubenstein, M.D., P.A.*, 734 F. Supp. 2d 1262, 1269 n.14 (M.D. Fla. 2010) (“Plaintiff presents no evidence of its compliance with the statutory formalities required for incontestability.”).

388. *Gen. Conference Corp. of Seventh-day Adventists v. McGill*, 617 F.3d 402, 415 (6th Cir. 2010), *cert. denied*, 131 S. Ct. 2097 (2011).

389. *Id.*

the pleadings stage of the litigation that the plaintiff's mark was generic and therefore unprotectable.<sup>390</sup> The court declined to do so, concluding instead that it "need not reach these issues on a motion to dismiss because it accepts as true plaintiff's allegation that the [plaintiff's] mark is registered and incontestable. In so doing, the Court finds that the mark is valid and legally protectable . . . ."<sup>391</sup> According to the court, therefore, the allegation of an incontestable registration "refutes defendants' argument that the mark is not entitled to legal protection."<sup>392</sup>

Nevertheless, the Seventh Circuit took a different approach to the proper significance of an incontestable registration on the Principal Register to the nonfunctionality inquiry.<sup>393</sup> Faced with both incontestable registrations and utility patents bearing on the designs claimed as trade dress, the court held with respect to the former that "the burden of proof originates with the party seeking to invalidate the registered mark."<sup>394</sup> The court then backtracked into an analysis more consistent with the theory that ownership of an incontestable registration merely shifts the burden of production, rather than proof, on the issue of functionality. Where the distinctiveness of word marks is concerned, that court follows the minority rule that nonincontestable registrations have such an effect,<sup>395</sup> and that case law clearly had an effect on the court's treatment of the relationship between functionality and incontestability:

Under the Lanham Act, registration of a trademark creates a rebuttable presumption that the mark is valid, but the presumption evaporates as soon as evidence of invalidity is presented. Thus, the burden of proof originates with the party seeking to invalidate the registered mark. But if that party can put forward strong evidence of functionality, the mark holder carries a heavy burden of showing that the feature is not functional, for instance by showing that it is merely an ornamental, incidental, or arbitrary aspect of the device. Here, the burden of proof lies with [the defendant], but [the defendant] can shift that burden to its opponent by producing strong evidence of functionality.<sup>396</sup>

---

390. See *CSC Holdings, LLC v. Optimum Networks, Inc.*, 731 F. Supp. 2d 400 (D.N.J. 2010).

391. *Id.* at 408 n.3.

392. *Id.* at 408.

393. See *Ga.-Pac. Consumer Prods. LP v. Kimberly-Clark Corp.*, 647 F.3d 723 (7th Cir. 2011).

394. *Id.* at 727.

395. See, e.g., *Door Sys., Inc. v. Pro-Line Door Sys., Inc.*, 83 F.3d 169, 172 (7th Cir. 1996).

396. *Ga.-Pac. Consumer Prods.*, 647 F.3d at 727 (citations omitted) (internal quotation marks omitted).

The court's approach therefore sets up an incongruous approach to burden-shifting similar to that disapproved of in *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*:<sup>397</sup> The party with the burden of proof as part of an affirmative defense need not satisfy it by a preponderance of the evidence, but can do so instead merely by submitting "strong evidence," at which point the party that originally did not have the burden of proof now must overcome the other party's affirmative defense by a preponderance of the evidence.<sup>398</sup>

## 2. Proving Use in Commerce

### *a. The Nature and Quantity of Use in Commerce Necessary to Establish Protectable Rights*

For the most part, use in commerce is a prerequisite for protectable rights to a trademark or service mark under the Lanham Act's likelihood-of-confusion-based causes of action,<sup>399</sup> as well as corresponding state-law claims,<sup>400</sup> while mere "use" in and of itself can create standing for a plaintiff in *inter partes* litigation before the Trademark Trial and Appeal Board.<sup>401</sup> The Second Circuit had the opportunity to address the relationship between these two concepts, as well as the proof required under the first, in a case involving multiple claims by numerous parties to marks consisting, in salient part, of the word "Patsy's."<sup>402</sup> The evidence and testimony presented at trial led the district court to instruct the jury that an intervenor in the action (joined by its licensing

397. 543 U.S. 111 (2004).

398. In *KP Permanent Makeup*, the Court held that, because a showing of likely confusion is part of a *prima facie* case for infringement, it was reversible error to require a defendant to disprove likely confusion as part of an affirmative defense. "[I]t would make no sense to give the defendant a defense of showing affirmatively that the plaintiff cannot succeed in proving some element (like confusion); all the defendant needs to do is to leave the factfinder unpersuaded that the plaintiff has carried its own burden on that point." *See id.* at 120.

399. Section 43(a) of the Act expressly requires a plaintiff proceeding under it to show prior "use[] in commerce," 15 U.S.C. § 1125(a) (2006), while the treatment of the issue under Section 32, *id.* § 1114, is more nuanced: The cause of action under the latter statute is restricted to owners of federal registrations, which, at least where United States domiciliaries are concerned, require showings of use in commerce to issue. *See id.* § 1051(a)-(b). Under either cause of action, the date of a mark's "invention" is irrelevant. *See Sound Surgical Techs., LLC v. Leonard A. Rubenstein, M.D., P.A.*, 734 F. Supp. 2d 1262, 1274 n.24 (M.D. Fla. 2010).

400. *See, e.g., La. Granite Yard, Inc. v. LA Granite Countertops, L.L.C.*, 47 So. 3d 573, 579 (La. Ct. App. 2010) ("Substantive rights in a trade name [under Louisiana law] may be acquired only by actual usage.").

401. *See, e.g., First Niagara Ins. Brokers, Inc. v. First Niagara Fin. Grp.*, 476 F.3d 867, 870-71 (Fed. Cir. 2007).

402. *See Patsy's Italian Rest., Inc. v. Banas*, 658 F.3d 254 (2d Cir. 2011).

agent) was the successor in interest to a business in East Harlem that began using the PATSY'S PIZZERIA mark in connection with the sale of pizza in 1933;<sup>403</sup> because that date was prior to any that the plaintiffs could claim, the district court ordered the cancellation of two registrations covering restaurant services owned by the lead plaintiff.

The plaintiffs' challenge to this outcome on appeal rested on the theory that the lead intervenor had failed to prove use of its mark, much less prove it as a matter of law, sufficient to give it standing to pursue the cancellation of the lead plaintiffs' registrations. As an initial matter, the Second Circuit rejected the plaintiffs' legal argument that the lead intervenor was required to demonstrate prior use "in commerce":

Local rights owned by another have been consistently viewed as sufficient to prevent a party from obtaining [federal] registration of a . . . mark.

. . . In fact, Section [2(d) of the Lanham Act] itself provides that a mark cannot be registered if it "[c]onsists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States and not abandoned, as to be likely . . . to cause confusion . . ." Thus, the very language of the statute contemplates that a mark used anywhere in the United States can be sufficient to block federal registration.<sup>404</sup>

The court then disposed of the plaintiffs' factual argument that the absence from the trial record of evidence of advertising by the lead intervenor and its predecessors precluded the finding of prior use as a matter of law made by the district court. Not only had the mark in question been "prominently displayed on numerous versions of the Patsy's Pizzeria menu entered into evidence as well as displayed on the exterior of the East Harlem building," that location was "easily accessible from several nearby interstate highways," and, additionally, "there was testimony that cab drivers knew where Patsy's Pizzeria was, that people '[came] from all over' to go there, and even that pizza was shipped to the west coast."<sup>405</sup> Under these circumstances, "the district court properly instructed the jury to find that [the intervenor and its

---

403. The plaintiffs objected to the district court's finding as a matter of law on this issue, but only on appeal: Because they had failed to do so below, the Second Circuit declined to entertain their latter-day attack on the privity between the past and present owners of the PATSY'S PIZZERIA mark. *See id.* at 267.

404. *Id.* at 266 (third, fourth, and fifth alterations in original) (quoting 15 U.S.C. § 1052(d) (2006)).

405. *Id.* at 268 (alteration in original).

licensing agent] used their mark in interstate commerce as a matter of law.”<sup>406</sup>

At the same time, the court declined to set aside as clearly erroneous the jury’s finding that the lead intervenor’s priority of rights extended only to pizzeria services, and not to restaurant services generally. The USPTO might classify both in International Class 2, but, as the court explained, the lead intervenor’s argument that this practice resolved the issue “misunderstands the purpose of the PTO’s classification system. The PTO’s classifications exist for administrative purposes, and does [sic] not affect the substantive rights of a mark’s owner in any way. Rather, [the lead intervenor’s] substantive rights are defined by the scope of the services used in connection with the mark.”<sup>407</sup> Reviewing the parties’ showings at trial, the court then noted that the jury had had before it a wealth of menus from the parties and from third-party pizza purveyors, as well as additional evidence suggesting that the lead intervenor and its predecessors historically had focused on selling pizza by the slice.<sup>408</sup> The absence of a definition of “pizzeria” from a jury instruction distinguishing between restaurant services and pizzeria services was not fatal “because the jury was capable of determining the meaning of that term, which is neither technical nor ambiguous.”<sup>409</sup>

Although the proposition that prior use in commerce is a prerequisite for the enforcement of trademark rights is easily stated, its application can become difficult if the parties in a priority dispute cooperated in bringing the mark in question to the marketplace. Such was the scenario in a case in which the manufacturer of a thermometer moved for a preliminary injunction against a former distributor.<sup>410</sup> The subject of the parties’ disagreement was a trade dress consisting of the packaging in which the thermometer was first distributed, which featured both the plaintiffs’ trademark and the lead defendant’s corporate name. Weighing the defendants’ argument that they, rather than the plaintiff, enjoyed prior use of the trade dress, the court held as an initial matter that “[w]hen disputes arise between a manufacturer and distributor, courts will look first to any agreement between the parties regarding trademark rights.’ However, ‘[i]n the absence of

---

406. *Id.* at 269 (citation omitted)

407. *Id.*

408. *See id.* at 269.

409. *Id.* at 270.

410. *See Tecnimed SRL v. Kidz-Med, Inc.*, 763 F. Supp. 2d 395 (S.D.N.Y. 2011).

an agreement between the parties, the manufacturer is presumed to own the trademark.”<sup>411</sup>

As the distributorship agreement between the parties was silent on the issue, the court turned to whether the defendants could rebut their presumptive lack of ownership of the trade dress. The court held that inquiry to turn on the following factors: (1) which party invented and first affixed the trade dress to the packaging; (2) which party’s name appeared with the trade dress; (3) which party maintained the quality and uniformity of the associated goods; (4) with which party the public identified the product and to whom purchasers made complaints; and (5) “which party possesses the goodwill associated with the product, or which party the public believes stands behind the product.”<sup>412</sup> Because the preliminary injunction record established that the plaintiff “had conceived of many of the salient features of the trade dress . . . before [the lead defendant] became its distributor,” and because the lead defendant did “not dispute that [the plaintiff] manufactured the goods and exercised control over their nature and quality,” the court found that the manufacturer owned the disputed trade dress; the lead defendant’s receipt of complaints about the associated goods did not compel a different result.<sup>413</sup>

### ***b. Prior Use Through Tacking***

U.S. trademark law contemplates the evolution of marks over time, and, specifically, that a mark owner may be able to “tack” a claim of priority onto an earlier version of its mark. Nevertheless, “[a] stringent standard exists for a mark owner to prove tacking . . . . [I]f the new mark is the legal equivalent of the old mark—either indistinguishable from or creating the same commercial impression as the old mark—use of the new mark does not abandon the old mark.”<sup>414</sup> Not surprisingly, one court applying this standard declined to allow a group of plaintiffs to claim for their ANDROID’S DUNGEON mark a priority date based on their earlier (but discontinued) use of the ANDROID DATA mark. Granting the defendant’s motion for summary judgment, it held that “Plaintiffs have altered their original mark—which created a computer services or products impression—and created a mark with allusions to robotic prisons, futuristic vaults, or a number of other meanings about which the Court will not speculate.”<sup>415</sup>

---

411. *Id.* at 403 (citation omitted) (alteration in original) (quoting *Sengoku Works v. RMC Int’l*, 96 F.3d 1217, 1220 (9th Cir. 1996)).

412. *Id.* at 403 (quoting *Sengoku*, 96 F.3d at 1220).

413. *Id.* at 403-04.

414. *Specht v. Google Inc.*, 758 F. Supp. 2d 570, 583 (N.D. Ill. 2010).

415. *Id.* at 584.

### *c. Use-Based Geographic Rights*

Ownership of federal registration on the USPTO's Principal Register carries with it national constructive priority,<sup>416</sup> but, as a pair of plaintiffs learned the hard way at the hands of the Second Circuit, that benefit vanishes if the registration is cancelled.<sup>417</sup> The lead plaintiff in the case producing this result, the operator of a Midtown Manhattan restaurant, owned two registrations of its mark for restaurant services. Those were cancelled, however, after an intervenor in the action proved to a jury's satisfaction that a predecessor in interest of the intervenor was using two closely similar marks for pizzeria services well before the lead plaintiff's use. Having proven that certain uses by the lead intervenor's licensees were infringing, the plaintiffs sought a geographically unrestricted injunction against those uses, only to have the Second Circuit affirm the district court's refusal to grant relief beyond the island of Manhattan, where the plaintiffs were located. As the appellate court pointed out, "[b]ecause the district court validly cancelled [the lead plaintiff's] registrations, [the plaintiffs] are no longer entitled to the presumptive right to use the marks nationwide that a federal registration provides."<sup>418</sup>

## **3. Proving Distinctiveness**

### *a. Distinctiveness of Word Marks*

#### **(1) Generic Terms and Designations**

According to a Ninth Circuit opinion:

Generic terms are those that refer to the genus of which the particular product or service is a species, *i.e.*, the name of the product or service itself. To determine whether a term is generic, we look to whether consumers understand the word to refer only to a particular producer's goods or whether the consumer understands the word to refer to the goods themselves. . . . Generic terms cannot be valid marks subject to trademark protection . . . .<sup>419</sup>

---

416. See 15 U.S.C. §§ 1072 (2006).

417. See *Patsy's Italian Rest., Inc. v. Banas*, 658 F.3d 254 (2d Cir. 2011).

418. *Id.* at 273.

419. *Advertise.com, Inc. v. AOL Adver., Inc.*, 616 F.3d 974, 977 (9th Cir. 2010) (alteration omitted) (citation omitted) (internal quotation marks omitted); see also *R.J. Ants, Inc. v. Marinelli Enters.*, 771 F. Supp. 2d 475, 491 (E.D. Pa. 2011) ("A Term is generic if it functions as the common descriptive name of a class of products."); *La. Granite Yard, Inc. v. LA Granite Countertops, L.L.C.*, 47 So. 3d 573, 581 (La. Ct. App. 2010) ("A generic term is the name of a particular genus or class of which an individual article, service or business is but a member.").



This restatement of the law of genericness was triggered by an appeal of a district court finding that the claimed—and federally registered—mark “advertising.com” was protectable for various services related to the placement and dissemination of online advertising. Although paying lip service to the anti-dissection rule—“the distinctiveness inquiry considers the impression conveyed by the mark as a whole”<sup>420</sup>—the court nevertheless began its analysis with the observation that “[t]aken separately, it is clear that ‘advertising’ and ‘.com’ reflect only the genus of the services offered.”<sup>421</sup> It then rejected the plaintiffs’ argument that the combination of the two elements necessarily resulted in a protectable mark, citing, *inter alia*, a dictionary definition of “.com” as “of or relating to business conducted on the Internet: *dot com advertising*,”<sup>422</sup> “extensive Federal Circuit precedent” holding that “adding ‘.com’ or another [top-level domain (TLD)] to an otherwise unprotectable term will only in rare circumstances result in a distinctive composite,”<sup>423</sup> and evidence of “how the mark has been used in other domain names.”<sup>424</sup> Finally, it rejected the plaintiffs’ argument that the addition of a top-level domain necessarily expanded the meaning of the generic word “advertising” because consumers understood that only a single entity can own a particular domain name at any given time, holding that:

Notwithstanding that only one entity can hold a particular domain name, granting trademark rights over a domain name composed of a generic term and a TLD grants the trademark holder rights over far more intellectual property than the domain name itself. In addition to potentially covering all combinations of the generic term with any TLD (e.g., “.com”; “.biz”; “.org”), such trademark protection would potentially reach almost any use of the generic term in a domain name. . . . This would make it much more difficult for these entities to accurately describe their services.<sup>425</sup>

Accordingly, the court held that the district court had abused its discretion in entering a preliminary injunction against the defendant’s use of ADVERTISE.COM.<sup>426</sup>

---

420. *Advertise.com*, 616 F.3d 974, at 977.

421. *Id.* at 978.

422. *Id.* (quoting Am. Heritage Dictionary of the English Language 538 (4th ed. 2006)).

423. *Id.* at 978-79 (citing *In re Hotels.com*, 573 F.3d 1300, 1304 (Fed. Cir. 2009); *In re 1800Mattress.com IP, LLC*, 586 F.3d 1359, 1361-62 (Fed. Cir. 2009); *In re Reed Elsevier Props. Inc.*, 482 F.3d 1376, 1378 (Fed. Cir. 2007)).

424. *Id.* at 980.

425. *Id.* at 980-81.

426. *See id.* at 982.

A variation on this theme occurred in an action to protect the claimed WWW.BORSECOPESRUS.COM mark, in which the defendant argued that its own “www.borescopes.us.com” domain name was generic in connection with the sale and repair of borescopes for medical, veterinary, and industrial use and therefore not subject to challenge.<sup>427</sup> Although the case might well have been resolved under the rubric of the descriptive fair use defense, the district court assigned to it accepted the defendant’s argument and entered summary judgment of nonliability. There was no dispute that the “borescope” component of the defendant’s domain name was generic, and the court accepted the defendant’s argument that the “www” and “.us.com” components did nothing to confer trademark significance to the overall domain name.<sup>428</sup>

Not all findings of genericness arose in the Internet context, and, indeed, two courts tackled the issue of whether bricks-and-mortar businesses could claw generic terms back from the public domain. In the first case, the claimed mark was “overhead door,” which both parties used in connection with the sale and maintenance of automatic garage doors.<sup>429</sup> The defendants arrived at the summary judgment stage of the proceedings loaded for bear. In support of their bid for judgment as a matter of law, they documented generic uses of “overhead” by third-party competitors that the plaintiff had failed to challenge,<sup>430</sup> dictionary definitions of the word as “operating, lying, or coming from above” or “having the driving part above the part driven,”<sup>431</sup> and evidence that the word had been used generically in those contexts as early as 1874.<sup>432</sup> The plaintiff’s responsive showing included survey evidence of distinctiveness, but the court held that survey results were moot in light of the defendants’ proof of preexisting generic use:

Plaintiff does not claim that it coined the term ‘overhead’ or that the word otherwise began life as a coined term. It appears that the term was commonly used before its association with the products involved in this case. Accordingly, the [plaintiff’s] [s]urvey is irrelevant with respect to whether “overhead” is a generic term.<sup>433</sup>

The court then rejected the plaintiff’s reliance on actual confusion as proof of distinctiveness on the ground that actual confusion also

---

427. *See Borescopes R Us v. 1800Endoscope.com, LLC*, 728 F. Supp. 2d 938 (M.D. Tenn. 2010).

428. *See id.* at 949.

429. *See PSK, LLC v. Hicklin*, 757 F. Supp. 2d 836 (N.D. Iowa 2010).

430. *See id.* at 858.

431. *Quoted in id.*

432. *See id.*

433. *Id.* at 859.

was irrelevant once genericness was established.<sup>434</sup> Finally, the court took aim at the plaintiff's argument that local telephone directories did not contain separate categories for "overhead doors," holding that "[t]he genericness of a term is not synonymous or co-extensive with that term's stature as a separate category in a telephone directory. . . . [T]he term 'overhead' may be a generic term regardless of whether that term supports a separate section of the phone book."<sup>435</sup>

Having unsuccessfully sought to protect its claimed "ale house" mark in an earlier suit arising in North Carolina, which produced a finding that the phrase was generic,<sup>436</sup> the plaintiff in the second case argued that it was entitled to present evidence of the same mark's distinctiveness in Florida.<sup>437</sup> Although acknowledging the existence of at least some controlling authority holding that terms previously found to be generic could be recovered from the public domain,<sup>438</sup> the court was unconvinced that the plaintiff before it had accomplished this feat. Rather, it held, not only had there been no intervening change in circumstances since the earlier suit, but the plaintiff "must show that consumer perception has changed nationwide, not only in a particular state."<sup>439</sup> In any case, the court concluded, there was undisputed evidence that the plaintiff's mark remained generic, including the defendant's showings of "multiple dining establishments that use the generic term 'ale house' in their names" and "several current dictionaries that define 'alehouse' as a generic term for a place that serves ale."<sup>440</sup> Although the plaintiff countered with "South Florida phone books and webpage restaurant directories that do not use the term 'ale house' as a category heading,"<sup>441</sup> as well as with testimony of actual confusion, the court ultimately held that "[v]iewing the reasonable inferences from the evidence in [the plaintiff's] favor, [the plaintiff's] evidence is insufficient as a matter of law to bring before a jury."<sup>442</sup>

A relatively rare finding of genericness by a jury came in an action in Texas state court.<sup>443</sup> The claimed mark was "habitat,"

---

434. *See id.* at 860.

435. *Id.*

436. *See Ale House Mgmt., Inc. v. Raleigh Ale House, Inc.*, 205 F.3d 137 (4th Cir. 2000),

437. *See Miller's Ale House, Inc. v. Boynton Carolina Ale House, LLC*, 745 F. Supp. 2d 1359 (S.D. Fla. 2010).

438. *See Singer Mfg. Co. v. Briley*, 207 F.2d 519, 522 (5th Cir. 1953).

439. *See Miller's Ale House*, 745 F. Supp. 2d at 1372.

440. *Id.* at 1371.

441. *See id.* at 1372-73.

442. *Id.* at 1373.

443. *See Hot-Hed, Inc. v. Safehouse Habitats (Scotland), Ltd.*, 333 S.W.3d 719 (Tex. App. Ct. 2011).

which the lead plaintiff claimed to have used in connection with inflatable welding enclosures for two decades prior to the inception of the parties' dispute; the lead plaintiff also placed into evidence a Texas registration covering its putative mark, which the court held shifted the burden of production on the issue of the validity to the defendants. The jury delivered a defense verdict, which a panel of the Texas Court of Appeals declined to disturb. Reviewing the record, the appellate court concluded that "[the defendants] presented copious evidence that the term 'habitat' had been in use to describe welding enclosures generally for decades before [the lead plaintiff] claimed it created and began using the term, including numerous patent applications and other instances of use."<sup>444</sup> "This evidence," it then held, "was sufficient to allow reasonable and fair-minded jurors to conclude that 'habitat' was ineligible for protection."<sup>445</sup>

These findings and holdings notwithstanding, some courts rejected genericness-based challenges to marks but declined to indicate where else on the spectrum of distinctiveness the marks should be placed. An example of such an outcome came in an Eighth Circuit appeal in which the defendants operated a church using service marks that were either identical or substantially identical to those of the denomination from which they had broken away.<sup>446</sup> The defendants' argument that the marks were generic failed before the district court, and it failed on appeal as well. One consideration underlying the court's holding that the plaintiffs' motion for summary judgment had properly been granted below was the defendants' concession that they could accurately describe their religious services without using the plaintiffs' marks; moreover, beyond affidavits from two dissident church leaders, they also failed to adduce any evidence on the key issue of the marks' primary significance to the relevant public. Finally, "contrary to [the defendants'] assertion that religious denomination names are generic terms, other courts have found them descriptive and not generic."<sup>447</sup>

A federal district court opinion denying a summary judgment motion grounded in the theory that a registered color mark was generic similarly left open the question of precisely where on the spectrum of distinctiveness the mark belonged.<sup>448</sup> The registered mark was the color pink, which the counterclaim plaintiff applied to medical marker devices used to demarcate particular body

---

444. *Id.* at 731.

445. *Id.*

446. *See Cmty. of Christ Copyright Corp. v. Devon Park Restoration Branch of Jesus Christ's Church*, 634 F.3d 1005 (8th Cir. 2011).

447. *Id.* at 1012.

448. *See DeSena v. Beekley Corp.*, 729 F. Supp. 2d 375 (D. Me. 2010).

features in x-rays. The parties competed in the mammography market in particular, and the counterclaim defendants argued that the use of pink in connection with breast cancer treatment and related activities was so ubiquitous that the color had become generic.

The court rejected the counterclaim defendants' proposed methodology and their proffered evidence. As to the former, it held that:

Although [the counterclaim defendants] assert[] that the class of products here is goods and services whose purchase will either support a breast-cancer-related non-profit organization or be used in connection with breast cancer detection or treatment, the relevant class of goods and services is identified in the mark's certificate of registration. . . . Thus, in order to prove that pink has become generic, [the counterclaim defendants] must establish that the primary significance of the color pink, when applied to mammography-related identification markers for skin, is to identify that class of products, rather than [the counterclaim plaintiff] as a source.<sup>449</sup>

And, as to the latter, the court found that, notwithstanding the counterclaim defendants' showing of third-party uses of pink, they had "offered no evidence that consumers have come to view pink as a generic indicator that goods or services marked with that color are related to those activities, or that imaging markers of that color would be seen as necessarily mammography-related."<sup>450</sup> In the final analysis:

Proof that a mark has become an indicator of a class of product or service . . . and not its source . . . requires more than the subjective view of a casual purchaser; there must be evidence that the generic reference has become the mark's primary significance to members of the "relevant public."<sup>451</sup>

## (2) Descriptive Marks

A descriptive word or phrase "describes the ingredients, characteristics, qualities, or other features of the product and may be used as a trademark only if it has acquired a secondary meaning."<sup>452</sup> The Eighth Circuit applied this standard to affirm a

---

449. *Id.* at 396.

450. *Id.*

451. *Id.*

452. *Fair Isaac Corp. v. Experian Info. Solutions, Inc.*, 650 F.3d 1139 (8th Cir. 2011) (quoting *Schwan's IP, LLC v. Kraft Pizza Co.*, 460 F.3d 971, 974 (8th Cir. 2006)); *see also* *R.J. Ants, Inc. v. Marinelli Enters., LLC*, 771 F. Supp. 2d 475, 491 (E.D. Pa. 2011) ("A descriptive term used as a mark conveys an immediate sense of the ingredients, qualities, or

finding as a matter of law that the federally registered 300-850 mark was merely descriptive of credit scoring and credit risk management services.<sup>453</sup> The appellate court began by noting that the defendants were required to rebut the presumption of mark validity attaching to the lead plaintiff's registration under Section 33(a).<sup>454</sup> It then held that the defendants had done just that by adducing evidence and testimony that the mark was descriptive;<sup>455</sup> indeed, the court concluded, "[v]iewing the evidence in the light most favorable to FICO, there is no genuine issue of fact that consumers in the market immediately understand '300-850' to describe the qualities and characteristics of [the lead plaintiff's] credit score [system]—that the credit score will be within the range of 300-850."<sup>456</sup>

Observing that "a descriptive term describes the intended purpose, function or use of the goods" with which the mark is associated,<sup>457</sup> a Tenth Circuit district court found that the 1800CONTACTS mark was descriptive when used in connection with retail contact lens sales. The court initially observed that:

When one dials a telephone number to place an order, that number only connects to one source. Selecting [the] particular name [at issue] in the 1990s therefore made sense. Nonetheless, the mark itself has no distinctive component. It is comprised of generic terms that only in combination move[] it from a generic mark [sic] to a descriptive mark.<sup>458</sup>

The mark's use in the Internet context, in which its "1800" component might well have been found to be meaningless, did not alter this result. Rather, "the phrase '1-800' is also used by different contact lens companies who offer customers a toll free number to call";<sup>459</sup> as a consequence, "[w]hile the court recognizes that Plaintiff's mark must be viewed as a whole, rather than by its parts, this does not nullify the problem that others necessarily must use similar generic and descriptive phrases to market their product[s] on-line or through a toll free number."<sup>460</sup>

characteristics of goods bearing that mark."); *La. Granite Yard, Inc. v. LA Granite Countertops, L.L.C.*, 47 So. 3d 573, 581 (La. Ct. App. 2010) ("Descriptive terms identify a characteristic or quality of an article, service, or business.").

453. *See Fair Isaac*, 650 F.3d at 1147-48.

454. *See id.* at 1147.

455. *See id.*

456. *Id.* at 1148.

457. *1-800 Contacts, Inc. v. Lens.com, Inc.*, 755 F. Supp. 2d 1151, 1178 (D. Utah 2010) (internal quotation marks omitted).

458. *Id.* at 1179.

459. *Id.*

460. *Id.*

A finding of descriptiveness also came in a case in which the counterclaim defendant argued that the counterclaim plaintiff's BME mark was generic as a matter of law for an electronic publication aimed at the body modification community, while the counterclaim plaintiff argued that the mark was suggestive.<sup>461</sup> As characterized by the court, the counterclaim defendant's motion for summary judgment on this point relied "entirely on the argument that BME is an abbreviation for Body Modification Ezine, and those words generically describe a class of products."<sup>462</sup> That argument, however failed for want of factual support: "[The counterclaim defendant] has presented no evidence that a class of products known as body modification ezines even exists."<sup>463</sup> Moreover, "[the counterclaim defendant] has not identified a single other entity which identifies itself as a body modification ezine. The fact that no other competitor would answer the question 'what are you' by describing itself as a body modification ezine, much less as 'BME,' weighs against a finding of genericness."<sup>464</sup> The counterclaim defendant's showing therefore compared unfavorably with that of the counterclaim plaintiff, which, in response to the counterclaim defendant's motion for summary judgment, adduced "evidence that the relevant community within the purchasing public recognizes the abbreviation 'BME' as a source identifier for the [counterclaim plaintiff], and not with body modification ezines generally."<sup>465</sup> At the same time, however, "the consumer needs to use little to no imagination to determine the nature of the product or services [the counterclaim plaintiff] offers under the BME mark when considered in context..."<sup>466</sup> The mark was therefore descriptive and unprotectable in the absence of secondary meaning.<sup>467</sup>

A more dubious finding of descriptiveness came in a battle over rights to the words "peoples" and "people's" in connection with banking services.<sup>468</sup> Rejecting the plaintiff's argument that its PEOPLES, PEOPLES FEDERAL, and PEOPLES FEDERAL SAVINGS BANK mark were inherently distinctive, the court found that "[a]lthough perhaps a close call, the PEOPLES mark is properly-classified [sic] as descriptive rather than suggestive

---

461. See *Ricks v. BMEzine.com, LLC*, 727 F. Supp. 2d 936 (D. Nev. 2010).

462. *Id.* at 953.

463. *Id.*

464. *Id.*

465. *Id.*

466. *Id.* at 962.

467. See *id.*

468. See *Peoples Fed. Sav. Bank v. People's United Bank*, 750 F. Supp. 2d 217 (D. Mass. 2010).

because it does not require a stretch of imagination to associate it with banking services.”<sup>469</sup> The court identified three reasons for this conclusion, the first of which was that “the term ‘People’s’ is a straightforward way to describe a bank as ‘people-oriented.’”<sup>470</sup> The second was that “the FDIC’s website indicates that ‘people’ ranks as the 12th most commonly used word in bank names, appearing in the names of 159 banks across the nation. Such frequent use of the term ‘People’ in connection with banking services supports a finding that the mark is descriptive.”<sup>471</sup> The third was that another court recently had reached the same finding.<sup>472</sup>

Under Florida law, “an ‘arbitrary’ or fanciful name when attached to a place or location is generally protectable as a trade name or mark, without the necessity to prove a secondary meaning.”<sup>473</sup> Nevertheless, secondary meaning may be necessary “if the name has been used by others near, in and around the area, so that what was once an arbitrary name has become, in the public mind, a geographic place.”<sup>474</sup> Consistent with these principles, a panel of the Florida Court of Appeals found as a matter of law on appeal that the CONCH REPUBLIC INDEPENDENCE CELEBRATION mark was descriptive when used in connection with a festival in the Florida Keys.<sup>475</sup> As the court explained the mark’s provenance, “[the mark] identifies its purpose—to celebrate the satirical 1982 secession of the Florida Keys from the United States. It also designates the geographical location of the celebration—the Conch Republic, which is the name Key West’s former mayor, Dennis Ward, coined for the Florida Keys in 1982.”<sup>476</sup>

Findings that marks were descriptive also swept in more conventional geographic place names, including the following: NEWPORT NEWS for clothing originating in that municipality;<sup>477</sup> LOUISIANA GRANITE YARD, LA GRANITE YARD, and LA GRANITE for the retail sale of granite countertops in the state of

---

469. *Id.* at 223.

470. *Id.*

471. *Id.* (citation omitted).

472. *See id.* (citing *United Bank v. Peoplesbank*, No. 3:08cv01858 (PCD), 2010 WL 2521069, at \*4 (D. Conn. Jun. 17, 2010)).

473. *Tortoise Island Homeowners Ass’n v. Tortoise Island Realty, Inc.*, 790 So. 2d 525, 533 (Fla. Dist. Ct. App. 2001).

474. *Id.*

475. *See Anderson v. Upper Keys Bus. Grp.*, 61 So. 3d 1162 (Fla. Dist. Ct. App. 2011).

476. *Id.* at 1172 (citation omitted).

477. *See Newport News Holdings Corp. v. Virtual City Vision, Inc.*, 650 F.3d 423, 434 (4th Cir.), *cert. denied*, 132 S. Ct. 575 (2011).



Louisiana;<sup>478</sup> A TASTE OF PHILADELPHIA for gift baskets containing foods associated with the City of Brotherly Love;<sup>479</sup> and, in a less-than-convincing finding apparently resting on a violation of the anti-dissection rule, ALABAMA KING and DIXIE LILLY for milled food products manufactured in the state of Alabama.<sup>480</sup> Because “[p]ersonal names are only treated as protectable trademarks when a plaintiff demonstrates they have acquired distinctiveness,”<sup>481</sup> findings of descriptiveness similarly captured surnames, including the FAGNELLI,<sup>482</sup> TANA,<sup>483</sup> ARNETT’S,<sup>484</sup> DOYLE ALLIANCE GROUP,<sup>485</sup> and GORDON CARPET marks,<sup>486</sup> as well as the LEE TETER mark for fine art depicting scenes from American frontier life.<sup>487</sup>

### (3) Suggestive Marks

“Suggestive marks require consumer ‘imagination, thought, or perception’ to determine what the [associated] product is.”<sup>488</sup> An application of this standard led the Third Circuit to find as a matter of law on appeal that the FORSLEAN mark was suggestive when used in connection with a nutraceutical product ingredient. Although not placing the mark on the spectrum of distinctiveness, the district court concluded after a bench trial that the mark’s perceived weakness weighed in the defendant’s favor. In contrast, the Third Circuit tackled the distinctiveness issue head-on, rejecting the defendant’s argument that the mark was descriptive because “lean” was generic and because the mark’s “fors” element

478. See *La. Granite Yard, Inc. v. LA Granite Countertops, L.L.C.*, 47 So. 3d 573, 581 (La. Ct. App. 2010).

479. See *R.J. Ants, Inc. v. Marinelli Enters.*, 771 F. Supp. 2d 475, 492 (E.D. Pa. 2011).

480. See *Brown Bark II, L.P. v. Dixie Mills, LLC*, 732 F. Supp. 2d 1353, 1360 (N.D. Ga. 2010).

481. *Fagnelli Plumbing Co. v. Gillece Plumbing & Heating Inc.*, 98 U.S.P.Q.2d 1997, 2000 (W.D. Pa. 2011).

482. See *id.*

483. See *Tana v. Dantanna’s*, 611 F.3d 767, 774 (11th Cir. 2010).

484. See *Brown Bark II*, 732 F. Supp. 2d at 1360.

485. See *Brown & Brown, Inc. v. Cola*, 745 F. Supp. 2d 588, 611 (E.D. Pa. 2010).

486. See *Marks Org., Inc. v. Joles*, 784 F. Supp. 2d 322, 329 (S.D.N.Y. 2011).

487. See *Teter v. Glass Onion, Inc.*, 723 F. Supp. 2d 1138, 1154-55 (W.D. Mo. 2010).

488. *Sabinsa Corp. v. Creative Compounds, LLC*, 609 F.3d 175, 185 (3d Cir. 2010) (quoting *A & H Sportswear, Inc. v. Victoria’s Secret Stores, Inc.*, 237 F.3d 198, 221 (3d Cir. 2000)), *cert. denied*, 131 S. Ct. 960 (2011); see also *R.J. Ants, Inc. v. Marinelli Enters.*, 771 F. Supp. 2d 475, 491 (E.D. Pa. 2011) (“A suggestive mark requires consumer imagination, thought, or perception to determine what the product is.”); *La. Granite Yard, Inc. v. LA Granite Countertops, L.L.C.*, 47 So. 3d 573, 581 (La. Ct. App. 2010) (“A suggestive term suggests, rather than describes, a characteristic of the goods, services or business and requires an effort of the imagination by the consumer in order to draw a conclusion as to the nature of the goods, services, or business.”).

was an abbreviation of the generic term “forskohlin.” According to the court, “[t]he parties to this case are the only two that use ‘fors’ as an abbreviation for forskohlin, and while ForsLean is not a term that was created completely out of whole cloth, it certainly requires consumer ‘imagination, thought, or perception’ to determine the nature of the product.”<sup>489</sup>

Entertaining an appeal from a bench verdict of liability for infringement and cybersquatting, the Ninth Circuit declined to disturb a finding that the VERICHECK mark was suggestive when used in connection with check verification services.<sup>490</sup> It held that the district court had properly considered the distinctiveness of the mark’s two components as a preliminary step toward determining the protectability of the mark as a whole. The appellate court also approved of the district court’s reliance on an expired registration of the same mark for the same services once owned by a third party: “[W]hile a statutory presumption of distinctiveness only applies when the same mark has been registered, courts may also defer to the PTO’s registration of highly similar marks.”<sup>491</sup> As a final consideration, “the PTO has completed its initial examination of [the plaintiff’s] application to register VERICHECK and has approved it for publication for opposition, indicating that the PTO still considers the mark distinctive.”<sup>492</sup> Particularly in light of the “great deal of deference [owed] to the district court’s trademark classification,” the lower court’s finding of suggestiveness stood up on appeal.<sup>493</sup>

At the trial court level, the past year produced a bumper crop of findings that marks were suggestive with little or no weight given to the registrations covering them. In one case, this trend worked to the advantage of a plaintiff seeking to protect three marks used in connection with sparkling wine.<sup>494</sup> Those marks were: (1) CRISTAL CHAMPAGNE and design, covered by a federal registration from which “cristal champagne” had been disclaimed; (2) CRISTAL CHAMPAGNE, covered by an incontestable registration issued under Section 2(f) of the Act<sup>495</sup> and from which “champagne” had been disclaimed; and (3) the unregistered CRISTAL mark. For a variety of reasons, some more convincing than others, the court declined to hold the concessions of

---

489. *Sabinsa*, 609 F.3d at 186 (quoting *A & H Sportswear*, 237 F.3d at 222).

490. *See Lahoti v. Vericheck, Inc.*, 636 F.3d 501 (9th Cir. 2011).

491. *Id.* at 507 (internal quotation marks omitted).

492. *Id.*

493. *Id.*

494. *See Champagne Louis Roederer v. J. Garcia Carrión, S.A.*, 732 F. Supp. 2d 836 (D. Minn. 2010).

495. 15 U.S.C. § 1052(f) (2006).

descriptiveness in the prosecution history of the plaintiff's two registrations against the plaintiff.<sup>496</sup> It then found that:

The term "CRISTAL" is not arbitrary because it suggests the sparkling quality of the champagne once it is released from the bottle. However, it requires imagination and reasoning by consumers to make the connection between the sparkle of crystal and the sparkle of champagne. Consequently, "CRISTAL" is suggestive when used in connection with champagne.<sup>497</sup>

In far more cases, it was the plaintiffs, rather than the defendants, who were disadvantaged by courts' failure to give the plaintiffs' registrations meaningful weight. For example, the marks sought to be protected by the plaintiffs in one case were MENTOS PURE FRESH and PURE WHITE, both of which were used in connection with chewing gum.<sup>498</sup> There was no dispute that the MENTOS component of the former mark was arbitrary,<sup>499</sup> but the defendant contested the distinctiveness of the remaining elements of both marks. The court sided with the plaintiffs: "As used by [the plaintiffs] in this context, the terms 'pure,' 'fresh,' and 'white' are suggestive because they call to mind the qualities or benefits of chewing [the plaintiffs] gum—*i.e.*, unadulterated

496. On this issue, the court noted that, not surprisingly, "Defendants assert that [the plaintiffs] concession of descriptiveness in its registration of the [CRISTAL CHAMPAGNE (and design)] mark extends to the [registered CRISTAL CHAMPAGNE] mark and the common-law CRISTAL mark." *Roederer*, 732 F. Supp. 2d at 865. Although acknowledging that the plaintiff's registration of its CRISTAL CHAMPAGNE mark under Section 2(f) was also a concession of descriptiveness, the court rejected the proposition that the plaintiff's conduct with respect to its registered marks necessarily established the descriptiveness of its unregistered CRISTAL mark:

[I]t is well-established that federal registration of a mark does not affect the registrant's common-law rights . . . because those rights arise from use, not registration. [The plaintiffs] registration of the [CRISTAL CHAMPAGNE] mark [under Section 2(f)] does not affect the conceptual strength of the [CRISTAL CHAMPAGNE (and design)] mark or the common-law CRISTAL mark.

. . . "No disclaimer . . . shall prejudice or affect the applicant's or registrant's rights then existing or thereafter arising in the disclaimed matter, or his right of registration on another application if the disclaimed matter be or shall have become distinctive of his goods or services." The [CRISTAL CHAMPAGNE (and design)] mark's disclaimer does not affect [the plaintiffs] rights in the [registered CRISTAL CHAMPAGNE] mark, nor does either disclaimer affect [the plaintiffs] rights in the common-law CRISTAL mark.

*Id.* at 865-66 (third alteration in original) (quoting 15 U.S.C. § 1056(b) (2006)) (citation omitted).

497. *Id.* at 866.

498. See *Perfetti Van Melle USA v. Cadbury Adams USA LLC*, 732 F. Supp. 2d 712 (E.D. Ky. 2010).

499. See *id.* at 719. Although the plaintiff apparently did not press the point, the absence of any widely accepted meaning of MENTOS suggests that it should have been classified as coined or fanciful instead of arbitrary.

freshness and/or intense whitening power—instead of describing the appearance or purpose of the product.”<sup>500</sup>

The tendency of some courts to bypass the possible significance of registrations to the distinctiveness inquiry also was apparent in an opinion addressing the protectability of the CAKEBOSS mark for bakery management software, online cake-baking instruction, and other online cake baking information.<sup>501</sup> Although noting “[f]or the record” that the mark was registered,<sup>502</sup> the court jumped straight to the conclusion that “[w]hen applied to [the plaintiff’s] software, it suggests the principal feature of the product, management of a bakery business.”<sup>503</sup> The court found support for this conclusion in the nature of the defendants’ use of their own CAKE BOSS mark, which was in connection with a reality show about a New Jersey bakery: “When applied to [the defendants’] television show, it suggests [the bakery’s principal] himself, the boss of a bakery focused on cakes.”<sup>504</sup>

A registration of the BITCHEN KITCHEN mark for the retail sale of cooking-related goods similarly proved no obstacle to an examination from scratch of the mark’s distinctiveness when used in connection with the retail sale of cooking-related goods.<sup>505</sup> Because the mark was “not a symbol signifying nothing other than the product or service to which the mark has been assigned,” the court declined to find that the mark was fanciful.<sup>506</sup> Moreover, “[u]nlike Apple Computers or Camel cigarettes, [the] mark does not have some significance recognized in everyday life which nevertheless is unrelated to the product or service to which the mark is attached, i.e., it is not ‘arbitrary’ . . . .”<sup>507</sup> Likewise, “‘Bitchen Kitchen’ probably should not be characterized as a ‘descriptive’ mark, like SuperGlue, because it does not describe the products directly.”<sup>508</sup> Instead, the court found, the mark “is best characterized as ‘suggestive’ . . . , because it evokes some quality of the products, i.e., they are ‘bitchin’,” meaning cool or hip and desirable.”<sup>509</sup>

---

500. *Id.*

501. *See* Masters Software, Inc. v. Discovery Commc’ns, Inc., 725 F. Supp. 2d 1294 (W.D. Wash. 2010).

502. *Id.* at 1300 n.3.

503. *Id.* at 1300.

504. *Id.*

505. *See* Martha Elizabeth Inc. v. Scripps Networks Interactive LLC, 100 U.S.P.Q.2d 1799 (W.D. Mich. 2011).

506. *See id.* at 1814 (citation omitted).

507. *Id.*

508. *Id.*

509. *Id.*

Yet another court breezed past two registrations of the YOLK mark for restaurant services on its way to finding that the mark was suggestive.<sup>510</sup> The defendants did not help themselves by advancing the improbable argument that the mark was generic,<sup>511</sup> but, in any case, the court had no difficulty concluding on the plaintiffs' preliminary injunction motion that the mark was inherently distinctive. As it explained, "[a] reasonable consumer would not immediately think of a restaurant or restaurant services when hearing the word 'yolk.'"<sup>512</sup> Instead, "[a] consumer would have to use his or her imagination to appreciate or perceive the suggestion that Yolk is a restaurant that serves meals made with eggs."<sup>513</sup>

A mark not covered by a registration, MIRINA, was similarly found to be suggestive when used in connection with microRNA-based therapeutic research and drug development.<sup>514</sup> To establish the mark's strength for purposes of the likelihood-of-confusion inquiry, the plaintiff argued that the mark was either coined or arbitrary. The court, quoting from the plaintiff's preliminary injunction papers, found instead that "Plaintiff's arbitrariness argument is undercut by its own briefing: Plaintiff admits that [the mark's] spelling 'suggests' an association with mirco-RNA (sic)."<sup>515</sup> In addition, it concluded, "[t]hat other businesses . . . in the micro-RNA industry use an [sic] 'mir' prefix further belies the arbitrariness of Plaintiff's mark."<sup>516</sup>

A more dubious finding of suggestiveness came in a suit to protect the CUSTOMER FIRST mark for community banking services.<sup>517</sup> The court might well have found the mark to be laudatory (and therefore lacking inherent distinctiveness), but it took a different direction in finding that "[t]he mark does not provide any direct information regarding [the plaintiff's] banking services, and the mark does not forthwith convey what service is at issue and to whom the service is directed. A consumer would not immediately connect CUSTOMER FIRST with community banking services."<sup>518</sup> As a consequence, "[b]ecause the mark . . . requires imagination and thought to reach a conclusion as to the

---

510. See *Kastanis v. Eggstacy LLC*, 752 F. Supp. 2d 842 (N.D. Ill. 2010).

511. See *id.* at 849 ("The word 'yolk' is not a generic term for a restaurant serving breakfast food[s] and egg based dishes.")

512. *Id.* at 850.

513. *Id.*

514. See *Mirina Corp. v. Marina Biotech*, 770 F. Supp. 2d 1153 (W.D. Wash. 2011).

515. *Id.* at 1157 (alteration in original).

516. *Id.*

517. See *Alliance Bank v. New Century Bank*, 742 F. Supp. 2d 532 (E.D. Pa. 2010).

518. *Id.* at 548 (internal quotation marks omitted).

nature of the service[s] provided, CUSTOMER FIRST is a suggestive mark.”<sup>519</sup>

Only after reaching this conclusion did the court address and reject the defendant’s responsive argument that “the terms ‘customer’ and ‘first’ are ubiquitous in [the] banking and financial industries.”<sup>520</sup> In support of this position, the defendant submitted TESS records from the USPTO’s website, printouts from third-party websites, and the results of a dilution search it had commissioned from an outside vendor. The court was unimpressed:

While evidence of third party use of similar marks on similar goods may be relevant to show that a mark is relatively weak, courts and commentators have recognized that the significance and evidentiary impact of third party marks turns entirely upon their *usage* (not likely usage) and the impact that such use has had on the minds of consumers.

... [N]o evidence is offered as to how these third party registrations are used and how they are perceived by consumers. . . . Consequently, merely listing the number of third party registrations without showing the extent of individual use or consumer perception is not particularly persuasive. For this reason, [the defendants’] argument that [the plaintiffs’] mark cannot be considered inherently distinctive because of third party use of [its constituent] terms fails.<sup>521</sup>

Some marks were found to be suggestive based on the parties’ apparent or express agreement that they fell into that category. These included ACTIVEBATCH for job scheduling and management software.<sup>522</sup> They also included a variety of marks based on the word “go” and used in connection with oral-care products such as teeth-whitening systems.<sup>523</sup>

#### (4) Arbitrary Marks

“Arbitrary” marks use common words but have no relationship to the goods or services being offered, such as IVORY soap (which

519. *Id.*

520. *Id.* at 551.

521. *Id.* at 552-53.

522. See *Network Automation, Inc. v. Advanced Sys. Concepts, Inc.*, 638 F.3d 1137, 1150 (9th Cir. 2011).

523. The “numerous marks” at issue included GO SMILE, GO HEALTHY, GO TRAVEL, GOSMILE, GOSMILE AM, GOSMILE AM/PM, GOSMILE PM, TOOTH WHITENING On the GO, SMILECEUTICALS, SMILE ON THE GO, ON THE GO, GOMAINTEIN, GOPROTECT, GO DISCOVER, GO ALL OUT, GO ON . . . SMILE!, GO DAILY, GO, and GOSMILE SMILE WHITENING SYSTEM. See *GoSMiLE, Inc. v. Dr. Jonathan Levine*, D.M.D. P.C., 769 F. Supp. 2d 630, 635 (S.D.N.Y. 2011).

is not made of ivory), APPLE computers, and ROYAL baking powder.”<sup>524</sup> Apart from a case in which the issue was conceded by the defendant,<sup>525</sup> there was only one readily apparent example of a mark actually being found to be arbitrary, which was the ORIENTAL mark for banking services.<sup>526</sup> Although the mark’s geographic connotations might well have rendered it descriptive, the defendant’s failure to press the point allowed the court to conclude that “[i]nsofar as ‘Oriental’ is a common word applied to Plaintiffs’ financial services as a mark, we find that it is an arbitrary mark that merits protection under federal trademark law.”<sup>527</sup>

### (5) Fanciful or Coined Marks

Findings and holdings of fanciful or coined marks were rare in reported cases. Bucking the trend, however, the Eighth Circuit upheld a district court finding that the SENSIENT FLAVORS mark was fanciful when used in connection with a flavor-delivery system but did so as a result of the defendant’s failure to contest the issue below.<sup>528</sup> And a panel of the Florida Court of Appeals noted in dictum that “[e]xamples of fanciful marks are: KODAK, POLAROID, and XEROX.”<sup>529</sup>

#### *b. Distinctiveness of Nontraditional Marks*

The anti-dissection rule, recognized nearly a century ago by the Supreme Court, prohibits the placement of a word mark on the spectrum of distinctiveness based only on the distinctiveness of its individual components.<sup>530</sup> As one court held, the rule is fully applicable in the trade dress context, in which product packaging may consist of combinations of both verbal and design elements:

The fact that a . . . trade dress incorporates common elements . . . does not demonstrate that the trade dress as a whole is generic. Even where “each of these elements

---

524. *Anderson v. Upper Keys Bus. Grp.*, 61 So. 3d 1162, 1168-69 (Fla. Ct. App. 2011).

525. *See Blackwall Grp. v. Sick Boy, LLC*, 771 F. Supp. 2d 1322, 1326 (M.D. Fla. 2011) (SICK BOY arbitrary when used in connection with clothing and accessories).

526. *See Oriental Fin. Grp. v. Cooperativa de Ahorro y Crédito Oriental*, 750 F. Supp. 2d 396 (D.P.R. 2010).

527. *Id.* at 403.

528. *See Sensient Techs. Corp. v. SensoryEffects Flavor Co.*, 613 F.3d 754, 763 (8th Cir. 2010), *cert. denied*, 131 S. Ct. 1603 (2011).

529. *Anderson v. Upper Keys Bus. Grp.*, 61 So. 3d 1162, 1168 (Fla. Ct. App. 2011).

530. *See Estate of P.D. Beckwith, Inc. v. Comm’r of Patents*, 252 U.S. 538, 545-46 (1920) (“The commercial impression of a trade-mark is derived from it as a whole, not from its elements separated and considered in detail. For this reason it should be considered in its entirety.”).

individually would not be inherently distinctive, it is the combination of elements and the total impression that the dress gives to the observer that should be the focus of a court's analysis of distinctiveness." The logic behind this rule is that "[o]ne could no more deny protection to a trade dress for using commonly used elements than one could deny protection to a trademark because it consisted of a combination of commonly used letters of the alphabet."<sup>531</sup>

This was not the only doctrinal principle favoring the plaintiff's successful claim of inherent distinctiveness for a thermometer package, as the court also held that "[s]ince the choices that a producer has for packaging its products are almost unlimited, typically a trade dress will be arbitrary or fanciful and thus inherently distinctive, and the only real question for the courts will be whether there is a likelihood of confusion."<sup>532</sup>

In addition to the anti-dissection rule, this outcome reflects the tendency of some courts to place nontraditional marks on the same spectrum of distinctiveness applicable to conventional word marks.<sup>533</sup> This practice also was apparent in another opinion that addressed the protectability of a series of cartoon figures, which originally appeared in books, but which were eventually licensed for use in connection with clothing.<sup>534</sup> The characters inevitably appeared in immediate proximity to word marks consisting of "little miss" combined with such character traits as "bossy," "chatterbox," "splendid," and "sunshine," and this produced two findings in response to the defendant's motion for summary judgment: "*First*, the . . . characters are fanciful and, as such, are inherently distinctive. *Second*, the format—e.g., the selection of bold, block lettering—is also arbitrary."<sup>535</sup> The defendant argued that the descriptiveness of the marks' verbal components precluded them from qualifying as inherently distinctive, but the court held that that position failed to acknowledge "not only the fanciful nature of the characters and the arbitrary design elements, but also that distinctiveness is assessed in terms of the mark as a whole. Viewed through that lens, [the plaintiff's]

---

531. *Tecnimed SRL v. Kidz-Med, Inc.*, 763 F. Supp. 2d 395, 405 (S.D.N.Y. 2011) (citation omitted) (quoting *Paddington Corp. v. Attiki Imps. & Distribs., Inc.*, 996 F.2d 577, 584 (2d Cir. 1993)).

532. *Id.* (quoting *Paddington*, 996 F.2d at 583)).

533. *See, e.g.*, *RNA Corp. v. Procter & Gamble Co.*, 747 F. Supp. 2d 1008, 1018 (N.D. Ill. 2010) (determining, without extended analysis, that counterclaim plaintiff's packaging for shampoo and conditioner "is suggestive of something that is floral in nature").

534. *See THOIP v. Walt Disney Co.*, 736 F. Supp. 2d 689 (S.D.N.Y. 2010).

535. *Id.* at 707-08 (footnote omitted).



mark[s] [are] inherently distinctive and, consequently, [are] protectable without a showing of acquired [secondary] meaning.”<sup>536</sup>

The difficulties in squeezing claimed nontraditional marks into a framework designed for conventional verbal ones has led some courts to abandon that framework.<sup>537</sup> One was the Court of Customs and Patent Appeals, whose alternative “*Seabrook test*” for inherent distinctiveness<sup>538</sup> has proven to be particularly popular in packaging cases. One court applied it to find that trade dress consisting of the bottle and label for artesian water qualified for protection without a showing of secondary meaning:

To determine whether packaging is so “unique, unusual, or unexpected in this market that one can assume without proof that it will automatically be perceived by consumers as an indicator of origin,” the court may look to (1) whether the design is a common, basic shape or design, (2) whether it [is] unique or unusual in a particular field, (3) whether it [is] a mere refinement of a commonly-adopted and well-known form or ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods, or (4) whether it [is] capable of creating a commercial impression distinct from the accompanying goods.<sup>539</sup>

The record established that one element of the claimed trade dress at issue—“the square bottle and blue cap”—was “fairly common in the bottled water industry,”<sup>540</sup> but numerous others were not. Those included “the stylized hibiscus, the palm fronds and the three-dimensional effect of the transparent front label with palm fronds on the inside back label,” combined with the plaintiff’s presentation of its FIJI word mark in “stylized white block letters with metallic outline.”<sup>541</sup> Particularly in light of the plaintiff’s showings that “no other brands . . . combine the elements of the square bottle, three-dimensional labeling effect, and tropical motif” and that the packaging had won “international awards for print and packaging excellence and design innovation in the food

---

536. *Id.* at 708.

537. *See, e.g.,* Graphic Design Mktg., Inc. v. Xtreme Enters., 772 F. Supp. 2d 1029, 1034 (E.D. Wis. 2011) (finding on plaintiff’s motion for preliminary injunction that “[t]he [plaintiff’s] packaging is inherently distinctive because the . . . red header uses stylized white lettering edged in red against a totally black background, with further descriptive language in a standard white font”).

538. *See* *Seabrook Foods, Inc. v. Bar-Well Foods, Ltd.*, 568 F.2d 1342, 1344 (C.C.P.A. 1977).

539. *Fiji Water Co. v. Fiji Mineral Water USA, LLC*, 741 F. Supp. 2d 1165, 1176 (C.D. Cal. 2010) (quoting *Seabrook*, 568 F.2d at 1344).

540. *Id.* at 1176.

541. *Id.*

packaging industry,”<sup>542</sup> the trade dress was inherently distinctive.<sup>543</sup>

*Seabrook* also came into play in a case in which the court declined to resolve the question of inherent distinctiveness on the parties’ cross-motions for summary judgment but instead chose to defer that resolution until trial.<sup>544</sup> The claimed trade dress in question was a plastic motor-oil bottle, which the plaintiffs admitted had evolved over time. The court was not particularly concerned with the changes to the bottle, but it also was unwilling to find that the bottle was or was not inherently distinctive as a matter of law. It might be true, the court noted in response to the plaintiffs’ motion, that “product packaging has a tendency to be inherently distinctive.”<sup>545</sup> Nevertheless, “there is no bright-line rule that packaging is *always* inherently distinctive, and the threshold question remains whether its ‘intrinsic nature serves to identify a particular source.’”<sup>546</sup> In substantial part because the summary judgment record reflected third-party uses of the individual components of the plaintiffs’ bottle, the court was unwilling to hold the bottle inherently distinctive at that stage of the litigation; at the same time, however, the absence from that record of any third-party bottles featuring the same combination of components as that incorporated into the plaintiffs’ bottle left the court equally reluctant to require the plaintiff to prove secondary meaning.<sup>547</sup> Because there were “disputed factual questions that could reasonably lead to either outcome,” the Court found it “appropriate for the jury to decide this question.”<sup>548</sup>

Eleventh Circuit district courts applied the *Seabrook* test in two cases to the detriment of the plaintiffs prosecuting them. The first turned on the protectability of a restaurant trade dress described by the court as the combination of:

server uniforms consisting of a dark polo shirt and khaki pants, two persons present at the host station, dock wood on the walls, a centrally located rectangular peninsular bar with seating on both sides, a soffit over the bar, an “open” kitchen

---

542. *Id.*

543. *Id.* at 1177.

544. *See* Shell Trademark Mgmt. B.V. v. Warren Unilube, Inc., 765 F. Supp. 2d 884 (S.D. Tex. 2011).

545. *Id.* at 897.

546. *Id.* (quoting Wal-Mart Stores, Inc. v. Samara Bros., Inc., 529 U.S. 205, 210 (2000)).

547. *See id.* at 897-98.

548. *Id.* at 898.

that allows customers to see food preparation, and “high-top” tables on the right hand side of the restaurant.<sup>549</sup>

Granting a defense motion for summary judgment, the court made short work of the plaintiff’s argument that these components could make up an inherently distinctive trade dress. In its view, “there is nothing unique or unusual about the interior elements [the plaintiff] claims as its trade dress. . . . [The] claimed trade dress is merely a refinement of [a] commonly-adopted form of ornamentation for sports bars and casual restaurants.”<sup>550</sup>

Tasked with evaluating the protectability of another claimed product packaging trade dress, the district court in the second case rolled out a variation on the *Seabrook* standard to reject a claim of inherent distinctiveness outright on the parties’ cross-motions for summary judgment:

Whether trade dress is inherently distinctive depends on whether: “(1) the design or shape is a common, basic shape or design; (2) it was unique or unusual in a particular field; and (3) it was a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods which consumers view as ornamentation.” In other words, trade dress is inherently distinctive if “the design, shape or combination of elements is so unique, unusual or unexpected in this market that one can assume without proof that it will automatically be perceived by customers as an indicator of origin.”<sup>551</sup>

The court did not describe the components of the plaintiff’s claimed trade dress, but, whatever they were, “there is no evidence to show that the trade dress associated with the products at issue is inherently distinctive . . . .”<sup>552</sup>

A Ninth Circuit district court’s application of the same three-pronged version of the *Seabrook* test similarly led to findings as a matter of law that two designs for doll boxes lacked inherent distinctiveness.<sup>553</sup> The characteristic of the first design the counterclaim plaintiff claimed as proprietary trade dress was its trapezoidal shape, but the court concluded that “[a] trapezoid is the sort of intuitive, ‘ordinary geometric shape’ that courts generally ‘regard[] as non-distinctive and protectable only upon

---

549. *Miller’s Ale House, Inc. v. Boynton Carolina Ale House, LLC*, 745 F. Supp. 2d 1359, 1364 (S.D. Fla. 2010).

550. *Id.* at 1375.

551. *Brown Bark II, L.P. v. Dixie Mills, LLC*, 732 F. Supp. 2d 1353, 1360 (N.D. Ga. 2010) (citations omitted) (quoting 1 J. Thomas McCarthy, 1 McCarthy on Trademarks and Unfair Competition § 8:13 (4th ed. 2010)).

552. *Id.*

553. *See Mattel, Inc. v. MGA Entm’t, Inc.*, 782 F. Supp. 2d 911 (C.D. Cal. 2011).

proof of secondary meaning”;<sup>554</sup> particularly because “[i]t cannot be disputed that toys, and even dolls, have been sold in trapezoids for decades,”<sup>555</sup> the court held that “[t]rapezoidal packaging standing alone is not an unusual design and is not inherently distinctive.”<sup>556</sup> The court went on to conclude that the second design, which consisted of a heart shape, “a window through which multiple dolls can be viewed, the brand name displayed halfway down the middle of the packaging, and a decorative handle, is not inherently distinctive either.”<sup>557</sup> The bases for this conclusion were that “[t]he heart is a ‘common, basic shape, similar to a geometrical design’<sup>558</sup> and that “[t]he product’s use of a handle is unremarkable as well as obviously functional . . . .”<sup>559</sup>

### ***c. Secondary Meaning Determinations***

#### **(1) Cases Finding Secondary Meaning**

Faced with the need to evaluate the protectability of a surname coupled with a generic term, a Second Circuit district court offered up the following doctrinal test for acquired distinctiveness:

The Second Circuit has enumerated several considerations that must be analyzed in determining whether a mark has acquired secondary meaning: (1) advertising expenditures; (2) sales success; (3) unsolicited media coverage of the product; (4) attempts to plagiarize the mark; (5) the length and exclusivity of the mark’s use; and (6) consumer surveys linking the name to a source.<sup>560</sup>

Under these factors, the mark’s exclusive use in the region for over sixty years weighed in the plaintiff’s favor, as did the defendant’s intentional opening of a directly competitive store under an identical mark less than a third of a mile from the plaintiff’s store. Indeed, with respect to the latter consideration, the court concluded that “the very fact that Defendant chose the [same] name . . . , with the intent to exploit the good will in the [plaintiff’s] mark, is essentially a concession that the mark had acquired secondary meaning in the market.”<sup>561</sup> Accordingly, the

554. *Id.* at 1004 (second alteration in original) (quoting *Wiley v. Am. Greetings Corp.*, 762 F.2d 139, 142 (1st Cir. 1985)).

555. *Id.*

556. *Id.*

557. *Id.* at 1005.

558. *Id.* (quoting *Wiley v. Am. Greetings Corp.*, 762 F.2d 139, 142 (1st Cir. 1985)).

559. *Id.*

560. *Marks Org., Inc. v. Joles*, 784 F. Supp. 2d 322, 329 (S.D.N.Y. 2011).

561. *Id.* at 330.

plaintiff had set forth a sufficient showing of acquired distinctiveness to support entry of a preliminary injunction.<sup>562</sup>

A Ninth Circuit district court applied the test for secondary meaning extant in that jurisdiction to find that the packaging for artesian water had acquired distinctiveness:

Secondary meaning can be established by direct consumer testimony or survey evidence that purchasers associate the design with the source, the length and manner of advertising, the amount of sales and number of customers, the length, manner and exclusive use of the particular trade dress, and proof of intentional copying by the defendant.<sup>563</sup>

Evidence weighing in the plaintiff's favor included United States sales of almost one billion bottles of water in the twelve years before the defendants' use, "more than \$65 million in advertising" by the plaintiff, including the sponsorship of "numerous high profile charity events," and the appearance of the packaging "in around 30 popular TV shows and nearly 20 major motion pictures."<sup>564</sup> The icing on the cake, however, was "[t]he obvious similarity between the [defendant's] bottle and the [plaintiff's] trade dress[, which] supports an inference of deliberate copying."<sup>565</sup>

The Ninth Circuit's secondary meaning factors also came into play in a case presenting less well-developed evidence of acquired distinctiveness.<sup>566</sup> Significantly, the court concluded from the summary judgment record before it that "[t]here is no evidence regarding the degree and manner of advertising under the [counterclaim plaintiff's] trademark beyond [the associated electronic magazine's] existence and use of the . . . mark for many years on . . . various websites . . . ."<sup>567</sup> Despite what might well have been considered a glaring hole in the counterclaim plaintiff's case, the court found more convincing the counterclaim plaintiff's proof of long-time exclusive use, that "independent media sources" referred to the counterclaim plaintiff by using the mark, and that the counterclaim plaintiff had managed to license the mark's use to third parties.<sup>568</sup> Not only did these showings establish the mark's secondary meaning, they did so as a matter of law.<sup>569</sup>

---

562. *See id.*

563. *Fiji Water Co. v. Fiji Mineral Water USA, LLC*, 741 F. Supp. 2d 1165, 1177 (C.D. Cal. 2010).

564. *Id.*

565. *Id.*

566. *See Ricks v. BMEzine.com, LLC*, 727 F. Supp. 2d 936 (D. Nev. 2010).

567. *Id.* at 963.

568. *See id.*

569. *See id.*

In a dispute between players in the Western Pennsylvania market for plumbing and HVAC-related services, a Third Circuit district court applied two different standards for evaluating the degree of acquired distinctiveness attaching to the plaintiff's surname mark.<sup>570</sup> For purposes of the plaintiff's claim under the Anticybersquatting Consumer Protection Act, the court looked to Section 43(d)(1)(A)(ii)(I)<sup>571</sup> to hold that:

The following factors . . . may be considered in determining whether a mark is distinctive: (A) the degree of inherent or acquired distinctiveness of the mark; (B) the duration and extent of use of the mark in connection with which the mark is used; (C) the duration and extent of advertising and publicity of the mark; (D) the geographical extent of the trading area in which the mark is used; (E) the channels of trade for the goods and services with which the mark is used; (F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks' owner and the person against whom the injunction is sought; and (G) the nature and extent of [the] use of the same or [a] similar mark by third parties.<sup>572</sup>

When evaluating the plaintiff's likelihood-of-confusion-based claims, however, it held that:

Although there is not a consensus as to the specific elements of secondary meaning, in determining whether [the plaintiff's] mark has the required secondary meaning, the Court will apply the following factors: (1) the extent of sales and advertising leading to buyer associations; (2) the length of use; (3) exclusivity of use; (4) the fact of copying; (5) customer surveys; (6) customer testimony; (7) the use of the mark [in] trade journals; (8) the size of the [plaintiff's] company; (9) the number of sales; (10) the number of customers; and (11) actual confusion.<sup>573</sup>

Under applications of both tests, however, the court found on the parties' cross-motions for summary judgment that the plaintiff's surname mark had acquired secondary meaning in the fifty years prior to the defendants' registration of a domain name corresponding to the plaintiff's mark.<sup>574</sup> Not only did that period of formerly exclusive use weigh in the plaintiff's favor, but the plaintiff also adduced: (1) evidence and testimony of annual

---

570. *Fagnelli Plumbing Co. v. Gillece Plumbing & Heating Inc.*, 98 U.S.P.Q.2d 1997, 2000 (W.D. Pa. 2011).

571. 15 U.S.C. § 1125(d)(1)(A)(ii)(I) (2006).

572. *Fagnelli Plumbing*, 98 U.S.P.Q.2d at 2000.

573. *Id.* at 2003.

574. *See id.* at 2000-01, 2003-04.

advertising expenditures in the tens of thousands;<sup>575</sup> (2) “affidavits from four long-time customers who stated that ‘the [plaintiff’s mark] has become closely associated with plumbing, heating and cooling services in Allegheny County’”;<sup>576</sup> and (3) testimony from an additional witness in his capacity “as a plumbing inspector for the Allegheny County Health Department and his position as the Chairman of the Allegheny County Plumbing Advisory Board.”<sup>577</sup>

An application of the First Circuit’s secondary meaning factors also drove findings that the PEOPLES, PEOPLES FEDERAL, and PEOPLES FEDERAL SAVINGS BANK marks for banking services had acquired distinctiveness:

Courts consider various factors, including 1) the length and manner of the term’s exclusive use, 2) the size and prominence of plaintiff’s enterprise, 3) the nature and extent of advertising of the mark[,] 4) evidence of successful product sales and 5) efforts at promoting a conscious connection, in the public’s mind, between the mark and the particular product.<sup>578</sup>

In successfully proving secondary meaning under this rubric, the marks’ owner relied on its \$325,000 annual promotional budget, which included investments in “radio, TV and print advertising, marketing literature, sponsorship of sports teams and other community organizations and distribution of promotional items,” as well as its “charitable contributions, civic involvement and personalized banking practices.”<sup>579</sup> The court accepted this evidence and that of the plaintiff’s success in expanding its business as establishing consumers’ recognition of the marks, but only within particular geographic areas in Eastern Massachusetts.<sup>580</sup>

In a final federal district court opinion, which found secondary meaning as a matter of law, it was the Sixth Circuit’s acquired-distinctiveness factors that drove the relevant inquiry, namely, “(1) direct consumer testimony; (2) consumer surveys; (3) exclusivity, length and manner of use; (4) amount and manner of advertising; (5) amount of sales and number of customers; (6) established place in the market; [and] (7) proof of intentional copying.”<sup>581</sup> Although introducing evidence and testimony on the first, third, and fifth of

---

<sup>575</sup>. *See id.*

<sup>576</sup>. *Id.* at 2000.

<sup>577</sup>. *Id.* at 2001.

<sup>578</sup>. *Peoples Fed. Sav. Bank v. People’s United Bank*, 750 F. Supp. 2d 217, 223 (D. Mass. 2010).

<sup>579</sup>. *See id.* at 224.

<sup>580</sup>. *See id.*

<sup>581</sup>. *Innovation Ventures, LLC v. N2G Distrib., Inc.*, 779 F. Supp. 2d 671, 675 (E.D. Mich. 2011) (quoting *DeGidio v. W. Grp.*, 355 F.3d 506, 513 (6th Cir. 2004)).

these considerations, the plaintiff placed its greatest emphasis on the second and seventh. As to the second, the plaintiff adduced the results of three separate surveys employing three different methodologies and targeting three different (but overlapping) universes, and the court credited each set of results.<sup>582</sup> Based on a simple comparison of the parties' goods as they appeared in the marketplace, the court found that the plaintiff's accusations of intentional copying were justified, and that the seventh factor also weighed in the plaintiff's favor: "[V]iewing the marks at issue in conjunction with their trade dress, the evidence of intentional copying is so clear that Plaintiff's mark should be afforded secondary meaning."<sup>583</sup>

At the state court level, a panel of the Louisiana Court of Appeals affirmed a finding that the LA GRANITE and LOUISIANA marks had acquired secondary meaning in connection with the retail sale of granite countertops.<sup>584</sup> Although holding that "[t]o establish secondary meaning, a plaintiff must show that, in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself,"<sup>585</sup> the court did not set forth or refer to a test for gauging acquired distinctiveness. The court did, however, cite approvingly to the plaintiff's use of its marks for slightly over three years before the defendant's entry into the marketplace.<sup>586</sup>

## (2) Cases Declining to Find Secondary Meaning

The existence or nonexistence of acquired distinctiveness is typically a question of fact, but an unusually large number of reported opinions over the past year resolved it as a matter of law. For example, the Federal Circuit applied Third Circuit law to drive home the point that claimed owners of nontraditional marks should come to the table with more evidence of secondary meaning than mere long-time use and half-hearted "look-for" advertising.<sup>587</sup> The occasion of this reminder was a dispute between purveyors of endoscopic probes in which the plaintiffs claimed protectable rights to the blue color of their probes. The plaintiffs' showing in response to the defendants' motion for summary judgment

---

<sup>582</sup>. *See id.* at 676.

<sup>583</sup>. *Id.* at 678.

<sup>584</sup>. *See* La. Granite Yard, Inc. v. LA Granite Countertops, L.L.C., 47 So. 3d 573 (La. Ct. App. 2010).

<sup>585</sup>. *Id.* at 580.

<sup>586</sup>. *See id.* at 582.

<sup>587</sup>. *See* ERBE Elektromedizin GmbH v. Canady Tech. LLC, 629 F.3d 1278 (Fed. Cir. 2010).



apparently was limited to declaration testimony that the plaintiffs had used the particular color on its products for thirty years and that the color had more recently been featured in its advertising materials in conjunction with the slogan “True Blue Probe for Argon Plasma Coagulation.”<sup>588</sup> Affirming the district court’s finding of unprotectability as a matter of law, the Federal Circuit noted that:

[The lead plaintiff] does not offer any evidence—such as sales and advertising leading to buyer association, customer surveys, customer testimony, the number of sales, the number of customers, the use of the mark in trade journals, or actual confusion—that creates a genuine issue of material fact with regard to whether the color blue on its flexible endoscopic probes has secondary meaning.<sup>589</sup>

The unlicensed sale of blue-colored products by a third-party competitor of the parties was additional evidence that the plaintiffs had failed to prove a disputed question of fact as to whether the color had acquired distinctiveness when applied to their own goods.<sup>590</sup>

If third-party uses can weigh against a showing of secondary meaning,<sup>591</sup> a plaintiff’s own private labeling of a claimed trade dress can prove downright fatal. One plaintiff, a manufacturer of folding utility knives, learned this lesson the hard way when its claim of acquired distinctiveness was dismissed on a defense motion for summary judgment.<sup>592</sup> The court’s treatment of the issue was driven by its consideration of a single issue, which was the plaintiff’s practice of allowing two significant retailers, Sears and The Home Depot, to sell the plaintiff’s knives under their own marks:

In light of the evidence . . . that two entities, which operate in the relevant market and distribute products nationwide, sell utility knives with the exact configuration at issue under brands other than [the plaintiff’s], the Court HOLDS that [the plaintiff] has not established the requisite distinctiveness to pursue its claims under the Lanham Act.<sup>593</sup>

Third-party usage of marks played an even more significant role in findings as a matter of law of no acquired distinctiveness

---

588. *Quoted in id.* at 1290.

589. *Id.* at 1290.

590. *See id.* at 1290 n.4.

591. For another example of an opinion applying this rule in the preliminary injunction context, see *Z-Man Fishing Prods., Inc. v. Renosky*, 790 F. Supp. 2d 418, 432 (D.S.C. 2011).

592. *See Great Neck Saw Mfrs., Inc. v. Star Asia U.S.A., LLC*, 727 F. Supp. 2d 1038 (W.D. Wash. 2010).

593. *Id.* at 1064.

for the titles and lyrics of various songs by the late guitarist Jimi Hendrix.<sup>594</sup> In finding as a matter of law that the plaintiffs had failed to prove secondary meaning, the court credited the defendants' showing that all but one of the titles at issue were the subject of federal registrations owned by third parties.<sup>595</sup> Moreover, however much the titles might be linked to Hendrix, the plaintiffs had not demonstrated that that association extended to their goods and services. Under the circumstances, "although the titles or lyrics might be strongly associated with Jimi Hendrix in the music industry, they do not have the crossover secondary meaning necessary to support a false designation of origin claim."<sup>596</sup>

The Ninth Circuit took an equally skeptical view of a showing of acquired distinctiveness, this one relating to the cartoon character Betty Boop.<sup>597</sup> Having failed to introduce into evidence a registration covering their claimed mark, the plaintiffs sought to fend off a defense motion for summary judgment through declaration testimony of their attendance at trade shows, their numerous licensees, and the increasing commercial success of the Betty Boop property. The testimony's fatal flaw was that it came from a single individual, namely the lead plaintiff's chief executive officer. Although the district court had not addressed the testimony, the Ninth Circuit chose to do so on appeal, concluding that "[e]vidence of secondary meaning from a partial source possesses very limited probative value." The probative value of such evidence is so limited that, standing alone, it is not sufficient to withstand summary judgment.<sup>598</sup> As a consequence, "the company CEO's 'uncorroborated, and clearly self-interested

594. See *Experience Hendrix, L.L.C. v. HendrixLicensing.com, LTD.*, 766 F. Supp. 2d 1122 (W.D. Wash. 2011).

595. As the court summarized the summary judgment record on this issue:

[D]efendants provide evidence that more than a dozen "live" registrations for the mark "PURPLE HAZE" exist, none owned by [the plaintiffs]. In addition, the United States Patent and Trademark Office ("PTO") website reveals that "FOXY LADY" appears in five "live" registrations, while "STONE FREE" (either alone or in combination with other terms) is the subject of two "live" and two "dead" registrations, likewise not belonging to [the plaintiffs]. . . .

The PTO website also indicates that "HIGHWAY CHILE" was described as a service mark in two abandoned applications, that "AXIS: BOLD AS LOVE" contains a phrase (i.e., "BOLD AS LOVE") registered by two different entities for use in connection with apparel, and that "CASTLES MADE OF SAND" involves two terms (i.e., CASTLE and SAND) that appear in some combination in eight "live" registrations or applications. The only title without matching records in the PTO database is "THE WIND CRIES MARY."

*Id.* at 1148-49 & n.29 (citation omitted).

596. *Id.* at 1148-49.

597. See *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958 (9th Cir. 2011).

598. *Id.* at 967 (quoting *Filipino Yellow Pages, Inc. v. Asian Journal Publ'ns, Inc.*, 198 F.3d 1143, 1152 (9th Cir. 1999)).

testimony did not create a genuine issue for trial as to whether [Betty Boop] has acquired secondary meaning.”<sup>599</sup>

This holding by its reviewing court was anticipated by a Ninth Circuit district court, which also determined that self-serving testimony by a plaintiff’s own employees could not create a factual dispute regarding the alleged acquired distinctiveness of the plaintiff’s automobile tail-light components.<sup>600</sup> As described by the court, the plaintiff’s response to the defendants’ motion for summary judgment consisted of “one article and declarations from its own employees.”<sup>601</sup> The court found that the article “provides little information about consumer behavior beyond noting that Plaintiff’s product is a hot seller, and it does not reference Plaintiff’s design or its connection to the mark.”<sup>602</sup> The plaintiff’s declarations were similarly deficient because they contained “no evidence of the effectiveness of [the plaintiff’s] advertising in creating a secondary meaning other than providing the dollar figure of [its] advertising budget, which has little meaning without context”<sup>603</sup> and because the plaintiff’s raw sales figures had “limited value without further details regarding market and competitor sales figures.”<sup>604</sup> Particularly in light of the plaintiff’s failure to corroborate its allegations of intentional copying and the defendant’s showing that “as many as eight other companies” were using similar designs, summary judgment in the defendants’ favor was warranted.<sup>605</sup>

Entertaining cross-motions for summary judgment, a different Ninth Circuit district court found other reasons to reject claims of acquired distinctiveness for the appearances of two boxes in which the counterclaim plaintiff sold dolls.<sup>606</sup> There was no factual dispute as to the secondary meaning of one box, which featured a trapezoidal shape, primarily because of the absence from the summary judgment record of any references to the shape in advertising or third-party media references to the dolls sold in the box.<sup>607</sup> The counterclaim plaintiff’s showing with respect to the second box, which was heart-shaped, was even more lacking: “[The counterclaim plaintiff’s] heart shaped packaging . . . did not

---

599. *Id.* (alteration in original) (quoting *Filipino Yellow Pages*, 198 F.3d at 1152).

600. *See* Grand Gen. Accessories Mfg. v. United Pac. Indus., 732 F. Supp. 2d 1014, 1027 (C.D. Cal. 2010) (“The testimony from Plaintiff’s employees has very limited probative value.”).

601. *Id.*

602. *Id.* at 1028.

603. *Id.*

604. *Id.*

605. *Id.*

606. *See* Mattel, Inc. v. MGA Entm’t, Inc., 782 F. Supp. 2d 911 (C.D. Cal. 2011).

607. *See id.* at 1004-05.

acquire secondary meaning because it didn't even exist when [the counterclaim defendant] started selling its allegedly infringing products."<sup>608</sup>

A claim of secondary meaning for a restaurant trade dress likewise fell short as a matter of law in a Florida federal district court's application of the following factors for measuring acquired distinctiveness:

(1) the length and manner of use; (2) the nature and extent of advertising and promotion; (3) the efforts made by [the] plaintiff to promote a conscious connection with the public's mind between the name and [the] plaintiff's product; and (4) the extent to which the public actually identifies the name with [the] plaintiff's product.<sup>609</sup>

The reason for the plaintiff's failure to satisfy this standard was a simple one: Its showing of secondary meaning was limited to that attaching to a claimed word mark it was attempting to protect, rather than its trade dress.<sup>610</sup>

As another summary judgment opinion proved, even a plaintiff making a colorable showing of acquired distinctiveness may not prevail if the showings are evaluated under an improper legal standard.<sup>611</sup> The court's analysis began in promising fashion, with the identification of an appropriate list of factors for consideration:

Secondary meaning exists where there is a mental association between a product's trademark and its source. The plaintiff must prove that such an association exists by a preponderance of the evidence. In so doing, the following factors may be relevant: (1) direct consumer testimony; (2) consumer surveys; (3) exclusivity, length, and manner of use; (4) amount of sales and number of customers; (5) established place in the market; (6) amount and manner of advertising; and (7) proof of intentional copying.<sup>612</sup>

An application of these factors led the court to conclude that there was "significant evidence" in support of a finding of secondary meaning, including the long-standing use of all the marks at issue and an incontestable registration covering one of them.<sup>613</sup> Yet, because the plaintiff had acquired its mark from a predecessor, the court entered summary judgment in the defendants' favor, holding

---

608. *Id.* at 1006.

609. *Miller's Ale House, Inc. v. Boynton Carolina Ale House, LLC*, 745 F. Supp. 2d 1359, 1375 (S.D. Fla. 2010) (quoting *Vital Pharms., Inc. v. Am. Body Bldg. Prods., LLC*, 511 F. Supp. 2d 1303, 1311 (S.D. Fla. 2007)).

610. *See id.* at 1375-76.

611. *See Brown Bark II, L.P. v. Dixie Mills, LLC*, 732 F. Supp. 2d 1353 (N.D. Ga. 2010).

612. *Id.* at 1358-59.

613. *See id.* at 1360-61.

that “there is no evidence that the mark has secondary meaning identifying *the Plaintiff* as the source of any products.”<sup>614</sup>

In the second of these conclusions, the court erred as a matter of law. Section 45 of the Act provides that “[t]he term ‘trademark’ includes any word, name, symbol, or device, or any combination thereof . . . used by a person . . . to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, *even if that source is unknown*.”<sup>615</sup> Under the statute’s express text, consumers need not know the identity of the producer of goods bearing a mark; rather, they need only understand that goods bearing that mark come from a single source. In the absence of a finding that the plaintiff had acquired its rights through an invalid assignment in gross, the plaintiff therefore should have been entitled to the secondary meaning cultivated by its predecessor.<sup>616</sup> Indeed, the court’s contrary holding presumably would require the recreation of secondary meaning upon each assignment of a mark, even an incontestably registered one, clearly an untenable result.

Although determinations of no secondary meaning on motions to dismiss for failure to state a claim are (quite properly) rare in opinions from federal courts, that is not necessarily true at the state level. Thus, for example, an Oklahoma intermediate appellate court upheld the dismissal of an infringement action brought by a professional stock car driver who alleged protectable rights in the appearance of his vehicle, which featured a combination of the color red and the number 95 in yellow.<sup>617</sup> Apparently relying on material outside the scope of the plaintiff’s complaint, the court noted that “[c]learly, . . . the number 95 has been used for many years on other race cars, thus, [the plaintiff’s] claim of exclusive use is without merit.”<sup>618</sup> Then, dispensing with notice pleading principles, it concluded that “[the plaintiff] similarly fails to demonstrate that [the] requisite secondary meaning, *i.e.*, that in the minds of the public, the primary significance of the color/number of his race car identifies *him* rather than the car itself.”<sup>619</sup>

In more conventional treatments of the issue, two reported opinions addressed the adequacy of plaintiffs’ showings of secondary meaning at trial. The first arose from an attempt to protect an incontestably registered, geographically descriptive

---

614. *Id.* at 1361 (emphasis added).

615. 15 U.S.C. § 1127 (2006) (emphasis added).

616. Significantly, the court *did* find the existence of an assignment in gross with respect to another mark at issue in the litigation. *See Brown Bark II*, 732 F. Supp. 2d at 1358-59.

617. *See Brill v. Walt Disney Co.*, 246 P.3d 1099 (Okla. Civ. App. 2010).

618. *Id.* at 1105.

619. *Id.*

mark.<sup>620</sup> Ignoring what should have been the “conclusive evidence” of validity represented by the plaintiff’s incontestable registration under Section 33(b),<sup>621</sup> the court held as an initial matter that:

When determining whether a disputed mark has acquired secondary meaning, the Third Circuit has articulated the following factors for consideration: (1) the extent of sales advertising leading to consumer association; (2) the length of the mark’s use; (3) the exclusivity of use; (4) the fact of copying; (5) customer surveys; (6) customer testimony; (7) the use of the mark in trade journals; (8) the size of the company; (9) the number of sales; (10) the number of customers; and (11) actual confusion.<sup>622</sup>

Reviewing the plaintiff’s showing under these factors, the court found it wanting. It was certainly true that the plaintiff’s mark had been continuously used for three decades, that the plaintiff had extracted a license from the city of Philadelphia, that “three separate national news articles have featured Plaintiff’s business over the past decade,” and that the plaintiff had received misdirected phone calls intended for the defendant.<sup>623</sup> Those facts, however, were outweighed by the plaintiff’s modest advertising expenditures, third-party use “demonstrating that Plaintiff does not exclusively use the mark,” the absence of survey evidence of distinctiveness, the dearth of references to the plaintiff’s mark in trade journals, and the lack of profitability of the plaintiff’s business.<sup>624</sup>

The second opinion resulted from a dissatisfied plaintiff’s motion for judgment as a matter of law after a Western District of Texas jury found the plaintiff’s mark to be descriptive and then rejected the plaintiff’s claim of secondary meaning.<sup>625</sup> The court was disinclined to disturb the jury’s verdict. Noting the Fifth Circuit’s preference for survey evidence on the issue of acquired distinctiveness, the court faulted the plaintiff for not conducting a survey itself and, additionally, for not having retained an expert witness to respond to a survey commissioned by the defendant.<sup>626</sup> “[E]ven more importantly,” the court concluded, “[the plaintiff’s] evidence on the issue of secondary meaning, despite its

---

620. *See* R.J. Ants, Inc. v. Marinelli Enters., 771 F. Supp. 2d 475 (E.D. Pa. 2011).

621. *See id.* at 483 (“Plaintiff’s mark has been granted incontestable status by the filing of a combined Section 8 & Section 15.”).

622. *Id.* at 492.

623. *See id.* at 492-93.

624. *See id.* at 493.

625. *See* Honestech, Inc. v. Sonic Solutions, 725 F. Supp. 2d 573 (W.D. Tex. 2010).

626. *See id.* at 578.

protestations, was not substantial”<sup>627</sup> under the other factors relevant to the inquiry, namely: “(1) length and manner of use of the mark, (2) volume of sales, (3) amount and manner of advertising, (4) nature of use of the mark . . . in newspapers and magazines, (5) direct consumer testimony, and (7) [sic] the defendant’s intent in copying the mark.”<sup>628</sup> That evidence included no more than three years’ worth of the mark’s use, \$7.7 million in sales under it, \$2.3 million in promotional expenditures, at least some third-party publicity, alleged copying by the defendant, and two instances of actual confusion.<sup>629</sup> Dismissing the plaintiff’s proffered sales figures as “hardly decisive,”<sup>630</sup> the court held with respect to the advertising figures that “[t]he jury may well have declined to assume—based solely on the amount of money [the plaintiff] had spent—that the advertising in this case was effective in altering the meaning of the [plaintiff’s mark] in the minds of the consuming public.”<sup>631</sup> The court was similarly deferential on the issues of intentional copying and actual confusion, as to which it concluded that the jury might well have determined that “the various emails or presentations by [the defendant’s] employees which referred to [the plaintiff’s] product showed a normal level of competitiveness . . .”<sup>632</sup> and that “the evidence of ‘actual confusion’ was actually just evidence of a few inadvertent typographical errors.”<sup>633</sup> Rather than demonstrating secondary meaning as a matter of law, therefore, the trial record showed that “[t]here was simply no convincing evidence offered which indicated the primary significance of [the plaintiff’s mark] in the minds of the consuming public is not the product, but the producer.”<sup>634</sup>

### (3) Secondary Meaning to Be Determined

As always, the inherently factual nature of the secondary meaning inquiry led some courts to deny motions to dismiss grounded in the lack of secondary meaning attaching to claimed marks.<sup>635</sup> In a leading example of such a disposition, the complaint

---

627. *Id.* (internal quotation marks omitted).

628. *Id.* at 579.

629. *See id.*

630. *Id.*

631. *Id.* at 580.

632. *Id.*

633. *Id.*

634. *Id.*

635. *See, e.g.,* Glassybaby LLC v. Provide Gifts Inc., 100 U.S.P.Q.2d 1547, 1549 (W.D. Wash. 2011) (denying motion to dismiss based on allegation that plaintiff’s product design had acquired distinctiveness through “widespread coverage in print and television journalism, extensive marketing and promotion, and appearances on national broadcast television and radio programs”).

recited that the plaintiffs claimed trade dress—consisting of the appearance of electronic audit report templates—had acquired distinctiveness.<sup>636</sup> Reviewing that pleading, the court noted that that document contained averments that the plaintiff had engaged in longstanding and exclusive use of its claimed trade dress and that users of the plaintiff's templates recognized the plaintiff as the templates' origin. According to the court, "[t]hese facts, particularly the [second] one, raise a plausible inference that consumers generally view[] the alleged trade dress as primarily identifying [the plaintiff] as the source of the product, rather than merely identifying the product itself."<sup>637</sup>

Another case presenting a failed motion to dismiss on the theory that the plaintiffs' surname mark lacked distinctiveness turned on an application of the factors governing secondary meaning determinations in the Third Circuit:

- (1) the extent of sales and advertising leading to buyer association; (2) length of use; (3) exclusivity of use; (4) the fact of copying; (5) customer surveys; (6) customer testimony; (7) the use of the mark in trade journals; (8) the size of the company; (9) the number of sales; (10) the number of customers; and (11) actual confusion.<sup>638</sup>

In denying the motion, the court faulted the defendants for "mistakenly attempt[ing] to hold Plaintiffs to a summary judgment standard of proof, despite the fact that this case is at its earliest stages."<sup>639</sup> As the court pointed out, the factual recitations in the plaintiffs' complaint were necessarily true for purposes of the defendants' motion. Moreover, those recitations included averments that the plaintiffs had "developed a substantial level of success in the marketing and commercialization of . . . insurance services sold under the [plaintiffs'] [m]ark, . . . and have created a strong following of loyal customers for such services,"<sup>640</sup> that the plaintiffs had acquired the rights to their mark through an assignment that included the mark's goodwill,<sup>641</sup> and that the defendants themselves knew that the mark was "recognized in the insurance industry in the mid-Atlantic region."<sup>642</sup> These allegations, the court held, were sufficient to move the case beyond the pleadings stage.<sup>643</sup>

---

636. *See* *DocMagic, Inc. v. Ellie Mae, Inc.*, 745 F. Supp. 2d 1119 (N.D. Cal. 2010).

637. *Id.* at 1140.

638. *Brown & Brown, Inc. v. Cola*, 745 F. Supp. 2d 588, 611 (E.D. Pa. 2010).

639. *Id.* at 612.

640. *Quoted in id.*

641. *See id.*

642. *Quoted in id.*

643. *See id.*



Courts deferring resolution of the secondary meaning inquiry more commonly did so at the summary judgment stage, with the leading opinion to do so coming from the Ninth Circuit.<sup>644</sup> The mark at issue in the appeal before that court was BETTY BOOP, which was used in connection with a variety of licensed goods bearing the image of the cartoon character of that name. The copyright and merchandising rights covering the character were owned by several entities, and that divided ownership led the district court to hold as a matter of law that the plaintiffs could not prove that their claimed word mark had acquired secondary meaning. The Ninth Circuit disapproved of the district court's broad holding on this point:

We agree that the fractured ownership of a trademark may make it legally impossible for a trademark owner to prove secondary meaning, but we disagree that the facts here establish, as a matter of law, that the theory applies. From a logical standpoint, the mere fact of fractured ownership is not, by itself, conclusive evidence of a lack of secondary meaning. There must be something more.<sup>645</sup>

Particularly because the district court had concluded from the summary judgment record that there were no other then-extant authorized uses of the mark, the court concluded that the required "something more" was lacking, and it therefore vacated the district court's entry of summary judgment in the defendants' favor and remanded the action for further proceedings.<sup>646</sup>

At the trial court level, a Minnesota federal district court dished out a reminder that secondary meaning must attach to a plaintiff's mark prior to the defendant's date of first use.<sup>647</sup> As an initial doctrinal matter, it summarized the Eighth Circuit's test for secondary meaning in the following manner:

Direct evidence of secondary meaning most often comes in the form of consumer testimony and surveys. Circumstantial evidence typically includes: (1) exclusivity, length and manner of use; (2) the amount and manner of advertising; (3) the amount of sales and number of customers; (4) an established place in the market; and (5) proof of intentional copying.<sup>648</sup>

The court discounted the plaintiff's primary direct evidence of secondary meaning in the form of survey results because the survey had been conducted some three years after the defendant's

---

644. See *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958 (9th Cir. 2011).

645. *Id.* at 967.

646. See *id.* at 968.

647. See *PSK, LLC v. Hicklin*, 757 F. Supp. 2d 836 (N.D. Iowa 2010).

648. *Id.* at 863 (citations omitted).

entry into the market.<sup>649</sup> Still, however, it found that the plaintiff had introduced sufficient evidence and testimony into the record to withstand the defendants' motion for summary judgment. That showing included proof of "Plaintiff's advertising efforts, amount of sales, evidence customer association and/or confusion and proof of intentional copying"; it also swept in "the testimony of several consumers" that they associated the mark with the plaintiff.<sup>650</sup>

A defense motion for summary judgment also foundered on the shoals of the First Circuit's test for secondary meaning, which, in addition to direct evidence of consumers' perception of the plaintiffs' marks, took into account: (1) the length and exclusivity of the marks' use; (2) the size or prominence of the plaintiffs' business; (3) the existence of substantial advertising by the plaintiffs; (4) the established place in the marketplace of the plaintiffs' services; and (5) proof of intentional copying by the defendants.<sup>651</sup> The plaintiffs' response to the defendants' motion incorporated showings on the first four of these enumerated factors, including evidence and testimony that each of their marks had been used for at least a decade in connection with automobile-related financial services, that the plaintiffs distributed materials bearing the marks through "[a]pproximately 10,500 dealer partners in 49 states," that the plaintiffs independently promoted the marks themselves, and that "[f]rom 2000 to 2004, plaintiffs expended at least \$3.6 million . . . to market and advertise their brand."<sup>652</sup> Under the circumstances, "[a]lthough consumer surveys and other direct evidence is lacking, the record is sufficient to avoid summary judgment on secondary meaning."<sup>653</sup>

A Fifth Circuit district court took into account the following factors en route to a similar holding that the motor-oil bottle the plaintiffs claimed as protectable trade dress had not, at least as a matter of law, acquired secondary meaning:

- (1) length and manner of use of the mark or trade dress, (2) volume of sales, (3) amount and manner of advertising, (4) nature of use of the mark or trade dress in newspapers and magazines, (5) consumer-survey evidence, (6) direct consumer testimony, and (7) the defendant's intent in copying the trade dress.<sup>654</sup>

---

649. *See id.* 864-65.

650. *See id.* at 864.

651. *See Santander Consumer USA Inc. v. Walsh*, 762 F. Supp. 2d 217, 229 (D. Mass. 2010).

652. *See id.*

653. *Id.* at 229-30.

654. *Shell Trademark Mgmt. B.V. v. Warren Unilube, Inc.*, 765 F. Supp. 2d 884, 896 (S.D. Tex. 2011) (quoting *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 543 (5th Cir.

The plaintiffs adduced survey evidence in support of the putative acquired distinctiveness of their bottle, and, despite the defendants' withering criticisms of the survey's methodology, the court concluded that "[e]ven discounting for the flaws with the survey, the [resulting] 54.5% identification rate is sufficient to create a genuine issue of material fact."<sup>655</sup> Nevertheless, and although the court also accepted the plaintiffs' showings of possible intentional copying by the defendants, as well as of the plaintiffs' sales and advertising figures, that was not enough to carry the day on summary judgment.<sup>656</sup> The court did not expressly identify the reasons for its holding, but they apparently included the defendants' arguments that the plaintiffs' bottle had evolved over time, that the plaintiffs' advertising failed to emphasize the bottle, and that the defendants had not, in fact, copied the plaintiffs' bottle.<sup>657</sup>

#### *d. Survey Evidence of Distinctiveness*

Judicial discussions of survey evidence of acquired distinctiveness fell off over the past year, but they did occur. In a case producing perhaps the most comprehensive treatment of a secondary meaning survey, the parties were competitors in the motor-oil industry, and the plaintiffs claimed that the defendant had copied the appearance of their bottle.<sup>658</sup> The defendant attacked the results of a survey introduced by the plaintiffs on multiple grounds, including that: (1) although she had designed the survey, the plaintiffs' testifying expert had not actually participated in its administration;<sup>659</sup> (2) the universe of respondents was underinclusive because the survey targeted long-haul truckers at the expense of including other users of motor oil;<sup>660</sup> and (3) the salient question—"If you have an opinion, what is the brand of motor oil product in the picture I showed you"—was leading.<sup>661</sup> The court declined to hold that the "identification rate of 54.5%" among respondents established the bottle's secondary meaning as a matter of law,<sup>662</sup> but it also sustained the admissibility of the results against the defendant's challenges

---

1998), *abrogated on other grounds by* *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001)).

655. *Id.* at 898.

656. *See id.* at 898-99.

657. *See id.* at 898.

658. *See id.* at 887-89.

659. *See id.* at 891.

660. *See id.* at 892.

661. *Quoted in id.* at 893.

662. *See id.* at 898-89.

because: (1) although the failure of the testifying expert to conduct the survey herself was “indeed troubling,” she “was sufficiently involved in the survey for [her] foundation testimony to establish its trustworthiness”;<sup>663</sup> (2) “while not optimal, the universe surveyed here remains to some degree probative of the views of consumers of heavy-duty motor oils”;<sup>664</sup> and (3) the objectionable question was “only slightly leading.”<sup>665</sup>

The results of three secondary-meaning surveys were well received by a court finding that a mark used in connection with energy drinks had acquired distinctiveness as a matter of law.<sup>666</sup> Seventy-seven percent of respondents in the first survey, described as “a nationally representative sample of males and females, 18 to 34 years of age, who had consumed a 2-ounce energy drink two or more times in the past 12 months,”<sup>667</sup> recognized the plaintiff’s mark as a brand name.<sup>668</sup> The second survey, which polled males between the ages of 18 and 50 and women between the ages 18 and 30 but which did not target consumers of energy drinks, yielded a 39 percent to 52 positive response rate.<sup>669</sup> And the third, a telephone survey of “a nationwide random sample of 300 adults age 18 or older who were prospective purchasers of energy drinks,”<sup>670</sup> found that 64 percent of respondents associated the plaintiff’s mark with the plaintiff.<sup>671</sup> Although the defendants proffered an expert witness who criticized the three surveys, the court did not describe his criticisms in detail nor did it explain why it found the plaintiff’s survey experts more credible.<sup>672</sup>

One district court addressed a distinctiveness survey while evaluating the mark-strength factor in the infringement context and found the results wanting.<sup>673</sup> The plaintiff was a vendor of contact lenses, and the salient question of its survey was “Which companies have you ever seen or heard of that sell contact lenses by phone, mail, or on the Internet?”<sup>674</sup> Respondents were then

---

663. *Id.* at 892 (quoting *Chase Fed. Sav. & Loan Ass’n v. Chase Manhattan Fin. Serv. Inc.*, 681 F. Supp. 2d 771, 780 (S.D. Fla. 1987)).

664. *Id.* at 890.

665. *See id.*

666. *See Innovation Ventures, LLC v. N2G Distrib., Inc.*, 779 F. Supp. 2d 671 (E.D. Mich. 2011).

667. *Quoted in id.* at 676.

668. *See id.*

669. *See id.*

670. *Quoted in id.*

671. *See id.*

672. *See id.* at 677.

673. *See 1-800 Contacts, Inc. v. Lens.com, Inc.*, 755 F. Supp. 2d 1151 (D. Utah 2010).

674. *Quoted in id.* at 1179.

asked to identify any other companies of which they were aware that also sold contact lenses through the same media. The court found that the results—40 percent of respondents to the first question identified the plaintiff, while only one percent of respondents to the second question could identify a competitive vendor—were evidence of some marketplace recognition, but it also concluded that the survey was “not without its flaws.”<sup>675</sup> Those deficiencies included a failure to measure the plaintiff’s reputation outside of the channels of distribution mentioned in the questions, a methodology that required respondents’ answers to be pigeonholed into closed-end categories, and an absence of double-blind safeguards.<sup>676</sup> Of perhaps greatest significance, however, was the court’s conclusion that the 40 percent response rate to the first question was “somewhat marginal” in light of what it previously had found to be the “weak conceptual strength” of the plaintiff’s mark.<sup>677</sup>

#### 4. Proving Nonfunctionality

##### *a. Utilitarian Nonfunctionality*

As usual, claims of nonfunctional trade dress consisting of product designs or configurations fared poorly,<sup>678</sup> especially in opinions in which the disclosure of related utility patents came into play. Those opinions more often than not applied the so-called “*Morton-Norwich*” factors, which take into consideration: (1) the disclosure of a related utility patent, or in some jurisdictions, whether the design has utilitarian advantages; (2) advertising materials touting the design’s functional advantages; (3) the availability to competitors of functionally equivalent designs; and (4) facts indicating that the design results in a comparatively simple or cheap method of manufacturing the product.<sup>679</sup> One court applying these factors observed that “[t]he ‘inquiry is not directed at whether the individual elements are functional but whether the whole collection of elements taken together are [sic] functional.’”<sup>680</sup>

---

675. *Id.* at 1180.

676. *See id.*

677. *Id.* at 1181.

678. *See, e.g.,* Glassybaby LLC v. Provide Gifts Inc., 100 U.S.P.Q.2d 1547, 1549 (W.D. Wash. 2011) (dismissing cause of action for trade dress infringement on ground that plaintiff’s failure to describe its claimed product design trade dress prevented court from evaluating sufficiency of plaintiff’s allegation of nonfunctionality).

679. *See In re Morton-Norwich Prods. Inc.*, 671 F.2d 1332, 1341 (C.C.P.A. 1982).

680. *Fiji Water Co. v. Fiji Mineral Water USA, LLC*, 741 F. Supp. 2d 1165, 1172 (C.D. Cal. 2010) (quoting *Int’l Jensen, Inc. v. Metrosound U.S.A., Inc.*, 4 F.3d 819, 822 (9th Cir. 1993)).

In a case presenting both incontestably registered marks and the disclosure of related utility patents, the Seventh Circuit accorded the latter greater significance.<sup>681</sup> The parties were direct competitors in the toilet paper industry, and the plaintiff owned several incontestable registrations of marks consisting of variations on a lattice-and-flower design. After applying to register its designs as marks, the plaintiff applied for, and received, five utility patents that discussed the use of offset embossing as a means to decrease an undesirable phenomenon known as “nesting.” The patents described an offset embossed diamond design as the “most preferred embodiment” of the claimed inventions, and this consideration largely drove the district court’s decision to enter summary judgment in the defendants’ favor. The Seventh Circuit then affirmed this disposition of the plaintiff’s claims on appeal.

Like the district court, the court of appeals held that the contents of the plaintiff’s patents—including the drawings, specifications, and the actual claims—deserved considerable weight in the analysis. Quoting *TrafFix Devices, Inc. v. Marketing Displays, Inc.*,<sup>682</sup> the court concluded that the designs covered by the registrations corresponded to the “central advance” of the patents, which meant that the patents were “strong evidence” of the functionality of the designs.<sup>683</sup> The court then addressed and disposed of the record evidence and testimony adduced by the plaintiff in response to the defendants’ summary judgment motion, which included: (1) design patents covering similar designs owned by both parties, which the court held “do not preclude a finding of functionality”;<sup>684</sup> (2) expert testimony, which the court held should be disregarded to the extent it was inconsistent with the court’s reading of the utility patents;<sup>685</sup> (3) evidence that technological improvements had rendered the designs nonfunctional, which the court discounted because two of the utility patents at issue remained extant;<sup>686</sup> and (4) the availability of alternative designs, of which the court observed that “the fact that there are numerous alternative designs does not, on its own, render the design nonfunctional and incidental.”<sup>687</sup> On the basis of these conclusions,

---

681. *See Ga.-Pac. Consumer Prods. LP v. Kimberly-Clark Corp.*, 647 F.3d 723 (7th Cir. 2011).

682. 532 U.S. 23, 30 (2001).

683. *See Ga.-Pac. Consumer Prods.*, 647 F.3d at 728.

684. *Id.* at 729.

685. *See id.* at 730.

686. *See id.*

687. *Id.* at 731.

the court then held that the plaintiff was not entitled to protectable rights in the depiction of its design on its packaging.<sup>688</sup>

In an application of the Ninth Circuit's version of the *Morton-Norwich* factors,<sup>689</sup> the disclosure of a related utility patent similarly helped sink a claim of trade dress protection for the configuration of a folding utility knife.<sup>690</sup> In weighing a defense motion for partial summary judgment, the court initially noted of the elements of the plaintiff's claimed trade dress that "[a]s evidenced by the specification in [the plaintiff's] existing utility patent, . . . most, if not all, of these features are functional in nature."<sup>691</sup> Although the plaintiff relied upon an expert's identification of a purported alternative design under the second *Morton-Norwich* factor, the same witness opined that that design infringed the plaintiff's design patents, which caused the court to conclude that the expert's report did "not demonstrate meaningfully 'available' alternatives."<sup>692</sup> The utilitarian advantages of the claimed design touted in the plaintiff's promotional materials likewise resulted in an application of the fourth *Morton-Norwich* factor favoring the defendant.<sup>693</sup> And, as to the fourth factor, the court found that the plaintiff's expert had failed to place into dispute testimony from the defendant's expert that at least some of the features of the plaintiff's design were comparatively easier and less costly to manufacture.<sup>694</sup> Summary judgment therefore was appropriate on the ground that "[the plaintiff's] trade dress is de jure functional and therefore not entitled to trade dress protection."<sup>695</sup>

In an appeal turning on Third Circuit law, the Federal Circuit affirmed a finding that the color blue was functional as a matter of law when used on flexible endoscopic probes for argon plasma coagulation and argon gas-enhanced electrocoagulation equipment.<sup>696</sup> According to the court, "[c]olor may not be granted trademark protection if the color performs a utilitarian function in

---

688. See *id.* at 732 ("[I]f a product is functional and thus unregistrable, as we have found [the plaintiff's design] to be, then 'the accurate depiction of that [product] is also unregistrable.'" (second alteration in original) (quoting *In re CNS, Inc.*, No. 76250116, 2005 WL 3175107, at \*6 n.11 (T.T.A.B. Nov. 18, 2005))).

689. See *Clamp Mfg. Co. v. Enco Mfg. Co.*, 870 F.2d 512, 516 (9th Cir. 1989).

690. See *Great Neck Saw Mfrs., Inc. v. Star Asia U.S.A., LLC*, 727 F. Supp. 2d 1038 (W.D. Wash. 2010).

691. *Id.* at 1060.

692. *Id.* at 1061.

693. See *id.*

694. See *id.* at 1062.

695. *Id.* at 1063.

696. See *ERBE Elektromedizin GmbH v. Canady Tech. LLC*, 629 F.3d 1278 (Fed. Cir. 2010).

connection with the goods it identifies or there are specific competitive advantages for use.”<sup>697</sup> Reviewing the summary judgment record, the court concluded that just a utilitarian function and competitive advantages existed. As it explained, “[the lead plaintiff] fails to present a genuine issue of material fact that the color blue does not make the probe[s] more visible through an endoscopic camera or that such a color mark would not lead to anticompetitive effects.”<sup>698</sup> In particular, “[t]he evidence in the record is that the blue color is prevalent in the medical field, the color blue enhances identification of the endoscopic tip, and several companies use blue endoscope probes.”<sup>699</sup>

One counterclaim plaintiff was tagged with findings of utilitarian functionality when it tried to protect alleged unregistered trade dress consisting of the boxes in which the counterclaim plaintiff sold two lines of dolls.<sup>700</sup> The box for the first line featured a trapezoidal shape, and the summary judgment record was replete with admissions against interest by the counterclaim plaintiff’s designated witness on the subject that the shape had been chosen to illuminate the product contained in it. Although the counterclaim plaintiff argued that the box’s shape had functional disadvantages, the court brushed that showing aside to find as a matter of law that “[t]oy manufacturers may ultimately conclude that the illuminating functions of the trapezoidal package are outweighed by the disadvantages cited by [the counterclaim plaintiff], but the trade dress still has functional qualities.”<sup>701</sup> The design of the second box at issue allowed consumers to see multiple dolls through the same viewing window, and that was all she wrote as far as the utilitarian functionality of the design was concerned.<sup>702</sup>

A far less convincing finding of utilitarian functionality for a mark consisting in part of a color came at the pleadings stage in a case brought under Oklahoma state law.<sup>703</sup> The plaintiff was a stock car racer whose vehicle was painted red and carried the yellow number 95. His challenge to the appearance in an animated film of a car featuring allegedly similar characteristics was dismissed for failure to state a claim, and the dismissal survived on appeal. The appellate court held that “[d]espite [the plaintiff’s] assertion that he has the exclusive right to drive a red race car

---

697. *Id.* at 1288.

698. *Id.* at 1289.

699. *Id.*

700. *See* *Mattel, Inc. v. MGA Entm’t, Inc.*, 782 F. Supp. 2d 911 (C.D. Cal. 2011).

701. *Id.* at 1007.

702. *See id.*

703. *See* *Brill v. Walt Disney Co.*, 246 P.3d 1099 (Okla. Civ. App. 2010).



with the number 95 on it, his argument lacks merit because numbers and colors on race cars serve a primary functional purpose for which the law provides no trademark protection.”<sup>704</sup> Failing to recognize that a primary purpose of trademark protection is to allow consumers to identify the origin of competing goods and services, the court further explained that “[c]learly, numbers on race cars serve a functional purpose to distinguish the competing racers.”<sup>705</sup>

A distinct minority of reported opinions over the past year was less sympathetic to claims of utilitarian functionality, including one opinion that declined to reach a finding of functionality at the pleadings stage.<sup>706</sup> The claimed trade dress at issue was the appearance of an electronic audit form, and the court’s denial of the defendant’s motion to dismiss demonstrated the ease with which a well-pleaded complaint can state a cause of action despite less-than-compelling facts:

[The plaintiff] has . . . alleged sufficient facts to support a barely plausible inference that its claimed trade dress is nonfunctional. . . . Although [the plaintiff] may have great difficulty proving that the features it alleges as its trade dress could be denied to other competitors without putting them at a non-reputation-related disadvantage, the question of whether [the plaintiff’s] trade dress is functional or nonfunctional is a factual one that cannot be resolved on a motion to dismiss. Construing [the plaintiff’s] complaint, it has alleged facts showing that competitors would not need the features of its audit report which it identifies as its trade dress in order to compete without disadvantage.<sup>707</sup>

Another opinion was more definitive in its dismissal of defense claims of the functionality of a trade dress consisting of the packaging for the plaintiff’s bottled artesian water.<sup>708</sup> Because there were no related utility patents in play, the court’s application of the first *Morton-Norwich* factor focused on whether the claimed trade dress affected “the ‘cost or quality’ of the product” or whether the features were “the actual benefit” that the consumer wished to purchase, “as distinguished from an assurance that the [plaintiff]

---

704. *Id.* at 1104.

705. *Id.* at 1105.

706. *See DocMagic, Inc. v. Ellie Mae, Inc.*, 745 F. Supp. 2d 1119 (N.D. Cal. 2010).

707. *Id.* at 1141 (citations omitted).

708. *See Fiji Water Co. v. Fiji Mineral Water USA, LLC*, 741 F. Supp. 2d 1165 (C.D. Cal. 2010).

made, sponsored, or endorsed [the associated] product.”<sup>709</sup> Reviewing the plaintiff’s bottle and label, the court concluded that:

In this case, [the plaintiff’s] claimed trade dress is primarily based on aesthetic elements . . . . None of these elements affect the “actual benefit” that the consumer wishes to purchase. Consumers do not buy bottled water based on how its packaging looks, but rather based on how the water tastes or how much it costs. Instead, the combination of aesthetic elements identifies the bottle as the [plaintiff’s] brand.<sup>710</sup>

The remaining *Morton-Norwich* factors of record also favored a finding of nonfunctionality: (1) the record included “substantial evidence that ‘commercially feasible alternative configurations exist’ such that ‘providing trademark protection to one design would not hinder competition’”;<sup>711</sup> (2) “[the plaintiff] also has provided evidence that its trade dress is not the result of a simple or inexpensive method of manufacturing”;<sup>712</sup> and (3) even though the plaintiff had placed “relatively minimal” advertising touting the utilitarian advantages of its square-shaped bottle, “[m]ost of [the plaintiff’s] advertisements and other articles about [the plaintiff’s water] feature the water’s pristine purity, its high silica content, and the quality assurance that comes from bottling the water at its source.”<sup>713</sup> Thus, at least for purposes of the plaintiff’s preliminary injunction motion, “all four [factors] weigh in favor of a finding that [the plaintiff’s] bottle and label trade dress is non-functional.”<sup>714</sup>

### *b. Aesthetic Nonfunctionality*

The Ninth Circuit has long taken inconsistent approaches to the doctrine of aesthetic functionality, which focuses not on the utilitarian advantages of a claimed trademark but instead on the mark’s appeal to consumers. On the one hand, the court determined in *International Order of Job’s Daughters v. Lindeburg & Co.*,<sup>715</sup> that a collective membership mark was functional when applied to jewelry because the mark was the actual benefit that consumers of the jewelry wished to purchase. On the other hand, however, numerous post-*Job’s Daughters* opinions from the same

---

709. *Id.* at 1173 (quoting *Leatherman Tool Grp. v. Cooper Indus.*, 199 F.3d 1009, 1011-12 (9th Cir. 1999)).

710. *Id.* at 1174.

711. *Id.* (quoting *Disc Golf Ass’n v. Champion Discs, Inc.*, 158 F.3d 1002, 1005 (9th Cir. 1998)).

712. *Id.* at 1175.

713. *Id.*

714. *Id.* at 1176.

715. 633 F.2d 912 (9th Cir. 1980).

court have limited the earlier decision's effect,<sup>716</sup> culminating in *Au-Tomotive Gold, Inc. v. Volkswagen of America, Inc.*,<sup>717</sup> which opened the door to a finding of liability against a group of manufacturers of automobile accessories bearing automakers' marks.<sup>718</sup>

That inconsistency continued in rather conspicuous fashion over the past year. Ignoring its more recent decisions, a panel of the court *sua sponte* initially veered back toward *Job's Daughters* in *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*<sup>719</sup> The claimed marks at issue in the case were the cartoon character Betty Boop and her name, which the defendants applied to dolls, T-shirts, and handbags. For reasons not apparent in the Ninth Circuit's opinion, the district court determined that the plaintiff did not have protectable rights to these designations. The appellate court affirmed, in the process invoking *Job's Daughters*, despite its acknowledgement that "the parties did not cite or argue the application of *Job's Daughters* to the facts of this case, and . . . the district court did not base its decision on that case . . . ." <sup>720</sup> Quoting its earlier decision, the court held with respect to the defendant's uses that:

Even a cursory examination, let alone a close one, of "the articles themselves, the defendant's merchandising practices, and any evidence that consumers have actually inferred a connection between the defendant's product and the trademark owner," reveal that [the defendants are] not using Betty Boop as a trademark, but instead as a functional product.<sup>721</sup>

---

716. See, e.g., *Click's Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252, 1260 (9th Cir. 2001) ("[T]rade dress cannot be both 'functional and purely aesthetic.' Such a formulation is internally inconsistent and at odds with the commonly accepted view that functionality denotes utility."); *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1382 n.3 (9th Cir. 1987) ("In this circuit, the 'aesthetic' functionality test has been limited, if not rejected, in favor of the 'utilitarian' functionality test."); *Fabrica Inc. v. El Dorado Corp.*, 697 F.2d 890, 896 (9th Cir. 1983) ("This court thus has specifically rejected the notion that a design feature is functional by definition if it increases appeal and sales of the product."); *Vuitton et Fils S.A. v. J. Young Enters.*, 644 F.2d 769, 773 (9th Cir. 1981) ("We disagree with the district court insofar as it found that any feature of a product which contributes to the consumer appeal and saleability of the product is, as a matter of law, a functional element of that product.").

717. 457 F.3d 1062 (9th Cir. 2006).

718. See *id.* at 1073 ("It is difficult to extrapolate from cases involving a true aesthetically functional feature, like a box shape or certain uses of color, to cases involving well-known registered logos and company names, which generally have no function apart from their association with the trademark holder . . .").

719. 636 F.3d 1115 (9th Cir.), *withdrawn and superseded*, 654 F.3d 958 (9th Cir. 2011).

720. *Id.* at 1122.

721. *Id.* at 1124 (quoting *Job's Daughters*, 633 F.2d at 920).

In particular, the court determined, the Betty Boop character was a “prominent feature” of each of the defendants’ goods when the goods were used, the defendants never had designated their merchandise as “official,” and the plaintiffs had failed to document any actual confusion between the parties’ respective goods.<sup>722</sup>

However it was reached, though, the panel’s initial decision produced a pronounced intra-circuit split, not to mention one between the Ninth Circuit and other federal appellate courts that at least arguably have rejected aesthetic functionality in its entirety.<sup>723</sup> Moreover, because the court’s functionality inquiry focused primarily on the nature of the defendants’ use and whether that use had created actual confusion, its methodology departed from that of the Supreme Court and other circuits, which traditionally has treated functionality as bearing on the validity of the plaintiff’s mark, rather than turning on the nature of the defendant’s use;<sup>724</sup> indeed, even the Lanham Act itself codifies this

722. *See id.*

723. *See, e.g.,* L.D. Kichler Co. v. Davoil, Inc., 192 F.3d 1349, 1353 (Fed. Cir. 1999) (applying Sixth Circuit law to reverse district court’s aesthetic functionality determination for the color of lighting fixtures); Pebble Beach Co. v. Tour 18 I Ltd., 155 F.3d 526, 540 n.6 (5th Cir. 1998) (“This circuit has rejected the doctrine of aesthetic functionality. . . . [T]he ultimate inquiry in aesthetic functionality is the same as utilitarian functionality: whether the recognition of trademark rights would significantly hinder competition.” (citations omitted) (internal quotation marks omitted)); Ferrari S.p.A. v. Roberts, 944 F.2d 1235, 1247 (6th Cir. 1991) (“[T]he precedent in this circuit suggests that aesthetic functionality will not preclude a finding of nonfunctionality where the design also indicates source.”); Warner Bros. v. Gay Toys, Inc., 724 F.2d 327, 332 (2d Cir. 1983) (“[O]nly functions which represent development of useful features, and not functions which serve merely to identify, are considered in determining functionality . . . .”); John H. Harland Co. v. Clarke Checks, Inc., 711 F.2d 966, 982 n.27 (11th Cir. 1983) (rejecting defendant’s contention that district court must give aesthetic functionality jury instruction).

724. In particular, courts finding particular marks or trade dresses functional do not typically hold them valid, but then deny relief on the ground of functionality: On the contrary, because a claimed mark cannot be a mark in the first instance if it is functional, *see* Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 769 (1992) (“It is . . . clear that eligibility for protection . . . depends on nonfunctionality.”), nonfunctionality is a prerequisite for mark validity, rather than a “defense” against charges of infringement of a mark that has been adjudicated valid. *See generally* Wilhelm Pudenz, GmbH v. Littlefuse, Inc., 177 F.3d 1204, 1205 (11th Cir. 1999) (“[R]egistered trademarks that have become incontestable . . . may still be declared invalid if they are found to protect the functional features of a product . . . .”); Genesee Brewing Co. v. Stroh Brewing Co., 124 F.3d 137, 145 n.5 (2d Cir. 1997) (“To be a valid trademark, a mark must not only be source-denoting, but it must also be nonfunctional.”); Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 874 (8th Cir. 1994) (“The trade dress at issue here is invalid here . . . [because] it is functional.”); *In re Pollak Steel Co.*, 314 F.2d 566, 567 (C.C.P.A. 1963) (“[N]othing that the public has a right to copy, in the absence of valid patent or copyright protection, can be the subject of a valid trademark registration.”); *Sylvania Elec. Prods., Inc. v. Dura Elec. Lamp Co.*, 247 F.2d 730, 733 (3d Cir. 1957) (“The registration of the [plaintiff’s claimed] symbol as a trade-mark was invalid because of its functional feature . . . .”). Thus, as the Seventh Circuit recently has explained, “the functionality doctrine polices the division of responsibilities between patent and trademark law by *invalidating* marks on useful designs.” *Jay Franco & Sons, Inc. v. Franek*, 615 F.3d 855, 857 (7th Cir. 2010) (emphasis added).

approach.<sup>725</sup> Nevertheless, whether for these reasons or for others known only to the court, the initial panel decision proved to lack staying power. For, less than six months later, and during the pendency of the plaintiffs' petitions for rehearing and rehearing en banc, the panel withdrew its original opinion and issued a new one that was devoid of references to functionality.<sup>726</sup> The court ostensibly did not take this action at the behest of the plaintiffs (or possibly the various amicus curiae supporting them), but instead did so on a *sua sponte* basis, which allowed it to deny the plaintiffs' petitions as moot.<sup>727</sup>

A claim of aesthetic functionality also fell short, at least at the summary judgment stage, in a far more straightforward case between competitors in the market for medical skin markers used to administer mammograms.<sup>728</sup> Faced with the accusation that they had infringed a federally registered mark consisting of the color pink, the counterclaim defendants argued that the mark was aesthetically functional because the color was compatible with Caucasian skin tones. The court, however, found that there were several reasons why this might not be the case, not with the least of which was that "[b]lending mammography markers with patients' skin has not been a goal or consideration in [the counterclaim plaintiffs'] design. In fact, the color pink is not visible on a mammogram and plays no role in the functioning of the marker."<sup>729</sup> Not surprisingly, the court concluded from the record that "there is no showing that [the counterclaim plaintiffs'] color pink markers blend with *any* skin color."<sup>730</sup> Finally, the court found that "there is no evidence in the record that any of [the counterclaim plaintiffs'] competitors use the color pink for blending purposes. To the contrary, the evidence shows that competitors do not use the color pink or any other color, for the purpose of

---

725. Specifically, an incontestable registration is "conclusive evidence of the validity of the registered mark" under Section 33(b), 15 U.S.C. § 1115(b) (2006), but Section 33(b)(8) provides that this conclusive evidence is subject to the affirmative defense "[t]hat the mark is functional." *Id.* § 1115(b)(8). That this reference to "the mark" in Section 33(b)(8) refers to the registered mark, and not to the defendant's use, is apparent from the contrasting text of other affirmative defenses recognized by Section 33(b), which turn on the nature of the mark whose use is "charged as an infringement." *See id.* § 1115(b)(4)-(6). A rule that allows defendants through their own unilateral conduct to establish the functionality—and presumably the invalidity in toto—of their opponents' marks stands in stark contradiction to these well-settled principles.

726. *See Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958 (9th Cir. 2011).

727. *See id.* at 960.

728. *See DeSena v. Beekley Corp.*, 729 F. Supp. 2d 375 (D. Me. 2010). According to the court, "medical practitioners use [skin markers] to demarcate a particular area or feature of concern that will then be highlighted on subsequent x-rays." *Id.* at 379.

729. *Id.* at 395.

730. *Id.*

blending mammography markers with the skin.”<sup>731</sup> Under these circumstances, “[the counterclaim defendants] [have] not shown that a jury would have to find that [the counterclaim plaintiff’s] mark for the color pink is functional.”<sup>732</sup>

In contrast, a defense motion for summary judgment did produce not just one, but two findings of aesthetic functionality as a matter of law.<sup>733</sup> The motion targeted the claims by a counterclaim plaintiff that it enjoyed protectable trade dress rights to the appearances of two boxes in which the counterclaim plaintiff sold dolls. The court’s analysis of the aesthetic functionality of the first box, which was trapezoidal in shape, was cursory and consisted merely of the conclusion that the counterclaim plaintiff had failed to carry its burden to prove nonfunctionality.<sup>734</sup> The second box was heart-shaped, and this led to a more substantive discussion of the issue: “Heart shape was identified as a prototypical example of aesthetically functional packaging by the 1938 Restatement of Torts, to which the doctrine [of aesthetic functionality] can be traced.”<sup>735</sup> Indeed, according to the court, “[t]he fact that the design attracted so much attention *even before the product was released* only evidences its aesthetic functionality.”<sup>736</sup>

## ***B. Establishing Liability***

### **1. Proving Actionable Use in Commerce by Defendants**

To trigger liability, each of the Lanham Act’s primary statutory causes of action requires that the challenged use be one “in commerce.”<sup>737</sup> This prerequisite has led a number of defendants in recent years to argue that their conduct does not so qualify.

#### ***a. Cases Finding Use in Commerce by Defendants***

Some claims by defendants that they had not engaged in actionable uses in commerce were easily dismissed. In one case producing this result, the defendant had received a license to use the plaintiff’s mark in connection with “the treatment of sexual dysfunction and sexual trauma.”<sup>738</sup> According to the Eighth

---

<sup>731</sup> *Id.*

<sup>732</sup> *Id.*

<sup>733</sup> *See* *Mattel, Inc. v. MGA Entm’t, Inc.*, 782 F. Supp. 2d 911 (C.D. Cal. 2011).

<sup>734</sup> *See id.* at 1007.

<sup>735</sup> *Id.*

<sup>736</sup> *Id.*

<sup>737</sup> *See* 15 U.S.C. §§ 1114, 1125(a), 1125(c) (2006).

<sup>738</sup> *Quoted in* *Masters v. UHS of Del., Inc.*, 631 F.3d 464, 468 (8th Cir.), *cert. denied*, 131 S. Ct. 2920 (2011).

Circuit's review of the record developed during a nine-day trial on the plaintiff's claims that the defendant had exceeded the scope of its license, the plaintiff "presented evidence that the mark had been used to promote treatment methods—ranging from yoga to expressive dance to t'ai chi—that departed from the distinctive methodology the mark represents."<sup>739</sup> Although not making the argument in so many words, the defendant appealed from a jury verdict in the plaintiff's favor on the theory that its uses of the plaintiff's mark merely to *promote* unlicensed treatment programs were not actionable ones in commerce because the mark had not been used in the *provision* of those programs. The court disagreed: Referring to the definition of "use in commerce" in Section 45 of the Act,<sup>740</sup> it concluded that "the [licensed] mark was 'used in commerce' when it appeared in promotional materials designed to market [the defendant's] treatment programs. It also was 'used in commerce' during workshops and seminars when [the defendant] pitched its treatment programs to physicians and other health professionals to facilitate more patient referrals."<sup>741</sup>

In another case applying now well-developed principles, a Tenth Circuit district court found as a matter of law that the defendant's purchase of the plaintiff's service marks as keywords to trigger online paid advertising qualified as an actionable use in commerce.<sup>742</sup> Referring to Section 45's text, the court noted that "[t]he Lanham Act does not require use *and* display of another's mark for it to constitute 'use in commerce.' Rather, 'use in commerce' occurs when a mark is 'used *or* displayed in the sale or advertising of services and the services are rendered in commerce."<sup>743</sup> Use in commerce therefore existed because "Plaintiff's service mark was used to trigger a sponsored link for purposes of advertising and selling the services of Defendant. In other words, Plaintiff's mark was used to promote Defendant's services and to provide a consumer with a link to a website where it could make a purchase from Defendant."<sup>744</sup>

---

739. *Id.*

740. 15 U.S.C. § 1127 (2006).

741. *Masters*, 631 F.3d at 470.

742. *See* 1-800-Contacts, Inc. v. Lens.com, Inc., 755 F. Supp. 2d 1151 (D. Utah 2010).

743. *Id.* at 1170 (quoting 15 U.S.C. § 1127 (2006)).

744. *Id.*

***b. Cases Declining to Find Use in Commerce  
by Defendants***

Courts rejecting claims of actionable use in commerce were joined by the Eighth Circuit over the past year.<sup>745</sup> In the case before it, the defendants had announced their adoption of a mark to the trade, had made presentations using the mark to two potential customers, and had registered a domain name based on the mark. Upon the filing of the plaintiff's suit and the entry of a temporary restraining order against the mark's use, however, the defendants transitioned away from the mark and "deactivated" their website, which, in any case, had never been associated with anything more than an "under construction" website.

The district court concluded on the defendants' motion for summary judgment that the defendants had never made an actionable use of the mark in commerce, and the Eighth Circuit agreed. Because the plaintiff asserted inconsistent positions on the issue, the appellate court "assume[d] without holding" that the definition of "use in commerce" found in Section 45 of the Act was fully applicable to the inquiry into whether a defendant, as well as an applicant for federal registration, had engaged in the requisite level of commercial activity.<sup>746</sup> Distinguishing between use in commerce in connection with goods, on the one hand, and in connection with services, on the other, the court rejected the plaintiff's contention that the defendants' mere promotion of their goods using the mark was actionable. Rather, because Section 45 on its face required both the affixation of a mark to goods and the sale and transportation of those goods in commerce, the defendants' short-lived adoption of their mark did not qualify. Summary judgment therefore had been appropriate "[b]ecause there is no evidence demonstrating any sale or transport of goods under the [challenged] name."<sup>747</sup>

At the trial court level, a motion to dismiss similarly bore fruit on the ground that the defendant was not making an actionable use in commerce.<sup>748</sup> Based on the parties' pleadings, it was undisputed that the defendant, a Canadian payday lender, did not provide its lending services in the United States; rather, the challenged conduct was the defendant's solicitation of investments in United States financial markets, including its sale of stock. Although recognizing that its jurisdiction could in theory reach the

---

745. See *Sensient Techs. Corp. v. SensoryEffects Flavor Co.*, 613 F.3d 754 (8th Cir. 2010), cert. denied, 131 S. Ct. 1603 (2011).

746. See *Sensient Techs.*, 613 F.3d at 760-62.

747. *Id.* at 762.

748. See *Cottonwood Fin. Ltd. v. Cash Store Fin. Servs., Inc.*, 778 F. Supp. 2d 726 (N.D. Tex. 2011).



defendant's conduct in Canada, the court held that there were three reasons why the plaintiff's allegations failed to state a claim. "First, construing the relevant services here to refer to [the defendant's] consumer lending operation abroad, [the defendant's] investment solicitation activities do not advertise services 'rendered in commerce.'"<sup>749</sup> Second, the court concluded, "considering the relevant services to consist of listing and trading stock on a stock exchange, [the defendant's] investment solicitation activities constitute neither 'advertising of any goods or services,' nor uses in commerce 'in connection with any goods or services.' Stocks, like securities, are not goods;"<sup>750</sup> likewise, "listing stock on a stock exchange does not constitute a qualifying service under the Lanham Act."<sup>751</sup> And third and finally, "even if the Court assumes that [the defendant's] investment solicitation activities constitute advertising, [the plaintiff] . . . can state no facts bringing that advertising within the Lanham Act's reach. Advertising in and of itself is neither a good nor a service."<sup>752</sup>

Another successful motion to dismiss was occasioned by the plaintiff's reliance on "threadbare recitals" and "mere conclusory statements" that "all" the named defendants had infringed the plaintiff's marks.<sup>753</sup> The disputed mark was RUGBY USA for clothing, and, as the court noted, "[t]he complaint contains no allegation (nor has Plaintiff at any point asserted) that [the moving defendant], for example, either sold or produced any item bearing the USA Rugby mark or that it attempted to exploit the mark in any of its solicitation materials."<sup>754</sup> Apparently aware, if only belatedly, of this shortcoming in its *prima facie* case, the plaintiff sought leave to amend its complaint to aver that representatives of another defendant had worn clothing bearing the RUGBY USA mark at the same time they were wearing clothing produced by the moving defendant. With considerable understatement, the court found that argument "unpersuasive,"<sup>755</sup> concluding that "Plaintiff's new factual allegations demonstrate, at most, that [the other defendant] may have used its own mark in a manner which had the potential to confuse the public."<sup>756</sup> Because that was not nearly the same thing as an allegation that the

---

749. *Id.* at 737.

750. *Id.* at 738 (quoting 15 U.S.C. §§ 1114(1)(a), 1125(a)(1) (2006)).

751. *Id.* at 739.

752. *Id.* at 740.

753. *See* *Ruggers, Inc. v. United States*, 736 F. Supp. 2d 336, 340 (D. Mass. 2010).

754. *Id.*

755. *Id.*

756. *Id.* at 341.

moving defendant had engaged in an actionable use in commerce, its motion to dismiss was granted.<sup>757</sup>

Findings of no use in commerce as a matter of law also came on motions for summary judgment.<sup>758</sup> The plaintiff in one case resolved in this manner alleged that the lead defendant had filed an intent-to-use application to register the challenged mark, but the summary judgment record demonstrated that that intent had been short-lived; indeed, “the evidence shows that [the lead defendant] withdrew its application when [the plaintiff] filed this lawsuit and never used the mark in commerce.”<sup>759</sup> Under these circumstances, the court held, “[b]ecause [the lead defendant] did not use the mark, it cannot be liable for trademark . . . infringement.”<sup>760</sup>

A final case addressing the issue of actionable use in commerce by an individual defendant did so in the unusual context of a dispute over the validity of the individual’s assignment of his rights to a corporate defendant.<sup>761</sup> Reviewing the individual defendant’s motion for summary judgment, the court noted that “[p]laintiff does not dispute that an assignor is not liable for trademark infringement where there is a valid assignment of a trademark from [an] assignor to [an] assignee. Nor does plaintiff dispute that [the defendant], as an individual, never used the [challenged] trademark . . . .”<sup>762</sup> Instead, the plaintiff claimed that the individual defendant was liable for the alleged infringement of his successor in interest because the assignment of the individual defendant’s rights was an invalid one in gross. Although the individual defendant’s rights at the time of the assignment were limited to his ownership of an intent-to-use application, and although no physical assets were conveyed through the transaction, the court concluded that the assignment was valid because it swept in “a distinctive trade style” associated with the services to be provided under the mark.<sup>763</sup> Summary judgment of nonliability followed.<sup>764</sup>

---

757. *See id.*

758. *See, e.g.,* Intertape Polymer Corp. v. Inspired Techs., Inc., 725 F. Supp. 2d 1319, 1330 (M.D. Fla. 2010) (granting counterclaim defendant’s motion for summary judgment in part because “there is no evidence whatsoever that [the counterclaim defendant] ever used the [challenged] phrase”).

759. *Brown Bark II, L.P. v. Dixie Mills, LLC*, 732 F. Supp. 2d 1353, 1361 (N.D. Ga. 2010).

760. *Id.*

761. *See Fitzpatrick v. Sony-BMG Music Entm’t Inc.*, 99 U.S.P.Q.2d 1052 (S.D.N.Y. 2010).

762. *Id.* at 1055.

763. *See id.* at 1056.

764. *See id.* at 1057.

***c. Use in Commerce by Defendants to Be Determined***

One court concluded that a factual dispute precluded a determination as a matter of law that the defendants, former licensees of the plaintiffs, had engaged in actionable uses in commerce.<sup>765</sup> In support of their motion for summary judgment, the plaintiffs pointed to statements on the defendants' website postdating the defendants' termination as licensees to the effect that the defendants had the right to sell goods branded with the plaintiffs' mark. Denying the motion, the court found that the statements in question appeared only in a "biographical information section" of the defendants' website and, as a consequence, "[i]t is not clear from the website printout . . . that [the defendants] offered any . . . rights, goods, or services [associated with the plaintiffs' mark] for sale."<sup>766</sup> Because the website did not necessarily imply that the defendants had a current license from the plaintiffs, "summary judgment is inappropriate . . . because there is a genuine issue of material fact as to whether [the defendants] used [the plaintiffs'] trademark 'in connection with the sale, offering for sale, or distribution of goods or services.'"<sup>767</sup>

**2. Likelihood of Confusion**

***a. Factors Considered***

**(1) The First Circuit**

When weighing the extent to which confusion might be likely, First Circuit courts continued to take into consideration: (1) the similarity of the parties' marks; (2) the similarity of the parties' goods or services; (3) the relationship between the parties' channels of trade; (4) the juxtaposition of the parties' advertising; (5) the classes of prospective purchasers; (6) evidence of actual confusion; (7) the defendant's intent in adopting its allegedly infringing mark; and (8) the strength of the plaintiff's mark.<sup>768</sup>

---

765. See *Marvel Entm't, Inc. v. KellyToy (USA), Inc.*, 769 F. Supp. 2d 520 (S.D.N.Y. 2011).

766. *Id.* at 529.

767. *Id.* (quoting 15 U.S.C. § 1117(c) (2006)).

768. See, e.g., *Santander Consumer USA Inc. v. Walsh*, 762 F. Supp. 2d 217, 225 (D. Mass. 2010); *Homeowner Options for Mass. Elders, Inc. v. Brookline Bancorp, Inc.*, 754 F. Supp. 2d 201, 210 (D. Mass. 2010); *Oriental Fin. Grp. v. Cooperativa de Ahorro y Crédito Oriental*, 750 F. Supp. 2d 396, 403 (D.P.R. 2010); *Peoples Fed. Sav. Bank v. People's United Bank*, 750 F. Supp. 2d 217, 224 (D. Mass. 2010); *DeSena v. Beekley Corp.*, 729 F. Supp. 2d 375, 397 (D. Me. 2010).

## (2) The Second Circuit

The “*Polaroid* test”<sup>769</sup> remained unchanged in the Second Circuit, with courts there examining: (1) the strength of the plaintiff’s mark; (2) the degree of similarity between the marks; (3) the proximity of the products or services; (4) the likelihood that the senior user will “bridge the gap” into the junior user’s product service line; (5) evidence of actual confusion between the marks; (6) whether the defendant adopted the mark in good faith; (7) the quality of defendant’s products or services; and (8) the sophistication of the parties’ customers.<sup>770</sup> One district court held that these factors applied with equal force to claims of forward confusion and reverse confusion;<sup>771</sup> nevertheless, it also noted that “district courts in this Circuit have held that, in a reverse confusion case, the court should look to the *comparative* strength of the *junior user’s* . . . mark when assessing the first *Polaroid* factor.”<sup>772</sup>

## (3) The Third Circuit

The Third Circuit’s *Lapp* factors<sup>773</sup> continued to govern likelihood-of-confusion determinations in that jurisdiction and included: (1) the degree of similarity between the parties’ marks; (2) the strength of the plaintiff’s mark; (3) the price of the goods or services and other factors indicative of consumers’ care and attention when making a purchase; (4) the length of the defendant’s use of its mark without actual confusion; (5) the defendant’s intent when adopting its mark; (6) any evidence of actual confusion; (7) whether the goods or services, if not competitive, are marketed through the same channels of trade and advertised through the same media; (8) the extent to which the targets of the parties’ sales efforts are the same; (9) the relationship of the goods or services in the minds of consumers because of the similarity of function; and (10) other facts suggesting that the consuming public might expect the prior owner to expand into the defendant’s market.<sup>774</sup>

769. See *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961).

770. See, e.g., *Marks Org., Inc. v. Joles*, 784 F. Supp. 2d 322, 330 (S.D.N.Y. 2011); *Pretty Girl, Inc. v. Pretty Girl Fashions, Inc.*, 778 F. Supp. 2d 261, 267 (E.D.N.Y. 2011); *GoSMiLE, Inc. v. Dr. Jonathan Levine, D.M.D. P.C.*, 769 F. Supp. 2d 630, 636-37 (S.D.N.Y. 2011); *Montblanc-Simplo GmbH v. Colibri Corp.*, 739 F. Supp. 2d 143, 146 n.4 (E.D.N.Y. 2010); *THOIP v. Walt Disney Co.*, 736 F. Supp. 2d 689, 705 (S.D.N.Y. 2010).

771. See *THOIP v. Walt Disney Co.*, 788 F. Supp. 2d 168, 177-78 (S.D.N.Y. 2011).

772. *Id.* at 185.

773. See *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 463 (3d Cir. 1983).

774. See, e.g., *Sabinsa Corp. v. Creative Compounds, LLC*, 609 F.3d 175, 182 (3d Cir. 2010), *cert. denied*, 131 S. Ct. 960 (2011); *Zurco, Inc. v. Sloan Valve Co.*, 785 F. Supp. 2d 476, 493 (W.D. Pa. 2011); *Fagnelli Plumbing Co. v. Gillece Plumbing & Heating Inc.*, 98

#### (4) The Fourth Circuit

The Fourth Circuit's "*Pizzeria Uno* test" for likely confusion traditionally has required consideration of: (1) the strength or distinctiveness of the plaintiff's mark; (2) the similarity of the parties' marks; (3) the similarity of the parties' goods; (4) the similarity of the parties' retail outlets; (5) the similarity of the parties' advertising; (6) the defendant's intent in selecting its mark; and (7) the existence of any actual confusion.<sup>775</sup> One district court in that jurisdiction invoked this seven-factor standard,<sup>776</sup> but a panel of the Fourth Circuit itself applied a more recent formulation of the test of liability, which considered these factors along with two others: (1) the quality of the defendant's product; and (2) the sophistication of the consuming public.<sup>777</sup>

#### (5) The Fifth Circuit

Courts in the Fifth Circuit historically have applied a test for likelihood of confusion turning on the application of seven "digits of confusion": (1) the strength of the plaintiff's mark; (2) the similarity between the parties' marks; (3) the similarity of the parties' goods or services, (4) the identity of the retail outlets and purchasers, (5) the identity of the advertising media used, (6) the defendant's intent, and (7) any evidence of actual confusion.<sup>778</sup> Two Fifth Circuit district courts, however, applied a more recently introduced formulation of the same test, which took into account the additional factor of care exercised by consumers.<sup>779</sup>

#### (6) The Sixth Circuit

As they have done for years, Sixth Circuit courts evaluated claims of likely confusion using an eight-factor test for liability. Those factors consisted of: (1) the strength of the plaintiff's mark; (2) the relatedness of the parties' goods and services; (3) the similarity of the parties' marks; (4) the degree of purchaser care; (5) the defendant's intent in selecting its mark; (6) the marketing

---

U.S.P.Q.2d 1997, 2004 (W.D. Pa. 2011); *R.J. Ants, Inc. v. Marinelli Enters.*, 771 F. Supp. 2d 475, 489-90 (E.D. Pa. 2011); *Brown & Brown, Inc. v. Cola*, 745 F. Supp. 2d 588, 616 (E.D. Pa. 2010); *Alliance Bank v. New Century Bank*, 742 F. Supp. 2d 532, 555 (E.D. Pa. 2010); *CSC Holdings, LLC v. Optimum Networks, Inc.*, 731 F. Supp. 2d 400, 406 (D.N.J. 2010).

775. See *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1527 (4th Cir. 1984).

776. See *Z-Man Fishing Prods., Inc. v. Renosky*, 790 F. Supp. 2d 418, 431 (D.S.C. 2011).

777. See *Ga.-Pac. Consumer Prods., LP v. Von Drehle Corp.*, 618 F.3d 441, 454 (4th Cir. 2010).

778. See, e.g., *Lyons P'ship v. Giannoulas*, 179 F.3d 384, 388 (5th Cir. 1999).

779. See *Shell Trademark Mgmt. B.V. v. Warren Unilube, Inc.*, 765 F. Supp. 2d 884, 896 (S.D. Tex. 2011); *Helix Infusion Therapy, Inc. v. Helix Health, LLC*, 737 F. Supp. 2d 648, 658 (S.D. Tex. 2010).

channels used by the parties; (7) the likelihood of expansion of the parties' product lines; and (8) evidence of actual confusion.<sup>780</sup> One district court explained that "[t]hese eight factors serve simply as a guide. Their use implies no mathematical precision, and a party need not show that all, or even most, of the factors listed are present in any particular case to be successful."<sup>781</sup>

### (7) The Seventh Circuit

Seventh Circuit courts applied their usual seven-factor test for likely confusion, which considered: (1) the similarity between the parties' marks in appearance and suggestion; (2) the similarity between the parties' products; (3) the area and manner of concurrent use; (4) the degree of care likely to be exercised by the parties' consumers; (5) the strength of the plaintiff's mark; (6) any actual confusion; and (7) the defendant's intent.<sup>782</sup>

### (8) The Eighth Circuit

The relevant factors for consideration in likelihood-of-confusion determinations by federal courts in the Eighth Circuit remained unchanged: (1) the strength of the plaintiff's mark; (2) the similarity between the parties' marks; (3) the parties' competitive proximity; (4) the alleged infringer's intent to pass off its goods or services as those of the plaintiff; (5) the degree of care exercised by consumers; and (6) incidents of actual confusion.<sup>783</sup> According to one district court within that jurisdiction, "[t]hese factors do not operate as a precise test, but instead represent the type of considerations a court should examine in determining whether [a] likelihood of confusion exists."<sup>784</sup>

780. See, e.g., *Gen. Conference Corp. of Seventh-day Adventists v. McGill*, 617 F.3d 402, 416 (6th Cir. 2010), *cert. denied*, 131 S. Ct. 2097 (2011); *Martha Elizabeth Inc. v. Scripps Networks Interactive LLC*, 100 U.S.P.Q.2d 1799, 1813 (E.D. Mich. 2011); *Innovation Ventures, LLC v. N.V.E., Inc.*, 747 F. Supp. 2d 853, 867 (E.D. Mich. 2010); *Ohio State Univ. v. Thomas*, 738 F. Supp. 2d 743, 749 (S.D. Ohio 2010); *Perfetti Van Melle USA v. Cadbury Adams USA LLC*, 732 F. Supp. 2d 712, 718 (E.D. Ky. 2010); *Borescopes R Us v. 1800Endoscope.com, LLC*, 728 F. Supp. 2d 938, 951 (M.D. Tenn. 2010).

781. *Borescopes R Us*, 728 F. Supp. 2d at 951.

782. See, e.g., *Vienna Beef Ltd. v. Red Hot Chi. Inc.*, 100 U.S.P.Q.2d 1773, 1776 (N.D. Ill. 2011); *Packaging Supplies Inc. v. Harley-Davidson Inc.*, 100 U.S.P.Q.2d 1348, 1353 (N.D. Ill. 2011); *Kastanis v. Eggstacy LLC*, 752 F. Supp. 2d 842, (N.D. Ill. 2010); *RNA Corp. v. Procter & Gamble Co.*, 747 F. Supp. 2d 1008, 1015-16 (N.D. Ill. 2010).

783. See, e.g., *Cmty. of Christ Copyright Corp. v. Devon Park Restoration Branch of Jesus Christ's Church*, 634 F.3d 1005, 1009 (8th Cir. 2011); *Sensient Techs. Corp. v. SensoryEffects Flavor Co.*, 613 F.3d 754, 763 (8th Cir. 2010), *cert. denied*, 131 S. Ct. 1603 (2011); *PSK, LLC v. Hicklin*, 757 F. Supp. 2d 836, 865 (D. Iowa 2010); *B & B Hardware, Inc. v. Hargis Indus.*, 736 F. Supp. 2d 1212, 1220 (E.D. Ark. 2010); *Champagne Louis Roederer v. J. Garcia Carrión, S.A.*, 732 F. Supp. 2d 836, 864 (D. Minn. 2010); *Teter v. Glass Onion, Inc.*, 723 F. Supp. 2d 1138, 1155 (W.D. Mo. 2010).

784. *Champagne Louis Roederer*, 732 F. Supp. 2d at 864.

### (9) The Ninth Circuit

The “*Sleekcraft* test” for likelihood of confusion<sup>785</sup> remained the most popular standard in the Ninth Circuit. It turned on the following eight factors: (1) the strength of the plaintiff’s mark; (2) the proximity of the parties’ products; (3) the similarity of the parties’ marks; (4) evidence of actual confusion; (5) the marketing channels used by the parties; (6) the type of goods or services provided by the parties; (7) the defendant’s intent in selecting its mark; and (8) the likelihood of expansion of the parties’ product lines.<sup>786</sup> One panel of the court explained that “[t]he *Sleekcraft* factors are intended as an adaptable proxy for consumer confusion, not a rote checklist.”<sup>787</sup>

### (10) The Tenth Circuit

The Tenth Circuit likelihood-of-confusion test was invoked infrequently over the past year but, when it was, that test took into account the following factors: (1) the degree of similarity between the parties’ goods; (2) the intent of the alleged infringer; (3) evidence of actual confusion; (4) similarity in the parties’ marketing practices; (5) the degree of care likely to be exercised by purchasers; and (6) the strength of the plaintiff’s mark.<sup>788</sup>

### (11) The Eleventh Circuit

The test for likely confusion applied by the Eleventh Circuit courts remained extant over the past year and focused on: (1) the type or strength of the plaintiff’s mark; (2) the similarity between the parties’ marks; (3) the similarity between the goods associated

---

785. See *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979), *abrogated on other grounds as recognized by* *Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003).

786. See, e.g., *Network Automation, Inc. v. Advanced Sys. Concepts, Inc.*, 638 F.3d 1137, 1143 n.2 (9th Cir. 2011); *Lahoti v. Verichex, Inc.*, 636 F.3d 501, 508 (9th Cir. 2011); *Fortune Dynamic, Inc. v. Victoria’s Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025, 1030 (9th Cir. 2010); *Glassybaby LLC v. Provide Gifts Inc.*, 100 U.S.P.Q.2d 1547, 1548 (W.D. Wash. 2011); *Mattel, Inc. v. MGA Entm’t, Inc.*, 782 F. Supp. 2d 911, 1007-08 (C.D. Cal. 2011); *Binder v. Disability Grp.*, 772 F. Supp. 2d 1172 (C.D. Cal. 2011); *Apple Inc. v. Samsung Elecs. Co.*, 768 F. Supp. 2d 1040, 1045 (N.D. Cal. 2011); *Mirina Corp. v. Marina Biotech*, 770 F. Supp. 2d 1153, 1157 (W.D. Wash. 2011); *Passport Health Inc. v. Travel Med Inc.*, 98 U.S.P.Q.2d 1344, 1347 (E.D. Cal. 2011); *Interplay Entm’t Corp. v. Topware Interactive, Inc.*, 751 F. Supp. 2d 1132, 1136 (C.D. Cal. 2010); *Edge Games, Inc. v. Elec. Arts, Inc.*, 745 F. Supp. 2d 1101, 1115-16 (N.D. Cal. 2010); *Fiji Water Co. v. Fiji Mineral Water USA, LLC*, 741 F. Supp. 2d 1165, 1178 (C.D. Cal. 2010); *Rebelution, LLC v. Perez*, 732 F. Supp. 2d 883, 890 (N.D. Cal. 2010); *Masters Software, Inc. v. Discovery Commc’ns, Inc.*, 725 F. Supp. 2d 1294, 1299 (W.D. Wash. 2010).

787. *Network Automation*, 638 F.3d at 1145.

788. See, e.g., *1-800 Contacts, Inc. v. Lens.com, Inc.*, 755 F. Supp. 2d 1151, 1174 (D. Utah 2010).

with the parties' marks; (4) the similarity between the parties' trade channels and customers; (5) similarity of the parties' advertising media; (6) the defendant's intent; and (7) the extent of any actual confusion.<sup>789</sup> One panel of the court additionally held that the presence or absence of geographically overlapping markets properly could be considered an additional favor in the likelihood-of-confusion analysis.<sup>790</sup>

## (12) The District of Columbia Circuit

There were no apparent reported opinions in the District of Columbia Circuit bearing on the likelihood-of-confusion inquiry during the past year.

### *b. Findings and Holdings*

#### (1) Likelihood of Confusion: Preliminary Relief

As usual, a number of cases cried out for preliminary injunctive relief, and courts obliged in entering it.<sup>791</sup> Some scenarios producing this result involved terminated franchisees or licensees who used marks in violation of contractual agreements.<sup>792</sup> Others featured as defendants plaintiffs' former distributors<sup>793</sup> and former employees,<sup>794</sup> most notably a carpet salesman who ill-advisedly went into competition with a former employer under an identical mark and at a location less than one-

789. See *Tana v. Dantanna's*, 611 F.3d 767, 774-75 (11th Cir. 2010); *Blackwall Grp. v. Sick Boy, LLC*, 771 F. Supp. 2d 1322, 1325 (M.D. Fla. 2010); *Intertape Polymer Corp. v. Inspired Techs., Inc.*, 725 F. Supp. 2d 1319, 1329 (M.D. Fla. 2010).

790. See *Tana*, 611 F.3d at 780-81.

791. See, e.g., *Pretty Girl, Inc. v. Pretty Girl Fashions, Inc.*, 778 F. Supp. 2d 261, 267-69 (E.D.N.Y. 2011) (finding, in absence of arguments to the contrary by defendants, likelihood of confusion between parties' PRETTY GIRL and PRETTY GIRL FASHIONS marks for retail clothing sales); *Interplay Entm't Corp. v. Topware Interactive, Inc.*, 751 F. Supp. 2d 1132, 1136-38 (C.D. Cal. 2010) (finding, on unopposed motion for preliminary injunction, likelihood of confusion between BATTLE CHESS and BATTLE V. CHESS marks, both used in connection with gaming software).

792. See, e.g., *MarbleLife, Inc. v. Stone Res., Inc.*, 759 F. Supp. 2d 552, 561 (E.D. Pa. 2010); *Sound Surgical Techs., LLC v. Leonard A. Rubenstein, M.D., P.A.*, 734 F. Supp. 2d 1262, 1270-72 (M.D. Fla. 2010); *Krispy Kreme Doughnut Corp. v. Satellite Donuts, LLC*, 725 F. Supp. 2d 389, 396-97 (S.D.N.Y. 2010); see also *Dr. JKL Ltd. v. HPC IT Educ. Ctr.*, 749 F. Supp. 2d 1038, 1051 (N.D. Cal. 2010) (entering default judgment of liability based on defendants' use of plaintiff's mark outside scope of license from plaintiff).

793. See, e.g., *Graphic Design Mktg., Inc. v. Xtreme Enters.*, 772 F. Supp. 2d 1029, 1034 (E.D. Wis. 2011) (finding, in cursory analysis, that former distributors' directly competitive use of packaging "virtually identical" to that of the plaintiff was likely to cause confusion).

794. See, e.g., *La. Granite Yard, Inc. v. LA Granite Countertops, L.L.C.*, 47 So. 3d 573, 582-83 (La. Ct. App. 2010) (affirming, based in part on evidence and testimony of actual confusion, finding that defendant's use of LOUISIANA GRANITE and LA GRANITE marks for retail granite sales likely to cause confusion with plaintiff's LOUISIANA GRANITE YARD, LA GRANITE YARD, and LA GRANITE marks for directly competitive services).



third of a mile away from the former employer's showroom; not surprisingly, the former employer's case was bolstered by the existence of actual confusion and what the court found to be the salesman's "clear awareness of, and evident intent to capitalize on, the good will associated with the [plaintiff's mark]."795

The existence of actual confusion and at least a reckless indifference to the plaintiff's rights played particularly significant roles in the entry of a preliminary injunction against the use of *Cake Boss* as the title for a successful reality show about a New Jersey bakery and as a trademark for various related goods.<sup>796</sup> The plaintiff, whose infringement claims were grounded in a reverse-confusion theory, owned a federal registration of the CAKEBOSS mark for business management software used by professional bakers. Its efforts to dissuade the defendants from launching their show proved unsuccessful, and, adding insult to injury, one of the defendants later threatened one of the plaintiff's distributors with a lawsuit when the plaintiff introduced a cake decorating kit under its mark.

The defendants never had the opportunity to make good on that threat, however, because the court found that the numerous instances of actual confusion documented by the plaintiff<sup>797</sup> weighed in favor of injunctive relief against the defendants:

These [misdirected] communications are powerful evidence that *Cake Boss* casts so long a shadow in the cake baking market that some consumers cannot view the [plaintiff's] CakeBoss website or its contents without believing it is associated with the show. Although the website itself is connected with the show only by its name and its focus on cake baking, many consumers are unable to come to any conclusion except that CakeBoss is connected with *Cake Boss*.<sup>798</sup>

Although accepting the defendants' claim that they were unaware of the plaintiff's mark when naming their show, the court remarked that "this is a far cry from evidence of innocent intent";<sup>799</sup> to the contrary, the defendants' recklessness was

---

795. See *Marks Org., Inc. v. Joles*, 784 F. Supp. 2d 322, 331 (S.D.N.Y. 2011).

796. See *Masters Software, Inc. v. Discovery Commc'ns, Inc.*, 725 F. Supp. 2d 1294 (W.D. Wash. 2010).

797. The documented actual confusion before the court included, inter alia, inquiries concerning the parties' possible affiliation, the attempted placement of orders for the defendant's cakes, misdirected complaints about the failure of bakers on the defendants' show to wear gloves and hairnets, and the mistaken attribution of recipes and tutorials appearing on the plaintiff's website to the defendants; in addition, the plaintiff's website was frequently overwhelmed by hits coinciding with broadcasts of the defendant's show. See *id.* at 1298, 1300-01.

798. *Id.* at 1301.

799. *Id.* at 1305.

reflected in the fact that “it would have taken only a few moments on the internet for [the lead defendant] to discover that the name it was considering for its new show (and a multi-million dollar investment) was in use by [the plaintiff].”<sup>800</sup> The defendants fared no better under the court’s application of the remaining likelihood-of-confusion factors, which produced findings that the parties’ marks were similar,<sup>801</sup> that the goods and services associated with the marks were related,<sup>802</sup> that the average consumer accessing cake-related items on the plaintiff’s website might not exercise a good deal of care (even if the bakery’s customers might),<sup>803</sup> that the plaintiff intended to expand its business from software to cake-related goods,<sup>804</sup> and that the defendants’ promotion of their show “permeates virtually every marketing channel.”<sup>805</sup> Indeed, because the plaintiff alleged it had been overwhelmed by the reverse confusion generated by the defendants’ conduct, even the relative weakness of the plaintiff’s mark did not weigh against a finding of liability.<sup>806</sup>

A substantially identical factual scenario led to a substantially identical result in litigation brought by the owner and licensee of the federally registered BITCHEN KITCHEN mark for the retail sale of cooking-related goods against defendants associated with a slightly off-color, cooking-themed television show broadcast under the title *Bitchin’ Kitchen*, one of which also sold cooking-related goods.<sup>807</sup> Based on the court’s reading of the preliminary injunction record, a number of the likelihood-of-confusion factors lined up in the plaintiffs’ favor. These included that “Bitchin’ Kitchen looks almost exactly the same, sounds almost exactly the same, and would customarily be understood to mean *precisely* the same thing as Bitchen Kitchen,”<sup>808</sup> that there had been at least some actual consumer confusion,<sup>809</sup> that the USPTO previously had found the parties’ marks to be confusingly similar,<sup>810</sup> that the parties’ “potential customer pool, their products, and their marketing

---

800. *Id.*

801. *See id.* at 1302.

802. *See id.* at 1302-04.

803. *See id.* at 1304.

804. *See id.* at 1304-05.

805. *Id.* at 1305.

806. *See id.* at 1299-1300.

807. *See Martha Elizabeth Inc. v. Scripps Networks Interactive LLC*, 100 U.S.P.Q.2d 1799 (E.D. Mich. 2011).

808. *Id.* at 1815.

809. *See id.* (“Here the specific customer whom the plaintiffs present as confused between the two marks was apparently a regular customer of the [the plaintiffs’] Bitchen Kitchen store, rendering her confusion worthy of significant weight.”).

810. *See id.* at 1816.

channels” were similar,<sup>811</sup> that the plaintiffs had presented “some evidence from which a factfinder could readily conclude that the [defendants] chose the Bitchin’ Kitchen mark in order to capitalize unlawfully on the goodwill and brand reputation and recognition which the plaintiffs had earlier built for the nearly-identical Bitchin Kitchen mark,”<sup>812</sup> and that the parties’ product lines were likely to overlap in the future.<sup>813</sup> Although finding the plaintiffs’ mark to be relatively weak<sup>814</sup> and rejecting the plaintiffs’ argument that any doubts as to the defendants’ liability should be resolved in the plaintiffs’ favor,<sup>815</sup> the court held that the plaintiffs had demonstrated a likelihood of confusion for purposes of their preliminary injunction motion.<sup>816</sup>

Successful product design trade dress actions may be on the wane, but this trend has not necessarily extended to suits to protect other kinds of trade dress. Thus, for example, a producer of bottled artesian water successfully challenged the introduction by direct competitors of a similar bottle and label design on a motion for interlocutory relief.<sup>817</sup> The factual record weighed heavily in the plaintiff’s favor, especially where evidence that the defendants intentionally had copied the plaintiff’s packaging when revising their own was concerned: Not only were there “numerous similarities in the bottle shape, the inside back label, and the front label designs,”<sup>818</sup> even the text of the parties’ respective labels was similar.<sup>819</sup> The court also credited survey evidence of confusion submitted by the plaintiff, which it viewed more favorably than the

---

811. *See id.* at 1817.

812. *See id.* The evidence of the defendants’ possible bad-faith intent included: (1) their recitation of the plaintiffs’ date of first use when applying to register their mark; (2) the deliberate misspelling of their own mark in a sponsored link triggered by Internet searches for the plaintiffs’ mark; (3) their continued use of their mark in the face of the plaintiffs’ objections; and (4) their continued use of their mark after learning of the USPTO’s issuance of a registration to the plaintiffs. *See id.*

813. *See id.* at 1818-19.

814. *See id.* at 1814.

815. *See id.* at 1819.

816. *See id.* The court did, however, also hold that the defendants’ use of the *Bitchin’ Kitchen* title was eligible for First Amendment protection and therefore could not be enjoined for that reason. *See id.* at 1821-22.

817. *See Fiji Water Co. v. Fiji Mineral Water USA, LLC*, 741 F. Supp. 2d 1165 (C.D. Cal. 2010).

818. *Id.* at 1178.

819. Although the court found liability under a trade dress, rather than a trademark, infringement theory, it noted with respect to the parties’ word marks that:

Although the names “VITI” [the defendants’ mark] and “FIJI” [the plaintiffs’ mark] might not sound the same, they are both four-letter, two-syllable words with both syllables ending in “i,” and the two names do have a similar meaning, as Viti Levu is the Fijian name for the largest island in Fiji, where both products are made.

*Id.*

results of the defendants' responsive survey.<sup>820</sup> The plaintiff was off to the races from there, prevailing on the likelihood-of-confusion factors of mark strength,<sup>821</sup> the competitive proximity of the parties' goods,<sup>822</sup> the extent to which they shared channels of distribution,<sup>823</sup> and the degree of care exercised by purchasers of their goods.<sup>824</sup>

A thermometer manufacturer also had relatively little difficulty securing a preliminary injunction against a former distributor and its affiliate, which had introduced a competing model in packaging similar to that of the plaintiff.<sup>825</sup> Two primary considerations drove this outcome, the first of which was the high degree of similarity between the parties' packaging:

[T]he packaging for the [the plaintiff's] and for the [defendants'] product create a similar "overall impression." Both products feature a purple and blue color scheme with a prominently placed photo of a mother taking a baby's temperature. Both include the phrase "NeverWake Technology," closely followed by "No need to touch, startle, upset or wake your child." Both packages feature small illustrations of the product's five principal uses in the bottom right corner, along with the phrase "5-in-1 Measure Any Temperature." Finally, both packages include four bullet points in white font highlighting positive aspects of the product, such as "Pediatrician recommended" and "Safe, hygienic, and easy to use." These similarities appear on a small piece of product packaging. Given the many similarities, "the overall impression of the products" is similar, and this factor thus favors [the plaintiff].<sup>826</sup>

Not surprisingly in light of these overlapping design elements, the second factor clearly influencing the court's decision was the "substantial evidence that [the lead defendant] has intentionally capitalized on [the plaintiff's] reputation and fostered confusion among consumers between [the plaintiff's] and [the defendants'] product[s]."<sup>827</sup> The plaintiff's showing on this issue included proof that "[i]n launching its product, [the lead defendant] issued a misleading press release linking its new product with the [plaintiff's] product, and utilized a testimonial concerning the

---

820. *See id.* at 1179-80.

821. *See id.* at 1179.

822. *See id.* at 1180, 1182.

823. *See id.*

824. *See id.* at 1180-81.

825. *See Tecnimed SRL v. Kidz-Med, Inc.*, 763 F. Supp. 2d 395 (S.D.N.Y. 2011).

826. *Id.* at 407 (citations omitted).

827. *Id.* at 408.

[plaintiffs] product from a children's hospital physician";<sup>828</sup> what was more, the court found, "[the lead defendant] has used FAQs and testimonials prepared, obtained, and employed for the [plaintiffs product] in order to promote [the defendants'] new product, and used [a] metatag [consisting of the plaintiffs trademark] on its website in order to direct prospective . . . customers [of the plaintiffs] product to its own website."<sup>829</sup> Particularly because the plaintiffs trade dress was strong,<sup>830</sup> because the defendants' goods, although otherwise directly competitive, lacked the same technology as that found in the plaintiff's goods,<sup>831</sup> and because "consumers of common household products are not sophisticated consumers for purposes of the [likelihood-of-confusion] test,"<sup>832</sup> the plaintiff was entitled to preliminary injunctive relief.

A possible lack of consumer sophistication similarly helped the owner of the CUSTOMER FIRST service mark for banking services to secure a preliminary injunction against the use of CUSTOMER 1<sup>ST</sup> BANK for virtually identical services.<sup>833</sup> Rather than necessarily exercising great care, customers of both parties' services were a "mixed buyer class, consisting of individuals and businesses"; in addition "[b]usinesses, both small and large, non-profit entities, municipalities, governmental units, families, seniors and retirees are customers of [the plaintiff]."<sup>834</sup> This led the court to conclude that "[c]onsumers of both banks . . . would be expected to exercise the care of a routine banking customer in making decisions about banking services, which is more limited than what might be expected of sophisticated banking customers or financial service professionals."<sup>835</sup> Other considerations weighing in favor of preliminary injunctive relief included the plaintiffs showings that "when viewed and heard separately, the overall impression of the two marks is essentially the same . . .,"<sup>836</sup> that the plaintiffs mark was conceptually and commercially strong,<sup>837</sup> that the defendant had proceeded with the adoption of its mark despite the USPTO's rejection of applications to register

---

828. *Id.*

829. *Id.*

830. *See id.* at 406.

831. *See id.* at 409.

832. *Id.*

833. *See Alliance Bank v. New Century Bank*, 742 F. Supp. 2d 532 (E.D. Pa. 2010).

834. *Id.* at 560.

835. *Id.* (alteration in original) (quoting *Heritage Cmty. Bank v. Heritage Bank, N.A.*, No. 08-4322 (JAG), 2008 WL 5170190, at \*7 (D.N.J. Dec. 9, 2008)).

836. *Id.* at 557.

837. *See id.* at 558-59.

the mark and in the face of the plaintiff's objections,<sup>838</sup> and that the parties used the same types of advertising media to promote similar services to the same customers.<sup>839</sup>

The lack of sophistication among some banking customers supported entry of another preliminary injunction as well.<sup>840</sup> The plaintiffs were the owners of the ORIENTAL mark, and they also established to the court's satisfaction that they enjoyed protectable rights to the color orange in connection with the financial services they provided. When the defendant, which had used the COOP ORIENTAL mark for fifteen years in connection with banking services, "overhauled" its brand image by emphasizing the ORIENTAL component of its mark and by adopting the color orange, the plaintiffs sued, alleging both service mark and trade dress infringement. The plaintiffs brought evidence of actual confusion to the table,<sup>841</sup> which, together with the parties' common geographic footprint, the directly competitive nature of at least some of their services, their shared advertising media, and the fact that "Defendant does not limit its clientele to a particular income level," favored a finding of liability.<sup>842</sup> Of additional significance in the court's view were the defendant's failure to explain the motivation behind its rebranding initiative<sup>843</sup> and its concession that the plaintiffs' word mark was strong.<sup>844</sup>

A concession of mark strength and unsophisticated consumers also favored a finding of liability in a case in which The Ohio State University challenged the defendants' provision of information about the university's football program in free publications and on a website that extensively used the university's marks and school colors.<sup>845</sup> Other than the absence of evidence of actual confusion, to which the court accorded little weight in light of the short period in which the defendants' operations had been underway,<sup>846</sup> all the relevant likelihood-of-confusion factors favored the university's position. Indeed, there was little dispute about any of them other

---

838. *See id.* at 561-63.

839. *See id.* at 563-64.

840. *See* *Oriental Fin. Grp. v. Cooperativa de Ahorro y Crédito Oriental*, 750 F. Supp. 2d 396 (D.P.R. 2010).

841. *See id.* at 402 ("In several instances, customers phoned or visited Plaintiffs' branches expecting to receive service on accounts they held with Defendant.").

842. *See id.* at 403.

843. *See id.* ("We have no evidence as to Defendant's intent in rebranding its mark, but the absence of a benign explanation for choosing a mark and dress similar to Plaintiffs' leaves us free to infer, as we do, that Defendant knew of and intended to benefit from Plaintiffs' considerable advertising efforts.").

844. *See id.* at 403-04.

845. *See* *Ohio State Univ. v. Thomas*, 738 F. Supp. 2d 743, 750, 753-54 (S.D. Ohio 2010).

846. *See id.* at 752.

than the relatedness of the parties' goods and services and the defendants' intent. The court rejected the defendants' arguments as to each, finding with respect to the former that the proper starting point was the university's rights to its marks in connection with football-related goods and services rather than merely educational services<sup>847</sup> and with respect to the latter that the defendants' use of the university's marks *as* marks established their intent "to capitalize on the commercial value of Ohio State's reputation and good will."<sup>848</sup>

Of course, even sophisticated consumers can be victims of confusion, and a demonstration of sophistication among potential investors therefore failed to derail a preliminary injunction motion brought by the owner of the MIRINA mark for micro-RNA-based therapeutic research and drug development against a defendant using the MARINA mark in connection with the development of products based on RNA interference.<sup>849</sup> The court determined that some of the relevant likelihood-of-confusion factors weighed in the defendant's favor, including the weakness of the plaintiff's mark,<sup>850</sup> the lack of proximity between the parties' services,<sup>851</sup> and the dissimilar appearances of the parties' marks in the marketplace.<sup>852</sup> These, however, were outweighed by the similarity of the marks when spoken,<sup>853</sup> the plaintiff's showing of at least some actual confusion,<sup>854</sup> the parties' reliance on the same marketing channels,<sup>855</sup> the possibility of initial-interest confusion among the investors solicited by both parties,<sup>856</sup> the defendant's awareness of the plaintiff's mark when adopting its own,<sup>857</sup> and "some indication in the record that Defendant intends to expand into Plaintiff's field."<sup>858</sup>

---

847. *See id.* at 751-52.

848. *Id.* at 754-55.

849. *See Mirina Corp. v. Marina Biotech*, 770 F. Supp. 2d 1153 (W.D. Wash. 2011). The motion nevertheless failed for a different reason, which was the plaintiff's inability to prove that it would suffer irreparable harm in the absence of injunctive relief. *See id.* at 1161-62.

850. *See id.* at 1158.

851. *See id.*

852. *See id.* at 1158-59.

853. *See id.*

854. *See id.* at 1159.

855. *See id.* at 1159-60.

856. *See id.* at 1160-61.

857. *See id.* at 1161.

858. *Id.*

## (2) Likelihood of Confusion: As a Matter of Law

The deference accorded to factual findings of noninfringement means that appellate reversals of defense verdicts after full trials occur infrequently, but that didn't stop the Third Circuit from reaching such a result.<sup>859</sup> The plaintiff was a supplier of a nutraceutical ingredient, which it sold under the FORSLEAN mark, while the defendant sold a competitive product under the FORSTHIN mark. The appellate court began its analysis by faulting the evaluation of the marks' similarity below: Not only had the district court "focused on minute differences in the products' logos while ignoring evidence that both marks are often used in plain text without the surrounding graphics,"<sup>860</sup> it had "devoted only one sentence to a visual comparison of the words ForsLean and Forsthin apart from their logos and that sentence only contrasted the words 'thin' and 'lean' rather than the 'overall impression.'"<sup>861</sup> The Third Circuit saw things differently, concluding that "looked at as a whole, ForsLean and Forsthin share all but three letters, have the same dominant syllable and end letter, and have the same number of syllables."<sup>862</sup> With the court's additional determination that the terms "lean" and "thin" were interchangeable, most other considerations fell into place in the plaintiff's favor, including the suggestiveness and commercial strength of the plaintiff's mark, the impulse nature of at least some purchases of the parties' goods, certain evidence that the defendant had adopted its mark in bad faith, and the parties' directly competitive relationship.<sup>863</sup> Although the plaintiff had not adduced either anecdotal or survey evidence of actual confusion during the three-and-a-half year period in which the parties' marks had coexisted in the marketplace, that failure was not enough to create a justiciable issue of fact, especially as "[e]vidence of actual confusion is frequently difficult to find."<sup>864</sup>

Less unusually, the Sixth Circuit saw fit to affirm a finding of infringement as a matter of law in a case brought to protect the federally registered SEVENTH-DAY ADVENTIST mark for various religious goods and services against competing uses by a breakaway pastor of the A CREATION SEVENTH DAY & ADVENTIST CHURCH and CREATION SEVENTH DAY

---

859. *See Sabinsa Corp. v. Creative Compounds, LLC*, 609 F.3d 175 (3d Cir. 2010), *cert. denied*, 131 S. Ct. 960 (2011).

860. *Id.* at 184.

861. *Id.*

862. *Id.*

863. *See id.* at 184-89.

864. *Id.* at 187.



ADVENTIST CHURCH marks.<sup>865</sup> The court did not linger on the likelihood-of-confusion factors at length, but instead focused on what it characterized as the defendant's "main challenge" to the district court's grant of the plaintiffs' motion for summary judgment:

[The defendant] argues that the relevant public—those who believe in the imminence of Christ's return and that the Sabbath should be observed on Sunday—are so discerning that there is a genuine issue of material fact about the likelihood that they would confuse [the defendant's] church for the plaintiff's church. But while it may indeed be hard to envision a person mistakenly joining the wrong church, it is not at all difficult to imagine a person consuming [the defendant's] published materials and ascribing his teachings to the [lead plaintiff], especially in light of the relatedness of the parties' services and similarity of the marks.<sup>866</sup>

An identical argument met with an identical rejection at the hands of the Eighth Circuit.<sup>867</sup> Like that before the Sixth Circuit, the appeal arose from an action by an organized church and its affiliates against a breakaway congregation and its pastor. The plaintiffs' case was a strong one: The defendants were unabashedly using imitations of a number of the plaintiffs' registered marks and were doing so with the admitted purpose of obscuring from the public the fact that they had started a new church not affiliated with the plaintiffs. In affirming entry of summary judgment in the plaintiffs' favor, the Eighth Circuit rejected the argument that confusion was unlikely because the parties' "purchasers" used considerable care when choosing churches. As it explained, "[a] consumer exercising considerable care may still be confused . . . because [the defendants] utilize[] identical or substantially similar marks while offering the same category of services in the same geographical location."<sup>868</sup>

Reported opinions reaching findings of liability as a matter of law also came from federal district courts.<sup>869</sup> In one, the parties

---

865. See *Gen. Conference Corp. of Seventh-day Adventists v. McGill*, 617 F.3d 402 (6th Cir. 2010), *cert. denied*, 131 S. Ct. 2097 (2011). Two other federally registered marks owned by the lead plaintiff, ADVENTIST and GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS, did not play a role in the court's decision, the former because the district court had concluded that there was a factual dispute over its validity, *see id.* at 406, and the latter because the plaintiffs apparently did not rely on it as a basis for their infringement. *See id.* at 405 n.1.

866. *Id.* at 416.

867. See *Cnty. of Christ Copyright Corp. v. Devon Park Restoration Branch of Jesus Christ's Church*, 634 F.3d 1005 (8th Cir. 2011).

868. *Id.* at 1009.

869. See, e.g., *Zynga Game Network Inc. v. Williams*, 100 U.S.P.Q.2d 1550, 1551 (N.D. Cal. 2011) (holding that defendants' default established their infringing use of exact

were direct competitors in the market for plumbing and HVAC-related services in Allegheny County, Pennsylvania.<sup>870</sup> They coexisted peacefully until the plaintiff, the owner of the FAGNELLI service mark and registrant of the “fangelliplumbing.com” domain name, learned that the defendants had registered “fangelli.com” as a domain name and were using it to redirect Internet traffic to their website. As the court read the summary judgment record, many of the facts underlying the case were undisputed, namely, that the parties were “direct competitors in the Western District of Pennsylvania offering the same services, to the same potential customers, [and] through many of the same channels of trade and advertisement[s], including their official websites.”<sup>871</sup> The court also determined from that record that “the similarity between the mark Defendants registered [as a domain name] and Plaintiff’s existing mark is highly probative of potential customers’ high likelihood of confusion”<sup>872</sup> and, additionally, that “Plaintiff has submitted evidence of [one consumer’s] confusion at being redirected to Defendants’ website when attempting to locate Plaintiff’s contact information . . . .”<sup>873</sup> That left the question of intent, and the defendant came out on the losing side of that issue as well:

Defendants has [sic] advanced no reason for registering a domain name confusingly similar to Plaintiff’s name and the Court finds that Defendants registered the domain name to capitalize on Plaintiff’s name and position as a direct competitor in the marketplace. Such a determination is also evidenced by Defendants’ registration of close to 100 other domain names of similar direct competitors.<sup>874</sup>

In the final analysis, “because Plaintiff has established the required elements of [a violation] of the Lanham Act and because

---

reproduction of plaintiff’s MAFIA WARS mark in connection with “virtual goods” competitive with those of the plaintiff); *Passport Health Inc. v. Travel Med Inc.*, 98 U.S.P.Q.2d 1344, 1347 (E.D. Cal. 2011) (entering summary judgment of infringement against terminated franchisee continuing to use franchisor’s mark as part of domain name); *Specht v. Google Inc.*, 758 F. Supp. 2d 570, 596 (N.D. Ill. 2010) (entering summary judgment in counterclaim plaintiff’s favor following counterclaim defendants’ failure to demonstrate priority of rights as to ANDROID and ANDROID DATA marks at issue, both used in connection with communications-related software); *Tiramisu Int’l LLC v. Clever Imps. LLC*, 741 F. Supp. 2d 1279, 1285-86 (S.D. Fla. 2010) (holding that defendant’s default established likelihood of confusion between plaintiff’s TIRAMISU mark and defendant’s EUROPA TIRAMISU marks, both used in connection with liquor).

870. See *Fagnelli Plumbing Co. v. Gillice Plumbing & Heating Inc.*, 98 U.S.P.Q.2d 1997 (W.D. Pa. 2011).

871. *Id.* at 2005.

872. *Id.*

873. *Id.*

874. *Id.*

such evidence is one-sided for Plaintiff, summary judgment will be granted for Plaintiff . . . .”<sup>875</sup>

An equally compelling set of facts drove the resolution of a counterclaim for infringement by Harley-Davidson against a distributor of plastic bags bearing several of Harley-Davidson’s incontestably registered marks.<sup>876</sup> None of the registrations covered plastic bags, but, as the court pointed out, Harley-Davidson enjoyed prior common-law rights to the use of the marks on its own bags.<sup>877</sup> Equally to the point:

Harley-Davidson’s federal trademark registrations cover clothing, jewelry, helmets, and many other goods that its independent dealers offer to consumers. Harley-Davidson’s dealers, in turn, place these Harley-Davidson branded goods in merchandise bags provided to their customers at the check-out counter. [The counterclaim defendant’s] accused merchandise bags are sufficiently related to and used in conjunction with goods in which Harley-Davidson owns exclusive trademark rights by virtue of its federal trademark registrations.<sup>878</sup>

The court’s receptiveness to Harley-Davidson’s case gathered steam from there: (1) retail consumers receiving the parties’ bags for free “would not be in a position to exercise care”;<sup>879</sup> (2) Harley-Davidson’s marks were “among the world’s most famous trademarks”;<sup>880</sup> (3) the court had before it “declarations from several of [Harley-Davidson’s] dealers that explain that they were confused by [the defendant’s] unauthorized use of [Harley-Davidson’s] marks”;<sup>881</sup> and (4) the court found the summary judgment record to be “replete with facts that [the counterclaim defendant] intended to confuse Harley-Davidson dealers as to [the counterclaim defendant’s] rights to use those marks.”<sup>882</sup> Not

---

875. *Id.*

876. *See* Packaging Supplies Inc. v. Harley-Davidson Inc., 100 U.S.P.Q.2d 1348 (N.D. Ill. 2011).

877. *See id.* at 1353 (“Harley-Davidson offers these merchandise bags bearing [its] marks through its dealer catalogue, and, since 2004, has sold more than forty million merchandise bags bearing [its] marks to its dealers.”).

878. *Id.* at 1354.

879. *Id.*

880. *Id.*

881. *Id.*

882. *Id.* On this issue, the court remarked that:

The Court need only provide a few illustrative examples of facts that suggest this intent. For one, [the counterclaim defendant’s] use of [Harley-Davidson’s] Marks was not occasional or episodic: every (or nearly every) bag that [the counterclaim defendant] has sold to a Harley-Davidson dealer bears at least one of [Harley-Davidson’s] Marks. Indeed, [the counterclaim defendant] continued to exploit [Harley-Davidson’s] Marks for its benefit despite knowledge that Harley-Davidson considered

surprisingly, the court ultimately concluded that “[t]here is no genuine issue of material fact as to . . . the likelihood of confusion caused by [the counterclaim defendant’s] activities.”<sup>883</sup>

### (3) Likelihood of Confusion: After Trial

Some cases producing findings of infringement after full trials on the merits arose from scenarios that virtually preordained those outcomes. These included one appealed to the Eighth Circuit in which the defendant, a licensee of the plaintiff, had triggered a successful infringement action by using the plaintiff’s mark to promote services not authorized by the license.<sup>884</sup> They also included an action tried in the Central District of California in which the plaintiffs—affiliated law firms using the same service mark—successfully demonstrated that the defendants had produced actual confusion by promoting their directly competing services through the purchase of the plaintiffs’ marks as triggers for online advertising, had discouraged potential witnesses from participating in the case, and had affirmatively misrepresented their relationship with the plaintiffs.<sup>885</sup>

Other cases presented closer questions, although ones nevertheless slanted in favor of findings of liability. The Ninth Circuit affirmed a finding that the counterclaim defendant’s use of the “www.vericheck.com” domain name was likely to cause confusion with the counterclaim plaintiff’s VERICHECK mark.<sup>886</sup> The counterclaim plaintiff provided check-verification services under its mark, while the counterclaim defendant operated a website accessible at its domain name that provided referrals to third parties providing check-verification services. Not surprisingly, this situation had produced “significant confusion,” and the trial record showed that “[the plaintiff] and its independent sales offices and resellers receive a substantial number of telephone calls from confused customers who could not find information about [the counterclaim plaintiff] on

---

[the counterclaim defendant’s] use unauthorized. When questioned by dealers as to [the counterclaim defendant’s] authorization to use [Harley-Davidson’s] Marks . . . , [the counterclaim defendant] continued to represent to Harley-Davidson dealers that [the counterclaim defendant] did not require a license to use the [Harley-Davidson’s] Marks, without obtaining a legal opinion and without any knowledge of the Harley-Davidson dealer contracts, and despite the unequivocal statements from Harley-Davidson to the contrary.

*Id.* at 1354-55.

883. *Id.* at 1355.

884. See *Masters v. UHS of Del., Inc.*, 631 F.3d 464, 470-71 (8th Cir.), *cert. denied*, 131 S. Ct. 2920 (2011).

885. See *Binder v. Disability Grp.*, 772 F. Supp. 2d 1172, 1176-77 (C.D. Cal. 2011).

886. See *Lahoti v. Vericheck, Inc.*, 636 F.3d 501 (9th Cir. 2011).

www.vericheck.com.”<sup>887</sup> The Ninth Circuit held that the district court had properly admitted evidence and testimony on this issue under the state-of-mind exception to the hearsay rule.<sup>888</sup> It also affirmed the district court’s findings that: (1) the counterclaim plaintiff’s mark and the counterclaim defendant’s domain name were identical or confusingly similar;<sup>889</sup> (2) the parties’ services were similar;<sup>890</sup> (3) the parties both used the Internet as a marketing channel;<sup>891</sup> (3) there was an absence of record support for the counterclaim defendant’s argument that the counterclaim plaintiff’s mark was weak as a result of third-party use;<sup>892</sup> (4) the average degree of care exercised by the parties’ customers did not preclude confusion;<sup>893</sup> and (5) the counterclaim defendant had acted in bad faith.<sup>894</sup>

The Eighth Circuit similarly affirmed a jury finding in favor of the owner of the WOUNDED WARRIOR PROJECT mark in a suit under the Nebraska Deceptive Trade Practices Act,<sup>895</sup> Consumer Protection Act,<sup>896</sup> and common law of unjust enrichment against an entity operating under the WOUNDED WARRIORS, INC. mark.<sup>897</sup> Both parties were non-profit organizations in the business of raising funds for the benefit of injured service members, and they had coexisted peacefully until the defendant moved its operations from Germany to the United States, adopted the mark at issue in the litigation, and launched a website similar to that of the plaintiff and featuring a disclaimer in a “difficult-to-read typeface with cream on white coloring.”<sup>898</sup>

At trial, the plaintiff presented evidence and testimony to the jury that these changes soon produced actual confusion among donors and corresponded to both an increase in donations to the defendant and a decrease in those to the plaintiff. Particularly because the plaintiffs showing also demonstrated that the

---

887. *Id.* at 509.

888. *See id.* at 509.

889. *See id.* at 508.

890. *See id.*

891. *See id.*

892. *See id.* at 508-09 (“The district court examined the three prior uses [the defendant] raised [and] noted that there was ‘no credible evidence’ that any of them had used the VERICHECK mark to compete with [the plaintiff], and found that this was ‘a far cry from the multitude of registrations and uses that might suggest a weak mark.’”).

893. *See id.* at 509.

894. *See id.*

895. Neb. Rev. Stat. § 87-302 (2007).

896. *Id.* § 59-1602 *et seq.*

897. *See WWP, Inc. v. Wounded Warriors Family Support, Inc.*, 628 F.3d 1032 (8th Cir. 2011).

898. *See id.* at 1036.

defendant had retained donations clearly intended for the plaintiff, the Eighth Circuit held that “[t]he record is replete with evidence upon which a reasonable jury could find each of the [prima facie elements of the plaintiff’s case] to be met.”<sup>899</sup> Moreover, “[a] reasonable jury could also find that [the defendant’s] conduct in changing the name and appearance of its website, as well as placing an anemic disclaimer at the bottom, was designed to engender confusion among donors and amounted to a deceptive and unfair trade practice.”<sup>900</sup> Accordingly, the defendant was entitled to neither a reversal nor a new trial.

The Eighth Circuit was not alone in viewing abrupt changes by defendants as probative evidence of liability. Having presided over a trial that produced a jury verdict of trade dress infringement, one district court was unsympathetic to a defense motion for judgment as a matter of law or for a new trial.<sup>901</sup> The parties were competing providers of propane gas, and the plaintiffs alleged that the defendants had used pre-filled gas cylinders and labels that were confusingly similar to the plaintiffs’ cylinders and labels. According to the court’s reading of the trial record:

[The plaintiffs] presented evidence to show that the [defendants] intentionally copied [the plaintiffs’] trade dress. [The defendants’] cylinder was nearly identical to the [plaintiffs’] cylinder in shape, size and color. Furthermore, the label used on the [defendants’ cylinder] incorporated nearly identical colors and font, as well as [an accompanying logo], rendering the label virtually indistinguishable from the [the plaintiffs’] label.<sup>902</sup>

This conduct was all the court needed to leave the jury’s finding of liability intact. Without referring to any other considerations, it held that “[i]n light of the substantial evidence submitted . . . that the [defendants’] cylinder was an intentional copy of the [plaintiffs’] cylinder, the Court . . . finds that there was substantial evidence to establish a likelihood of confusion between the two products.”<sup>903</sup>

No bad-faith intent to infringe was found in another case, but the ultimate outcome was the same.<sup>904</sup> The plaintiff, a producer of sparkling wine produced in the Champagne region of France,

---

899. *Id.* at 1042.

900. *Id.*

901. *See Irwin Indus. Tool Co. v. Worthington Cylinders Wis., LLC*, 747 F. Supp. 2d 568 (W.D.N.C. 2010).

902. *Id.* at 577.

903. *Id.*

904. *See Champagne Louis Roederer v. J. Garcia Carrión, S.A.*, 732 F. Supp. 2d 836 (D. Minn. 2010).

claimed rights to what the court divided into three separate marks: (1) CRISTAL CHAMPAGNE and design, covered by a federal registration from which “cristal champagne” had been disclaimed; (2) CRISTAL CHAMPAGNE, covered by an incontestable registration and from which “champagne” had been disclaimed; and (3) the unregistered CRISTAL mark. The defendants, purveyors of sparkling wine produced in the Catalonia region of Spain, used the CRISTALINO mark for their lower-priced, but otherwise competitive, goods.

A bench trial led to a verdict that confusion was likely between the parties’ marks. A primary driver of this determination was the court’s conclusion that the plaintiff’s marks were strong because: (1) their salient element, the word “cristal,” was suggestive;<sup>905</sup> (2) there was significant evidence of the marks’ notoriety, even if the plaintiff had not advertised them extensively;<sup>906</sup> and (3) the defendants were unable to back up their claims of third-party use of similar marks.<sup>907</sup> The competitive proximity of the parties’ goods also weighed in the plaintiff’s favor, as did the similarity between the marks in question (both standing alone and in context), survey evidence of actual confusion, and the general lack of sophistication among purchasers of sparkling wine.<sup>908</sup>

#### (4) Likelihood of Confusion to Be Determined

The highly factual nature of the likelihood-of-confusion inquiry led a number of courts to defer its resolution until trial.<sup>909</sup>

---

905. *See id.* at 865-66.

906. *See id.* at 854-58, 866-67. On this issue, the plaintiff successfully availed itself of numerous references to its marks in pop culture. *See, e.g., id.* at 858 (“*Women’s Wear Daily* reported that CRISTAL was the ninth most-mentioned brand in Billboard’s Top-20 singles in 2005, and the CRISTAL name was the eighth most-mentioned brand in rap music the same year.”).

907. *See id.* at 867-68. The defendants adopted the familiar strategy of introducing into the record evidence of third-party registrations and various Internet search results, but the court found their showing to be fatally incomplete:

There is no evidence of the extent of the sales or publicity of the products sold under the third-party registrations [sic] and trade names. In the absence of such evidence, the third-party registrations for and Internet availability of products including CRISTAL or similar terms in their names do not indicate that U.S. consumers are aware of those marks, much less that they have become conditioned to distinguish between CRISTAL champagne and other alcoholic beverages having CRISTAL or similar terms in their names. . . . Consequently, the evidence of third-party registrations and Internet listings does not alter the Court’s conclusion that the [plaintiff’s] CRISTAL marks are commercially strong.

*Id.* at 868.

908. *See id.* at 868-78.

909. *See, e.g., RNA Corp. v. Procter & Gamble Co.*, 747 F. Supp. 2d 1008, 1018 (N.D. Ill. 2010) (holding, following entry of a permanent injunction upon consent prior to close of

Sometimes that occurred at the pleadings stage, with courts typically concluding on motions to dismiss that plaintiffs had adequately stated causes of action for infringement.<sup>910</sup> The leading example of such an outcome over the past year came courtesy of the Second Circuit, which entertained an appeal from the sua sponte dismissal of claims that the defendants had promoted their sales of clothing to third-party retailers by representing that the plaintiff (also a clothing retailer) was one of the defendants' satisfied customers.<sup>911</sup> Unlike the district court, the Second Circuit was unconvinced that either Section 32<sup>912</sup> or Section 43(a)<sup>913</sup> required the plaintiff to aver that the defendants had created a likelihood of confusion as to the origin of the goods sold by the plaintiff. Referring to the "general" language of the former statute, the court held that:

[The plaintiff] expressly alleges that [the defendants] used its marks in connection with the false representation that it was a satisfied customer, a use that is plainly likely to deceive and create confusion and mistake regarding the relationship between [the defendants'] goods and services and [the plaintiff]. The complaint therefore adequately alleges a sufficient likelihood of confusion resulting from [the defendants'] actions under § 32.<sup>914</sup>

And, with respect to the latter statute, the court held that:

Section 43(a) . . . specifically defines misrepresentation causing confusion as to affiliation, association, or sponsorship as infringing activity. A consumer "need not believe that the owner of the mark actually produced the item and placed it on the market" in order to satisfy § 43(a)'s confusion requirement. "The public's belief that the mark's owner *sponsored or*

---

discovery, that counterclaim plaintiff's likelihood-of-confusion-based claims could not be resolved without additional evidence).

910. See, e.g., *Glassybaby LLC v. Provide Gifts Inc.*, 100 U.S.P.Q.2d 1547, 1549 (W.D. Wash. 2011) (denying, without extended analysis, motion to dismiss on ground that "Plaintiff's complaint adequately alleges confusion, an issue of fact for the jury to determine"); *Alzheimer's Found. of Am., Inc. v. Alzheimer's Disease & Related Disorders Ass'n*, 796 F. Supp. 2d 458, 466-67 (S.D.N.Y. 2011) (declining to find at the pleadings stage that there was no likelihood of confusion between the parties' ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION and ALZHEIMER'S FOUNDATION OF AMERICA marks, both of which were used in connection with charitable services).

911. See *Famous Horse Inc. v. 5th Ave. Photo Inc.*, 624 F.3d 106 (2d Cir. 2010).

912. 15 U.S.C. § 1114 (2006).

913. *Id.* § 1143(a).

914. *Famous Horse*, 624 F.2d at 110.



*otherwise approved the use of the trademark satisfies the confusion requirement.*"<sup>915</sup>

Dismissal for failure to state a claim therefore had been inappropriate under both statutes.

At the trial court level, a particularly dubious motion to dismiss allegations of likely confusion was unsuccessfully pursued by three defendants using the DOYLE ALLIANCE GROUP mark for insurance brokerage services.<sup>916</sup> Two were former employees of the lead plaintiff, which had acquired the rights to the DOYLE CONSULTING mark as part of its purchase of another insurance brokerage business years earlier. The defendants' motion argued that no confusion was possible between the parties' marks as a matter of law, but the court held otherwise. As it explained, "likelihood of confusion is, at its core, a question of fact. As such, a motion to dismiss on this issue will only be granted if the defendant can establish that 'no reasonable factfinder could find a likelihood of confusion on any set of facts that plaintiff could prove.'"<sup>917</sup> Not surprisingly, the court had "little trouble concluding that Plaintiffs have adequately alleged a likelihood of confusion."<sup>918</sup> The defendants' motion relied heavily on the theory that the parties' customers were highly sophisticated, but the court held that that consideration was outweighed by "high degree of similarity" between the parties' marks,<sup>919</sup> as well as the plaintiffs' allegations that their mark was strong,<sup>920</sup> that the parties were engaged in direct competition,<sup>921</sup> and that "the targets of the parties' sales efforts are functionally the same."<sup>922</sup> Based on these averments, the court concluded, the defendants' motion was without merit.<sup>923</sup>

A different plaintiff survived a motion to dismiss its claims of trade dress protection for an electronic audit template allegedly copied by the defendant.<sup>924</sup> The defendant supported its motion with screen shots of the parties' respective templates in use, which the defendant argued demonstrated how distinguishable the

---

915. *Id.* at 109 (quoting *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 204-205 (2d Cir. 1979)).

916. *See Brown & Brown, Inc. v. Cola*, 745 F. Supp. 2d 588 (E.D. Pa. 2010).

917. *Id.* at 617 (citation omitted) (quoting *Qwest Commc'ns, Int'l v. Cyber-Quest, Inc.*, 124 F. Supp. 2d 297, 304 (M.D. Pa. 2000)).

918. *Id.*

919. *See id.* at 617.

920. *See id.*

921. *See id.*

922. *Id.*

923. *See id.*

924. *See DocMagic, Inc. v. Ellie Mae, Inc.*, 745 F. Supp. 2d 1119 (N.D. Cal. 2010).

templates were. In response, however, the plaintiff argued that its complaint claimed rights to a template that was different from the one underlying the defendant's motion. The court declined to resolve the issue of which party's identification of the plaintiff's template was accurate because, as it saw things, "[t]he court cannot decide at this stage the factual question of whether [the plaintiff's] audit reports actually appeared as they are described in the complaint; therefore, [the defendant's] argument provides no basis for dismissing this [trade dress] claim."<sup>925</sup> Of equal importance, the plaintiff had alleged "that [the defendant's] audit report is nearly indistinguishable from its own, that [the defendant intentionally copies [the plaintiff's] trade dress, and that [the defendant's product] is offered to consumers who previously used [the plaintiff's] products and who associate the trade dress in question with [the plaintiff's] products."<sup>926</sup> Dismissal was therefore inappropriate because "[t]hese facts are sufficient to raise a plausible inference of consumer confusion, either as to . . . source . . . or as to the affiliation of [the defendant] with [the plaintiff's] services."<sup>927</sup>

A final noteworthy opinion denying a motion to dismiss came in an action challenging Google's "sale" of the plaintiff's mark as a trigger for paid advertising when the mark was entered into Google's search engine.<sup>928</sup> The plaintiff asserted a claim for direct, rather than contributory, infringement, and this led Google to contend that Section 43(a)(1)(A)<sup>929</sup> should be narrowly construed to reach only the parties purchasing the advertising from Google.<sup>930</sup> The court rejected this argument on the ground that, if accepted, "it would undermine an abundance of case law explicitly holding that [Section 43(a)(1)(A)] does not require [a] defendant to be a direct competitor of [a] plaintiff."<sup>931</sup> "Neither case law nor congressional intent," it held, "provides support for the dramatic change in statutory interpretation espoused by plaintiff."<sup>932</sup>

Courts also declined to resolve the likelihood-of-confusion inquiry when considering the merits of motions for summary

---

925. *Id.* at 1140.

926. *Id.*

927. *Id.*

928. *See Jurin v. Google Inc.*, 768 F. Supp. 2d 1064 (E.D. Cal. 2011).

929. 15 U.S.C. § 1125(a)(1)(A) (2006).

930. As the court characterized this theory: "Because Defendant is a search engine, and not a producer of [competitive goods], Defendant argues that Plaintiff's claim is not properly brought against it." *Jurin*, 768 F. Supp. 2d at 1071.

931. *Id.* at 1072.

932. *See id.*

judgment,<sup>933</sup> with the Ninth Circuit in particular taking the position that “summary judgment is generally disfavored in the trademark arena.”<sup>934</sup> The occasion of this observation was the court’s vacatur of a finding as a matter of law that the defendant’s use of the word “Delicious” on T-shirts was unlikely to be confused with the plaintiff’s federally registered DELICIOUS mark for footwear. As the court read the summary judgment record, there were a number of likelihood-of-confusion factors that might be found to support the plaintiff’s position, including the strength of the plaintiff’s mark,<sup>935</sup> “the intuitively close relationship between women’s shoes and apparel in the minds of the consuming public,”<sup>936</sup> survey evidence wrongfully excluded by the district court,<sup>937</sup> and the possible sophistication of the parties’ consumers;<sup>938</sup> moreover, “[t]here are also genuine issues of material fact with respect to . . . marketing channels, likelihood of expansion, and [the defendant’s] intent[.]”<sup>939</sup> A remand therefore was necessary to allow a jury to address these issues in the first instance.<sup>940</sup>

Motions for summary judgment also proved unconvincing at the trial court level,<sup>941</sup> including one in which the parties agreed in briefing the defendant’s motion for judgment as a matter of law that “the purchasers of commercial urinals [such as those sold by both parties] are professional, sophisticated purchasers who

---

933. *See, e.g.,* Fleischer Studios, Inc. v. A.V.E.L.A., Inc., 654 F.3d 958, 968 (9th Cir. 2011) (vacating grant of defense motion for summary judgment of noninfringement on ground that “we are unable to ascertain a legal basis for the district court’s reasoning on the current record”).

934. *Fortune Dynamic, Inc. v. Victoria’s Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025, 1031 (9th Cir. 2010) (quoting *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1140 (9th Cir. 2002)).

935. *See id.* at 1034.

936. *Id.* at 1035.

937. *See id.* at 1035-38.

938. *Id.* at 1038.

939. *Id.*

940. *See id.* at 1039.

941. *See, e.g.,* Homeowner Options for Mass. Elders, Inc. v. Brookline Bancorp, Inc., 754 F. Supp. 2d 201, 210 (D. Mass. 2010) (concluding, without discussion of additional factors, that plaintiff’s showing of actual confusion precluded grant of defendants’ motion for summary judgment); *Coldwell Banker Real Estate, LLC v. Brian Moses Realty, Inc.*, 752 F. Supp. 2d 148, 171-73 (D.N.H. 2010) (improbably finding, in cursory analysis, a factual dispute as to whether former franchisee’s post-termination use of franchisor’s marks was likely to cause confusion); *Healix Infusion Therapy, Inc. v. Helix Health, LLC*, 737 F. Supp. 2d 648, 659 (S.D. Tex. 2010) (denying plaintiff’s motion for summary judgment on ground that “Plaintiff cites no evidence in support of the vast majority of the digits of confusion and devotes only four paragraphs of its briefing to this issue”); *Teter v. Glass Onion, Inc.*, 723 F. Supp. 2d 1138, 1155-56 (W.D. Mo. 2010) (holding that plaintiff’s evidence of likely confusion precluded entry of summary judgment on defendant’s invocation of nominative fair use and exhaustion doctrines).

exercise enhanced care when deciding between competing products.”<sup>942</sup> Because of the possibility of initial-interest confusion, however, this factor did not necessarily preclude confusion,<sup>943</sup> especially because the parties’ marks—ZURN ONE SYSTEMS, ZURN ONE, and THE PINT vs. SLOAN I PINT URINAL SYSTEM and SLOAN PINT URINAL SYSTEM—were sufficiently similar to support a finding of liability.<sup>944</sup> In addition, although the defendant’s moving papers disposed of the plaintiff’s evidence of actual confusion, “the absence of such evidence is not fatal to demonstrating likelihood of confusion.”<sup>945</sup> Finally, not only was it undisputed that the parties competed for the same customers,<sup>946</sup> the plaintiff managed to establish the existence of factual disputes concerning the conceptual and commercial strength of its marks,<sup>947</sup> as well as the defendant’s intent when adopting its mark.<sup>948</sup>

A motion for summary judgment filed by a group of defendants using the DRIVEUSA mark for automobile financing services also failed to establish that confusion was unlikely as a matter of law between the defendants’ mark and the plaintiffs’ DRIVE and DRIVE FINANCIAL SERVICES marks for closely related services.<sup>949</sup> The court found that the plaintiffs had made cognizable showings in their favor, including that “the overall appearances of the marks are somewhat similar,”<sup>950</sup> that “there is sufficient overlap and relatedness of the parties’ services to generate confusion,”<sup>951</sup> that “[t]he channels of trade, advertising and classes of prospective purchasers [would] allow a reasonable jury to find in plaintiffs’ favor,”<sup>952</sup> that candidates for subprime automobile financing might exercise a low degree of care,<sup>953</sup> and that “[t]he classes of prospective purchasers as well as the channels of trade overlap . . . .”<sup>954</sup> In light of its further finding that the plaintiffs’ marks were “reasonably strong,”<sup>955</sup> the court was disinclined to give dispositive weight to the absence of evidence of actual

---

942. *Zurco, Inc. v. Sloan Valve Co.*, 785 F. Supp. 2d 476, 496 (W.D. Pa. 2011).

943. *See id.* at 496-98.

944. *See id.* at 495.

945. *Id.* at 498.

946. *See id.* at 500.

947. *See id.* at 496.

948. *See id.* at 498-500.

949. *See Santander Consumer USA Inc. v. Walsh*, 762 F. Supp. 2d 217 (D. Mass. 2010).

950. *Id.* at 226.

951. *Id.*

952. *Id.* at 226-27.

953. *See id.* at 227.

954. *Id.*

955. *See id.*

confusion or that the defendants had adopted their marks with a bad-faith intent.<sup>956</sup>

A factual dispute over intent played a key role in the defeat of an additional defense bid for a finding of nonliability as a matter of law.<sup>957</sup> The court rejecting it previously had concluded that the plaintiff's claimed "overhead" mark was generic for garage doors and related services, but, because the plaintiff had asserted a cause of action for passing off, that determination did not obviate the need for a full-blown analysis of whether the defendants' use of the same word was likely to cause confusion. Not surprisingly, the strength-of-mark factor favored the defendants' position,<sup>958</sup> but momentum soon shifted the plaintiff's way. As the court read the summary judgment record, the parties' respective uses were sufficiently similar that that consideration supported a finding of liability,<sup>959</sup> as did the competitive proximity of their goods and services,<sup>960</sup> and the possible lack of care exercised by their customers.<sup>961</sup> Of equal importance, the court found that "[h]ere, Plaintiff offers evidence from which a jury could reasonably find that the [defendants] intended to confuse consumers into thinking that their products and services were those of Plaintiff."<sup>962</sup> That evidence included showings that the defendants intentionally emphasized "overhead" in their advertising and that "testimony of two instances in which a representative of the [defendants] either misrepresented to the customer that they [sic] had, in fact, contacted Plaintiff, or implied as much by remaining silent."<sup>963</sup>

A defense motion for summary judgment similarly failed in a packaging trade dress case between competitors in the motor-oil industry.<sup>964</sup> In support of their claims of infringement and unfair competition, the plaintiffs demonstrated to the court's satisfaction that "the two products share a number of features and appear very similar,"<sup>965</sup> that the presence of the parties' word marks on their bottles did not preclude confusion,<sup>966</sup> that the plaintiffs' trade dress was strong,<sup>967</sup> that the parties' goods were sold to the same

---

956. *See id.*

957. *See* PSK, LLC v. Hicklin, 757 F. Supp. 2d 836 (N.D. Iowa 2010).

958. *See id.* at 865.

959. *See id.* at 866-67.

960. *See id.* at 867.

961. *See id.* at 868-69.

962. *Id.* at 867.

963. *See id.* at 867-68.

964. *See* Shell Trademark Mgmt. B.V. v. Warren Unilube, Inc., 765 F. Supp. 2d 884 (S.D. Tex. 2011).

965. *Id.* at 899.

966. *Id.* at 899-900.

967. *See id.* at 901.

customers through the same channels of distribution,<sup>968</sup> that there was at least some evidence that the defendants had copied the plaintiffs' design, that a survey commissioned by the plaintiffs had yielded a 34.3% confusion rate,<sup>969</sup> and that the parties' customers were not necessarily sophisticated.<sup>970</sup> Based on these showings, the court concluded that "there is ample evidence suggesting that there may be a likelihood of confusion . . . . Numerous factual issues remain that should be resolved by the jury, so summary judgment of no likelihood of infringement is inappropriate."<sup>971</sup>

Another motion for summary judgment failed to convince the court entertaining it that confusion was unlikely as a matter of law between the plaintiff's registered REBELUTION mark for prerecorded music and the defendants' use of PITBULL STARRING IN REBELUTION as the title of a rap album.<sup>972</sup> The defendants argued that the plaintiff's mark was necessarily weak because it was descriptive, but the court concluded that the mark was "semi-strong" because it was "somewhere between the suggestive and fanciful categories";<sup>973</sup> moreover, although the summary judgment record contained evidence of third-party uses of the plaintiff's mark, including those of "five artists that all released albums named 'Rebelution' prior to plaintiff's use of [its] mark," the defendants failed to provide any evidence of the public's awareness of those uses.<sup>974</sup> The strength of the plaintiff's mark therefore weighed against a grant of the defendants' motion, as did the proximity of the parties' goods and services,<sup>975</sup> the similarities between the parties' respective uses,<sup>976</sup> and the shared marketing channels through which they promoted their goods.<sup>977</sup> Although the remaining likelihood-of-confusion factors examined by the court either favored the defendants or were neutral—including the absence of actual confusion,<sup>978</sup> conflicting evidence on the degree of care exercised by consumers,<sup>979</sup> the defendants' good faith when adopting their mark,<sup>980</sup> and the unlikelihood that the parties

---

968. *See id.*

969. *See id.*

970. *See id.* at 902.

971. *Id.*

972. *See Rebelution, LLC v. Perez*, 732 F. Supp. 2d 883 (N.D. Cal. 2010).

973. *Id.* at 891.

974. *See id.* at 892-93.

975. *See id.* at 893-94.

976. *See id.* at 894-95.

977. *See id.* at 896-97.

978. *See id.* at 895-96.

979. *See id.* at 897.

980. *See id.* at 897-98.

would expand their markets further<sup>981</sup>—these considerations did not mandate a finding of noninfringement as a matter of law.<sup>982</sup>

### (5) Unlikelihood of Confusion: Preliminary Relief

As always, the heightened standard applicable to plaintiffs' claims of likely confusion on motions for preliminary injunctions led to a number of those motions falling short.<sup>983</sup> Perhaps the most dramatic example of this phenomenon came in an appeal to the Ninth Circuit of a preliminary injunction against a counterclaim defendant's purchase, through both Google and Bing, of a competitor's trademark as a trigger for paid advertising: As the court framed the issue, "[t]he potential infringement . . . arises from the risk that while using [the counterclaim plaintiff's] mark to search for information about its product, a consumer might be confused by a results page that shows a competitor's advertisement on the same screen, when that advertisement does not clearly identify the source or its product."<sup>984</sup> Relying on past Ninth Circuit authority,<sup>985</sup> the district court had elevated three of the relevant likelihood-of-confusion factors—the so-called "Internet Troika" of mark similarity, the relatedness of the parties' goods and services, and the simultaneous use of the Internet as a marketing tool—to near-dispositive significance in finding that the counterclaim plaintiff was likely to succeed on the merits of its infringement claims.

The appellate court, however, had second thoughts about this approach: "Given the multifaceted nature of the Internet and the ever-expanding ways in which we all use the technology . . . , it makes no sense to prioritize the same three factors for every type of activity. The 'troika' is a particularly poor fit for the question presented here."<sup>986</sup> In particular:

In determining the proper inquiry for this particular trademark infringement claim, we adhere to two long-stated principles: the [likelihood-of-confusion] factors (1) are non-exhaustive, and (2) should be applied flexibly, especially in the context of Internet commerce. Finally, because the *sine qua*

---

981. *See id.* at 898.

982. *See id.* at 889-89.

983. *See, e.g.,* Z-Man Fishing Prods., Inc. v. Renosky, 790 F. Supp. 2d 418, 432 (D.S.C. 2010) (holding, in cursory analysis, that parties' labeling practices and absence of actual confusion precluded finding of likely confusion between designs of competing fishing lures).

984. *Network Automation, Inc. v. Advanced Sys. Concepts, Inc.*, 638 F.3d 1137, 1146 (9th Cir. 2011).

985. *See Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999).

986. *Network Automation*, 638 F.3d at 1148.

*non* of trademark infringement is consumer confusion, when we examine initial interest confusion, the owner of the mark must demonstrate likely confusion not mere diversion.<sup>987</sup>

The court then proceeded through each of its usual likelihood-of-confusion factors, concluding that the strength-of-mark factor favored the counterclaim plaintiff's position. It also suggested, however, that that factor would always favor a finding of liability if mark distinctiveness was not at issue:

This factor is probative of confusion here because a consumer searching for a generic term is more likely to be searching for a product category. That consumer is likely to expect to encounter links and advertisements from a variety of sources. By contrast, a user searching for a distinctive term is more likely to be looking for a particular product, and therefore could be more susceptible to confusion when sponsored links appear that advertise a similar product from a different source.<sup>988</sup>

Nevertheless, the court ultimately held that the district court had erred: (1) in allowing the competitive nature of the parties' goods "to weigh too heavily in the analysis";<sup>989</sup> (2) in concluding that the mark similarity factor necessarily favored the counterclaim plaintiff's position when, "after entering one company's mark as a search term, the consumer sees a competitor's sponsored link that displays neither company's trademarks";<sup>990</sup> (3) in finding that the parties' shared use of the Internet favored a finding of liability in light of the ubiquitous nature of that medium;<sup>991</sup> (4) in regarding Internet users as necessarily unsophisticated when "the default degree of consumer care is becoming more heightened as the novelty of the Internet evaporates and online commerce becomes commonplace";<sup>992</sup> (5) in determining that the counterclaim defendant necessarily intended to cause confusion rather than to engage in comparative advertising;<sup>993</sup> and (6) in failing to take into account the practice of both Google and Bing of "partition[ing] their search results pages so that the advertisements appear in separately labeled sections for 'sponsored' links."<sup>994</sup> Under these circumstances, the district

---

987. *Id.* at 1149.

988. *Id.*

989. *Id.* at 1150.

990. *Id.* at 1151.

991. *See id.*

992. *Id.* at 1152.

993. *See id.* at 1153.

994. *Id.* at 1154.



court's entry of preliminary injunctive relief had been an abuse of discretion.<sup>995</sup>

In a less doctrinally significant opinion, a Second Circuit district court declined to find that the presence of the word "glo" in a series of marks used by the defendants necessarily rendered those marks confusingly similar to a series of marks used by the plaintiff, which consisted in whole or in part of the word "go," despite the fact that the goods sold by the parties were competitive oral-care products.<sup>996</sup> Relying on dictionary definitions, the court found that "the parties' marks employ different words"; moreover, not only did "the companies' marks consist of more than the words 'go' and 'glo,'" it was also the case that the presentations of those marks differed.<sup>997</sup> The plaintiff did not help its case by presenting a scant showing of actual confusion, which the court concluded was outweighed by the results of an *Eveready* survey and a sequential array survey commissioned by the defendants.<sup>998</sup> With the plaintiff additionally unable to establish that the defendants had acted in bad faith<sup>999</sup> or that the parties' customers were "at least moderately sophisticated,"<sup>1000</sup> its bid for a preliminary injunction fell short.<sup>1001</sup>

Consumer sophistication played a more prominent role in the denial of preliminary injunctive relief to the plaintiff owner of the PEOPLES, PEOPLES FEDERAL, and PEOPLES FEDERAL SAVINGS BANK marks for banking services.<sup>1002</sup> On the critical issue of whether the parties' existing and prospective customers could distinguish between those marks and the PEOPLES UNITED BANK mark under which the defendant offered its competitive services, the court concluded that the plaintiff's infringement claim:

underestimates the level of care and sophistication that customers use when choosing a bank. Opening a bank account or choosing a mortgage is not an 'impulse purchase'. To the contrary, customers ordinarily gather information before choosing a bank and make their decision based on substantive factors (other than a bank's name). Because prospective bank

---

995. *See id.*

996. *See* GoSMiLE, Inc. v. Dr. Jonathan Levine, D.M.D. P.C., 769 F. Supp. 2d 630 (S.D.N.Y. 2011).

997. *Id.* at 641.

998. *See id.* at 642-45.

999. *See id.* at 645-46.

1000. *See id.* at 648.

1001. *See id.* at 648-49.

1002. *See* Peoples Fed. Sav. Bank v. People's United Bank, 750 F. Supp. 2d 217 (D. Mass. 2010).

clients exercise a relatively high degree of care, they are more likely to recognize the difference between the [parties'] banks.<sup>1003</sup>

A “paucity of evidence of actual confusion,”<sup>1004</sup> the absence of “compelling evidence that the defendant acted in bad faith,”<sup>1005</sup> and the weakness of the plaintiffs’ marks also weighed in the defendant’s favor.<sup>1006</sup>

Sophisticated consumers proved unnecessary to another defendant’s successful response to a preliminary injunction motion.<sup>1007</sup> The plaintiffs sought to protect two registered marks, MENTOS PURE FRESH and PURE WHITE; although registered as a standalone mark, the second of these appeared in the marketplace only in conjunction with the MENTOS mark. The plaintiffs sold chewing gum under their marks, and, when the defendant introduced a competitive product under the DENTYNE PURE mark, the plaintiffs pursued interlocutory relief. In declining to grant it, the court found that the parties’ marks were distinguishable as they appeared in the marketplace,<sup>1008</sup> and this conclusion overshadowed other likelihood-of-confusion factors that ordinarily would have favored a finding of liability, including the relatedness of the parties’ goods<sup>1009</sup> and the low degree of care exercised by the parties’ purchasers.<sup>1010</sup> The plaintiffs’ failure to demonstrate either actual confusion or a bad-faith intent by the defendant sealed the fate of their motion.<sup>1011</sup>

1003. *Id.* at 225-26 (citation omitted).

1004. *See id.* at 226.

1005. *See id.*

1006. *See id.* at 227.

1007. *See Perfetti Van Melle USA v. Cadbury Adams USA LLC*, 732 F. Supp. 2d 712 (E.D. Ky. 2010).

1008. The court’s findings on this issue included the following: (1) “the marks are linguistically and visually distinct”; (2) “[w]hen pronounced, they each have a different number of syllables, whose combination is not similar”; (3) “[t]he various fonts used in each mark are different”; (4) “[t]he visual elements of each mark are . . . dissimilar”; (5) “[t]he color schemes of each mark are different, and vary depending on the flavor of the product represented”; and, finally, (6) “any small likelihood of confusion that may exit is significantly decreased by the parties’ prominent display of the widely-recognized brand names (our [sic] ‘house marks’) ‘Mentos’ or ‘Dentyne.’” *Id.* at 721. En route to these conclusions, the court rejected the plaintiffs’ reliance on expert witness testimony that the parties’ mutual use of the word “pure” would drive consumers’ perception of the parties’ products. *See id.* at 720.

1009. *See id.* at 722 (“Despite the uncontested relatedness of the parties’ goods, because the parties’ marks are dissimilar this factor does not weigh in favor of a finding of a likelihood of confusion.”).

1010. *See id.* at 723 (“That consumers exhibit a low degree of care when purchasing gum does weigh in favor of finding a likelihood of confusion; however, this finding is relatively insignificant in light of the significant dissimilarity of the parties’ competing marks.”).

1011. *See id.* at 722, 723-25.

Dissimilarities between the parties' marks also drove the denial of a preliminary injunction motion brought to protect the YOLK mark for restaurant services.<sup>1012</sup> The defendants' mark—NEW YOLK NEW YOLK, also for restaurant services—incorporated the plaintiffs' mark in its entirety, but the court found that the overall impressions the marks created were distinguishable: Not only were the marks presented in different formats and with different designs, but "Defendants associate the name of their restaurant with 'New York, New York' rather than, as Plaintiffs contend, attempting to call their restaurant a new 'Yolk.'"<sup>1013</sup> With other likelihood-of-confusion factors lining up in the defendants' favor, including the "between 16 and 18 mile[]" distance between the parties' restaurants,<sup>1014</sup> the "reasonable degree of care" exercised by consumers,<sup>1015</sup> the "weak and unpersuasive" nature of the plaintiffs' evidence of actual confusion,<sup>1016</sup> and the absence of bad faith on the defendants' part,<sup>1017</sup> confusion was unlikely.

Several of the same considerations drove a finding of noninfringement as a matter of law in a case between sellers of specialized masking tape for painters.<sup>1018</sup> The counterclaim plaintiff, which owned federal registrations of the FROG TAPE and PAINT BLOCK marks and also claimed protectable rights to a stylized frog design,<sup>1019</sup> objected to the counterclaim defendant's use of BLOC IT PAINTERS TAPE in connection with masking tape and to the counterclaim defendant's use of a composite mark consisting of the words LILI LOW-ENVIRONMENTAL IMPACT LINE FROM INTERTAPE and a stylized frog design in connection with an environmental stewardship program. The court held that the counterclaim defendant was entitled to summary judgment for

---

1012. *See Kastanis v. Eggstacy LLC*, 752 F. Supp. 2d 842 (N.D. Ill. 2010).

1013. *Id.* at 851.

1014. *See id.* at 853-54.

1015. *See id.* at 854.

1016. *See id.* at 855-57. The plaintiffs relied on affidavit testimony from their own employees describing inquiries about the possible affiliation of the parties, but their deposition testimony was far less conclusive. Testimony by one of the plaintiffs' general managers of third parties mistakenly mentioning the plaintiffs' new location and of another employee that he had received inquiries about the defendants' restaurant was discounted for the same reason. Finally, the testimony of a third party that her niece had mentioned eating at "Yolk" in the suburb in which the defendants' restaurant was located failed to carry the day, largely because of testimony from the niece herself. *Id.* at 855.

1017. *See id.* at 857-58.

1018. *See Intertape Polymer Corp. v. Inspired Techs., Inc.*, 725 F. Supp. 2d 1319 (M.D. Fla. 2010).

1019. The plaintiff also asserted rights to the IT WORKS mark, but the court concluded that the plaintiff had failed to prove the mark's use in connection with the plaintiff's tape. *See id.* at 1325-26.

multiple reasons, including the weakness of the counterclaim plaintiff's marks,<sup>1020</sup> the court's finding that there was "little similarity" between the parties' marks when compared in their entirety,<sup>1021</sup> the absence of a bad-faith intent on the counterclaim defendant's part,<sup>1022</sup> and the failure of the counterclaim plaintiff's responsive papers "to discuss a single instance where a retailer or end-consumer expressed any confusion related to the parties' marks."<sup>1023</sup> As a final matter, the court noted that "while by no means dispositive, [the] BLOC IT [PAINTER'S TAPE] and PAINT BLOCK marks are both federally registered marks, and the U.S. Patent and Trademark Office considered [the prior-registered] PAINT BLOCK mark before registering [the counterclaim defendant's] BLOC IT [PAINTER'S TAPE] mark."<sup>1024</sup>

Mark weakness also played a role in the failure of a preliminary injunction motion to protect a putative family of marks that all incorporated the word "edge."<sup>1025</sup> Unfortunately for the plaintiff, the court found that "there is no evidence in the record showing that the purchasing public recognizes that the term 'edge' in the asserted marks is indicative of a common origin of goods";<sup>1026</sup> indeed, the court noted, "[the defendant] has produced evidence that the term 'edge' is found in many registered trademarks and product names that are *not* owned or licensed by [the plaintiff]."<sup>1027</sup> The plaintiff's case was not helped by the rest of the evidentiary record, which failed to establish that the primary mark upon which the plaintiff relied, EDGE for video games, was even in use, that the defendant had acted in bad faith when adopting its MIRROR'S EDGE mark, also for video games, that there had been any actual confusion in the twenty-one months in which the defendant had used its mark, or that consumers exercised a low degree of care when purchasing video games.<sup>1028</sup> Finally, to the extent that the primary marks at issue had similar appearances, that was in part because the plaintiff had modified its own mark to bring it closer to the defendant's mark.<sup>1029</sup>

In contrast, third-party use was rejected as evidence of mark weakness in another case, but the resulting finding that the

---

1020. *See id.* at 1329-30.

1021. *See id.* at 1330-31.

1022. *See id.* at 1331.

1023. *See id.* at 1332.

1024. *Id.* at 1331-32.

1025. *See* *Edge Games, Inc. v. Elec. Arts, Inc.*, 745 F. Supp. 2d 1101 (N.D. Cal. 2010).

1026. *Id.* at 1117.

1027. *Id.*

1028. *See id.* at 1116.

1029. *See id.* at 1117.

counterclaim plaintiff's SICK BOY mark for "motorcycle lifestyle-themed" clothing and accessories was strong did little to assist the counterclaim plaintiff in securing a preliminary injunction against the use of SICK BOY'S BAD HABIT LOUNGE for a beach bar and restaurant.<sup>1030</sup> When viewed in their entirety, the parties' marks were only "somewhat similar," and, although there might be "some overlap between the rebellious attitude the two parties seek to tap into amongst their customers," the court found that "the products they offer are distinctly different, particularly given the evidence that [the counterclaim defendant] does not sell t-shirts or other articles of clothing bearing the bar's name."<sup>1031</sup> In addition, "[t]he parties' sales outlets and customer bases are mostly distinct,"<sup>1032</sup> even if both parties were "associated in some fashion with live rock music"<sup>1033</sup> and even if both used the Internet as a promotional tool.<sup>1034</sup> With the court unwilling to accord significant weight to the counterclaim plaintiff's testimony of actual confusion because that testimony failed to document mistaken purchasing decisions, the counterclaim plaintiff's motion came up short.<sup>1035</sup>

A further finding of no likely confusion on a motion for a preliminary injunction came in an action in the District of Delaware between competitors in the market for coffee-filled cartridges for use with the plaintiff's coffee machines.<sup>1036</sup> The gravamen of the plaintiff's infringement and unfair competition claims was that the defendant had created a likelihood of confusion through its marketing of coffee-filled cartridges allegedly compatible with the plaintiff's coffee machines. It was undisputed that the defendant used an actual reproduction of the plaintiff's mark in "small text on the bottom left hand corner of the front of [its] package" and that the same package contained a disclaimer of affiliation on its bottom panel.<sup>1037</sup> Because the defendant maintained it was making only a nominative fair use of the plaintiff's mark, the court applied a modified version of the Third Circuit's usual test for likely confusion,<sup>1038</sup> which led to a finding that the relatively low price of the parties' goods favored the plaintiff.<sup>1039</sup> Under that modified test, however, the absence of bad

---

1030. See *Blackwall Grp. v. Sick Boy, LLC*, 771 F. Supp. 2d 1322 (M.D. Fla. 2010).

1031. *Id.* at 1327.

1032. *Id.*

1033. *Id.*

1034. See *id.* at 1328.

1035. See *id.*

1036. See *Keurig, Inc. v. Strum Foods, Inc.*, 769 F. Supp. 2d 699 (D. Del. 2011).

1037. *Id.* at 704.

1038. See *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 224-25 (3d Cir. 2005).

1039. See *Keurig*, 769 F. Supp. 2d at 708.

faith by the defendant favored a finding of nonliability, and the factors of customer similarity, relatedness of products, and shared markets were neutral.<sup>1040</sup> Based on the preliminary injunction record, the court therefore found that “[p]laintiff has not shown a likelihood of success . . . proving a likelihood of consumer confusion under the . . . test [for infringement] as modified for nominative fair use . . . .”<sup>1041</sup>

A final notable opinion denying a request for preliminary relief for want of likely confusion might well have done so under the rubric of the nominative fair use doctrine instead.<sup>1042</sup> The suit producing it was filed by the purveyor of an interactive computer game against a group of defendants that sold an automated software product allowing players of the game to advance through it without actually playing. There was no dispute that the defendants were using a well-recognized abbreviation—“RS”—of the plaintiff’s RUNESCAPE mark to promote their software, but that did not mandate a finding of infringement as far as the court was concerned. Indeed, to the contrary:

[T]he defendants are not obviously using the mark to cause consumer confusion. It is clear from the name of the defendants’ website (“RS Cheating Asylum”) that it does not promote a version of the Runescape game itself but rather a program intended to cheat that game. Thus, because it is implausible that the creator of a computer game would create a website that encourages players to cheat at it, the likelihood of consumer confusion is slim.<sup>1043</sup>

### **(6) Unlikelihood of Confusion: As a Matter of Law**

Although such a disposition was rare, some courts addressed plaintiffs’ claims of likely confusion at the pleadings stage of the cases before them and found those claims fatally deficient. For example, two courts dismissed causes of action challenging the defendants’ sale of diverted genuine goods bearing allegedly infringing marks after the defendants pointed out that the plaintiffs had failed to aver the existence of material differences between the challenged goods and their authorized counterparts that might lead to a likelihood of confusion.<sup>1044</sup> And another granted a motion to dismiss a cause of action grounded in a bare

---

1040. *See id.* at 708-09.

1041. *Id.* at 710.

1042. *See Jagex Ltd. v. Impulse Software*, 750 F. Supp. 2d 228 (D. Mass. 2010).

1043. *Id.* at 238.

1044. *See Prince of Peace Enters. v. Top Quality Food Mkt., LLC*, 760 F. Supp. 2d 384, 394-95 (S.D.N.Y. 2011); *Leonel & Noel Corp. v. Cervceria Centro Americana, S.A.*, 758 F. Supp. 2d 596, 603-04 (N.D. Ill. 2010).

conclusory statement that the defendant's comparative advertisements "were intended to confuse and/or deceive customers into thinking about some connection" between the parties.<sup>1045</sup>

Other holdings of noninfringement as a matter of law came in appeals in which defendants successfully had pursued the entry of summary judgment in their favor below. These included one from the Eleventh Circuit that produced an arguably correct result but only through the use of arguably incorrect methodology.<sup>1046</sup> The parties' marks were DAN TANA'S, used (but not registered) by the plaintiff for a Los Angeles-area restaurant, and DANTANNA'S, used by the defendants in Atlanta, also in connection with restaurant services. The court previously had recognized that a junior user can secure priority of rights in areas not yet occupied by an unregistered senior user,<sup>1047</sup> and the defendants' occupation of the Atlanta metropolitan area prior to the plaintiff doing so might well have produced a finding as a matter of law that the defendants, rather than the plaintiff, enjoyed priority of rights in that market.<sup>1048</sup> Instead, the court held that the absence of an overlap between the parties' areas of operation was properly considered as part of the likelihood-of-confusion test for infringement, a consideration that the court concluded weighed in the defendants' favor.<sup>1049</sup> Other factors establishing that confusion was unlikely as a matter of law included the weakness of the plaintiff's mark,<sup>1050</sup> the parties' "strikingly dissimilar" restaurants, which served "dissimilar" customers,<sup>1051</sup> the parties' "separate and

---

1045. See, e.g., *Forest River, Inc. v. Heartland Recreational Vehicles, LLC*, 753 F. Supp. 2d 753, 766-67 (N.D. Ind. 2010).

1046. See *Tana v. Dantanna's*, 611 F.3d 767 (11th Cir. 2010).

1047. See generally *Angel Flight of Ga., Inc. v. Angel Flight Am., Inc.*, 522 F.3d 1200, 1208-09 (11th Cir. 2008).

1048. Indeed, the court briefly hinted at such a result but then failed to follow its analysis through to the logical conclusion that the plaintiff had no rights in the Atlanta market that the defendants could have infringed. See *Tana*, 611 F.3d at 781 ("[B]ecause Plaintiff continued to operate only [at] a single location . . . at the time Defendants registered their mark, his trademark rights . . . are limited to the Los Angeles market.").

1049. See *id.* at 780-82.

1050. See *id.* at 776-77.

1051. See *id.* at 777-78. As the court explained:

[T]he only apparent commonality between the two restaurants is that they are both fine-dining establishments serving meat and fish. [The plaintiff's restaurant] is an old-world-style Italian restaurant where mustached waiters dressed in tuxedos serve classic Italian dishes off a menu embellished with Italian language. The ambiance is cozy, intimate, romantic, low-lit, and the restaurant caters to Hollywood's elite and to celebrities seeking a safe haven from paparazzi. In stark contrast, [the defendants' restaurant] in Atlanta is an upscale sports restaurant, targeting sports enthusiasts and serving contemporary American cuisine in a modern setting decorated with flat-screen televisions.

distinct” websites, which suggested “two completely unrelated business entities,”<sup>1052</sup> “scant evidence of any intention of Defendants to misappropriate Plaintiff’s mark,”<sup>1053</sup> and only two instances of actual confusion in the five years of the parties’ concurrent use of their marks.<sup>1054</sup> In the face of these showings by the defendants, “the similarity of the marks . . . and the undisputed similarity of the parties’ sales methods . . . merely suggest a threshold potential for confusion and are thus entitled to little weight.”<sup>1055</sup>

The Eighth Circuit similarly affirmed the grant of a defense motion for summary judgment in a case arising from uses of the SENSIENT FLAVORS and SENSORYEFFECTS FLAVOR SYSTEMS marks in connection with flavor-delivery systems.<sup>1056</sup> The court credited findings below that the plaintiff’s mark was fanciful and therefore strong and that the parties were direct competitors.<sup>1057</sup> Nevertheless, it also concluded that these considerations were outweighed by others documented in the summary judgment record, which included showings by the defendant that there were “significant visual differences between the marks” as they appeared in the marketplace,<sup>1058</sup> that “the ordinary customer of [the parties’] products is sophisticated and any particular sale is the result of a long collaborative process,”<sup>1059</sup> that the defendant had selected the challenged mark with an intent to capitalize on the goodwill of one of its former marks,

---

*Id.* at 778.

1052. *See id.*

1053. *See id.*

1054. *See id.* at 779.

1055. *Id.* at 775.

1056. *See Sensient Techs. Corp. v. SensoryEffects Flavor Co.*, 613 F.3d 754 (8th Cir. 2010), *cert. denied*, 131 S. Ct. 1603 (2011).

1057. *See id.* at 763-64, 766.

1058. *See id.* at 765.

1059. *See id.* The sophistication of the parties’ customers was a key consideration underlying the court’s rejection of the plaintiff’s argument that those customers were likely to experience initial-interest confusion, even if they ultimately made purchases with full knowledge of with whom they were dealing:

We decline [the plaintiffs] invitation to adopt the “initial interest confusion” doctrine in this case because, even if the doctrine applied generally in this circuit, it would not apply in this case. Under the doctrine, courts look to factors such as product relatedness and the level of care exercised by customers to determine whether initial interest confusion exists. Here, although the products are similar, the parties agree the customers are sophisticated and exercise a relatively high degree of care in making their purchasing decisions. This sophistication makes it less likely customers will experience initial confusion, ultimately resulting in a benefit to the alleged infringer. As a result, the district court correctly rejected the application of the doctrine under these facts.

*Id.* at 766 (citations omitted).



rather than that of the plaintiff's mark,<sup>1060</sup> and that the plaintiff's "negligible" evidence of actual confusion could not be tied to the challenged mark.<sup>1061</sup>

Findings of no likelihood of confusion as a matter of law also came in trial court opinions that were not reviewed on appeal.<sup>1062</sup> A plaintiff in one case resolved in this manner fell short in its attempt to convince a Tenth Circuit district court that online advertising triggered by the defendant's purchase of the plaintiff's mark as a keyword, but which did not itself feature the plaintiff's mark, was likely to cause confusion.<sup>1063</sup> The court was unimpressed with an analogy offered by the plaintiff and offered its own as an alternative:

Plaintiff asserts that whenever [one of the defendant's] advertisement[s] appears when a consumer enters the [plaintiff's mark as a] search term . . . , it is akin to a consumer asking a pharmacist for Advil and the pharmacist handing the consumer Tylenol. This analogy mischaracterizes how search engines function. A more correct analogy is that when a consumer asks a pharmacist for Advil, the pharmacist directs the consumer to an aisle where the consumer is presented with any number of different pain relievers, including Tylenol. If a consumer truly wants Advil, he or she will not be confused by the fact that a bottle of Tylenol is on a shelf next to Advil because of their different appearances.<sup>1064</sup>

The court then went on to observe that:

Because a consumer cannot see a keyword, nor tell what keyword generated an advertisement, the court concludes that the mere purchase of a trademark as a keyword cannot *alone* result in consumer confusion. Accordingly, the relevant inquiry here regarding consumer confusion is not just what keyword was purchased, but what was the language of the advertisement generated by that keyword.<sup>1065</sup>

Largely as a result of the "overwhelming dissimilarity between Plaintiff's mark and the advertisements," the defendant's "neutral intent," the absence of actual confusion, and the "little likelihood of confusion due to an inverse relationship between the strength of

---

1060. *See id.* at 766-68.

1061. *See id.* at 768.

1062. *See, e.g.,* Great Neck Saw Mfrs., Inc. v. Star Asia U.S.A., LLC, 727 F. Supp. 2d 1038, 1064 (W.D. Wash. 2011) (granting defense motion for partial summary judgment on ground that "in opposing [the defendant's] motion, [the plaintiff] offers no admissible evidence concerning a number of the [likelihood-of-confusion] factors").

1063. *See* 1-800 Contacts, Inc. v. Lens.com, Inc., 755 F. Supp. 2d 1151 (D. Utah 2010).

1064. *Id.* at 1173.

1065. *Id.* at 1174.

Plaintiff's mark and the lack of encroachment by Defendant's advertisements," summary judgment of nonliability was appropriate.<sup>1066</sup>

Claims of forward and reverse confusion similarly fell short on defense motions for summary judgment in a case from the Southern District of New York.<sup>1067</sup> The plaintiff claimed protectable rights to a number of composite marks consisting in part of the words LITTLE MISS, a character trait, and a cartoon figure, of which the following were representative examples:



Although the characters had their origins in a series of books produced by the plaintiff, they had been licensed to a clothing manufacturer, and the plaintiff therefore objected to the introduction by the Walt Disney Co. of two lines of "Miss Disney/Little Miss Disney" T-shirts featuring its own characters:



Weighing the parties' cross-motions for summary judgment in an initial opinion addressing the plaintiff's claims for forward confusion, the court reached a finding of nonliability as a matter of law.<sup>1068</sup> According to the court's reading of the summary judgment record, several of the relevant likelihood-of-confusion factors weighed in the plaintiff's favor: (1) the plaintiff's marks were

1066. *Id.* at 1181.

1067. See *THOIP v. Walt Disney Co.*, 736 F. Supp. 2d 689 (S.D.N.Y. 2010) (*THOIP II*), later proceedings, 788 F. Supp. 2d 168 (S.D.N.Y. 2011) (*THOIP III*). An earlier opinion, *THOIP v. Walt Disney Co.*, 690 F. Supp. 2d 218 (S.D.N.Y. 2010) (*THOIP I*), addressed the admissibility of the parties' survey evidence.

1068. See *THOIP II*, 736 F. Supp. 2d at 715.

inherently distinctive;<sup>1069</sup> (2) the parties' goods were competitive;<sup>1070</sup> and (3) the parties' goods were roughly equal in quality.<sup>1071</sup> At the same time, however: (1) "the images of Disney's famous characters, along with the presence of Disney's name on the tags and labels, dispel forward confusion";<sup>1072</sup> (2) there was no anecdotal evidence of actual confusion, and, indeed, survey results adduced by Disney were "strong evidence that there is no actual confusion";<sup>1073</sup> and (3) "[w]hile Disney almost undoubtedly intended to copy [the plaintiff's] shirts, other evidence indicates that Disney did not have the requisite intent to deceive."<sup>1074</sup> All things considered, the court held, "no reasonable juror could find forward confusion."<sup>1075</sup>

In a second opinion in the same litigation, the court found as a matter of law that reverse confusion also was unlikely between the parties' uses, with its treatment of one factor, that of mark strength, standing out in particular.<sup>1076</sup> Based on the plaintiff's claim that Disney's uses threatened to overwhelm the plaintiff's marks, the court was willing to entertain the theory that the strength of Disney's marks weighed in favor of liability. Nevertheless, it found that theory unsupported by the factual record, which established that Disney's shirts had not been extensively promoted, that there was no geographic overlap in the distribution of the shirts that were most likely to be confused, that "there is nothing to indicate that the [parties' goods] ever appeared in the same stores at the same time," that the market for T-shirts was fragmented, and that the purchase of T-shirts was a "low involvement" activity.<sup>1077</sup> Based on these considerations, the possibility of the plaintiff's products being associated with those of Disney was low, and, with the plaintiff unable to identify any evidence of actual confusion or bad faith, summary judgment therefore was appropriate.<sup>1078</sup>

Entry of summary judgment of noninfringement also disposed of a federal registrant's counterclaim to protect the color pink in connection with medical skin markers.<sup>1079</sup> The parties' goods were

---

1069. *See id.* at 710.

1070. *See id.* at 711-12.

1071. *See id.* at 714.

1072. *Id.* at 711.

1073. *Id.* at 712.

1074. *Id.* at 714.

1075. *Id.* at 715.

1076. *THOIP III*, 788 F. Supp. 2d at 190.

1077. *Id.*

1078. *See id.* at 191.

1079. *See DeSena v. Beekley Corp.*, 729 F. Supp. 2d 375 (D. Me. 2010).

competitive, and there was conflicting record evidence on the issues of the strength of the counterclaim plaintiff's mark and the counterclaim defendants' intent when adopting their own shade of pink. Nevertheless, "[a] reasonable jury would have to find that the total effect of the appearance of [the counterclaim defendants'] marker is very different from any . . . use of [the counterclaim plaintiff's] pink that is in the record," especially because the counterclaim defendants displayed a conventional verbal mark on their goods.<sup>1080</sup> Moreover, because "[a]n initial decision to purchase skin markers typically involves multiple phone calls, product sampling, and feedback from technicians," the sophistication of the parties' customers also weighed in the defendants' favor.<sup>1081</sup> With the counterclaim plaintiff having failed to adduce any evidence of actual confusion, "the likelihood of confusion is nil."<sup>1082</sup>

Sophisticated consumers were not limited to those of medical equipment, and, indeed, one court concluded in a trade dress action arising from allegedly similar packaging that the intended consumers of dolls sold under the BARBIE and BRATZ marks—"young females"—were "remarkably aware" of their options.<sup>1083</sup> The counterclaim plaintiff's case was not helped by that consideration, and the court further found on the summary judgment record that the claimed trade dresses were weak,<sup>1084</sup> that the parties' packages weren't similar and, in any case, featured distinguishable word marks,<sup>1085</sup> and that the counterclaim defendant's concern about the competitive threat posed by the counterclaim plaintiff did not establish a bad-faith intent to copy the counterclaim plaintiff's packaging.<sup>1086</sup> All that favored the counterclaim plaintiff's position was the competitive proximity of the parties' goods,<sup>1087</sup> but that was not enough to create a factual dispute as to the counterclaim defendant's liability.<sup>1088</sup>

These opinions notwithstanding, a finding of consumer sophistication is not a prerequisite for a successful motion for summary judgment of noninfringement, and, indeed, one defendant overcame a finding that the parties' goods were impulse-purchase items en route to a demonstration that confusion was unlikely as a matter of law between its 6 HOUR POWER mark

---

1080. *Id.* at 398.

1081. *Id.*

1082. *Id.* at 400.

1083. *See* *Mattel, Inc. v. MGA Entm't, Inc.*, 782 F. Supp. 2d 911, 1009 (C.D. Cal. 2011).

1084. *See id.* at 1008.

1085. *See id.* at 1008-09.

1086. *See id.* at 1010.

1087. *See id.* at 1008.

1088. *See id.* at 1010.

and the plaintiffs' 5-HOUR ENERGY mark.<sup>1089</sup> Other factors favoring the plaintiffs' case included the competitive nature of the parties' energy drinks and their shared channels of distribution,<sup>1090</sup> but these were balanced by the court's conclusions that the plaintiffs' descriptive mark could never become strong,<sup>1091</sup> that the appearances of the parties' marks in the marketplace were "decidedly dissimilar,"<sup>1092</sup> and that the defendant had adopted its mark in good faith.<sup>1093</sup> Of equal significance, the court was unconvinced by the plaintiffs' anecdotal evidence and survey evidence of actual confusion: The former consisted primarily of inquiries about the possible affiliation of the parties, testimony by individuals only casually acquainted with them, or inadmissible hearsay,<sup>1094</sup> while the latter was entitled to little weight in light of leading questions employed by the survey.<sup>1095</sup>

### (7) Unlikelihood of Confusion: After Trial

One finding of noninfringement in a bench trial had its origins in a suit to protect the federally registered A TASTE OF PHILADELPHIA mark for the mail and Internet sale of gift baskets containing food items with Philadelphia ties, including "stamped pre-made pretzels."<sup>1096</sup> The defendant, a purveyor of "hand-made soft pretzels and other pretzel-related items,"<sup>1097</sup> used the "A TASTE OF PHILLY" HAND TWISTED SOFT PRETZEL BAKERY mark, complete with pretzel design, which the court found to be distinguishable in visual appearance,<sup>1098</sup> to have a "different auditory impression[],"<sup>1099</sup> and to "unequivocally convey[] a more specific product offering."<sup>1100</sup> The conceptual and

---

1089. *See* Innovation Ventures, LLC v. N.V.E., Inc., 747 F. Supp. 2d 853, 868 (E.D. Mich. 2010).

1090. *See id.*

1091. *See id.*

1092. *See id.*

1093. *See id.* at 870.

1094. *See id.* at 869-70.

1095. *See id.* at 869.

1096. *See* R.J. Ants, Inc. v. Marinelli Enters., 771 F. Supp. 2d 475, 483 (E.D. Pa. 2011).

1097. *See id.* at 485.

1098. As the court explained, "Plaintiff's mark depicts an image of the Liberty Bell with the words 'A Taste of' above the image and the word 'Philadelphia' beneath the image. At the bottom of the mark is a picture of Ben Franklin holding a hoagie." *Id.* at 490. In contrast, "Defendant's mark depicts an image of a pretzel with the words 'A Taste of Philly' in quotation marks above the image and the words 'Hand Twisted Soft Pretzel Bakery' beneath the image. The wording in Defendant's mark is lower-case, with only the first letter of each word capitalized." *Id.*

1099. *See id.*

1100. *See id.* at 491.

commercial weakness of the plaintiff's mark also weighed in the defendant's favor,<sup>1101</sup> as did the parties' "distinct channels of trade, dissimilar pricing practices, and different classes of consumers."<sup>1102</sup> The plaintiff's inability to explain whether consumers mistakenly contacting it "were actually confused by the parties' marks or were misdirected to Plaintiff for some unknown reason,"<sup>1103</sup> the defendant's good-faith adoption and use of its mark,<sup>1104</sup> the parties' use of dissimilar marketing channels to target different audiences,<sup>1105</sup> and the parties' differing goods<sup>1106</sup> further supported the defense verdict.

Another finding of noninfringement after trial was made by a jury charged with deciding the likelihood of confusion between the plaintiff's incontestably registered SEALTITE mark and the defendant's SEALTITE BUILDING FASTENERS mark, both of which were used in connection with fasteners.<sup>1107</sup> The jury found that confusion was unlikely, and the court declined to disturb that decision. The parties' marks were similar at least to some extent, but that was the only factor weighing in the plaintiff's favor. With respect to the competitive proximity of the parties' goods, the court determined that "[t]he evidence . . . showed convincingly that other than the fact that both products are fasteners, they are distinctly and vastly different in their features and characteristics, functions, and pricing structure."<sup>1108</sup> The court was equally unconvinced both that the defendant's failure to conduct an availability search before adopting its mark constituted evidence of bad faith<sup>1109</sup> and that the

---

1101. The court found that the plaintiff's mark was descriptive and lacked secondary meaning, *see id.* at 491-93; consistent with the second of these determinations, it then concluded based on the plaintiff's lack of profitability and evidence of third-party use that "Plaintiff's breadth of sales and reputation within its industry are lacking and . . . suggest[] that its mark is not particularly well known in the public's eye." *Id.* at 494.

1102. *See id.* at 495.

1103. *See id.* at 497.

1104. *See id.* at 497-98.

1105. *See id.* at 498-99.

1106. *See id.* at 499-500.

1107. *See B & B Hardware, Inc. v. Hargis Indus.*, 736 F. Supp. 2d 1212 (E.D. Ark. 2010).

1108. *Id.* at 1220-1221. The court elaborated on this point with the following observations:

[The plaintiff's] product is a high-precision fastener designed for light tolerances and high pressure environments. Its fasteners require pre-drilled and pre-tapped holes with a precision fit. [The defendant's] construction fasteners are self-tapping, self-drilling screws designed to attach sheet metal to wood and steel frames. [The plaintiff markets to NASA, Boeing and the military and claims that its screws are designed for equipment ranging from the space shuttle to underwater cameras. [The plaintiff] offered no credible evidence to rebut [the defendant's] witnesses' testimony that there is no possible cross-over between the companies' products.

*Id.* at 1221.

1109. *See id.*

jury had not been entitled to reject the plaintiffs' receipt of inquiries about the defendant's goods as proof of actual confusion.<sup>1110</sup> As final considerations, the defendant "presented extensive evidence at trial regarding the high degree of care exercised by its customers or potential customers, including the types of applications in which its fasteners are used, the importance of price and quick turnaround, and the distinct differences between the markets in which [the parties] sell."<sup>1111</sup>

### *c. Exhaustion of Rights and Diverted Goods*

Courts hearing cases involving diverted goods such as parallel imports have long held that if those goods are materially identical to their authorized counterparts, a finding of likely confusion will not lie. This principle led two courts to dismiss, at the pleadings stage, a challenge to the sale of allegedly diverted goods.<sup>1112</sup> Declining to apply the standard multifactor test for infringement, one of those courts held instead that:

When the mark in question is affixed to a "gray good"—that is a good allegedly unauthorized for sale in the relevant market but bearing the manufacturer's actual trademark—courts employ a two part test for determining whether that likelihood of confusion exists. A likelihood exists when (1) the goods were not intended to be sold in the market in question, and (2) the goods are materially different from the goods typically sold in that market under the mark. On the other hand, when no material difference exists between the goods in question, then the mere unauthorized sale of the trademarked good does not create an actionable likelihood of confusion.<sup>1113</sup>

Because the complaint failed to aver the existence of material differences between the parties' branded goods, it failed to state claims for infringement and unfair competition under the second prong of this standard.<sup>1114</sup>

### *d. Survey Evidence of Actual or Likely Confusion*

An unusual contributory infringement claim led to an unusual disposition of the plaintiff's survey evidence at the hands of the

---

1110. *See id.*

1111. *Id.* at 1222.

1112. *See Prince of Peace Enters. v. Top Quality Food Mkt., LLC*, 760 F. Supp. 2d 384 (S.D.N.Y. 2011); *Leonel & Noel Corp. v. Cervecería Centro Americana, S.A.*, 758 F. Supp. 2d 596 (N.D. Ill. 2010).

1113. *Prince of Peace Enters.*, 760 F. Supp. at 394-95 (footnote omitted) (citations omitted).

1114. *See id.* at 395.

Eighth Circuit.<sup>1115</sup> The gravamen of the plaintiff's case was that the defendant had induced third parties to place the defendant's paper towels into dispensers bearing the plaintiff's marks. In support of its challenge to that conduct, the plaintiff submitted evidence at trial purporting to demonstrate that 23 percent of respondents using towels from the dispensers thought that the brand of the towels was the same as that of the dispensers; the defendant countered with criticisms of the plaintiff's survey and survey evidence of its own that, as described by the court, "11.4% of respondents almost always thought the brand on the dispenser was the same as [on] the towels, and 36.5% thought they were sometimes the same."<sup>1116</sup> The plaintiff argued that either the results of its survey (even as discounted by the defendant's criticisms) or the defendant's own survey results proved that direct infringement had occurred as a matter of law, but the Eighth Circuit saw two reasons to reject that argument. First, it declined to hold that the district court had abused its discretion in concluding that "the entire premise of the survey was flawed, as this type of survey helps determine the likelihood of confusion between two marks, not whether a mark on one product is source-identifying of a complementary unmarked product."<sup>1117</sup> Second, it determined that the district court properly could have found "highly relevant" testimony and evidence that the plaintiff itself engaged in the practice of which it complained.<sup>1118</sup>

A more conventional sequential array survey did not fare any better in a reverse-confusion case.<sup>1119</sup> Through a licensee, the plaintiff used a number of composite marks consisting of the words LITTLE MISS coupled with a character trait, *e.g.*, LITTLE MISS CHATTERBOX and LITTLE MISS BOSSY, in connection with clothing. It claimed that the introduction by the Walt Disney Co. of two lines of T-shirts featuring similar word marks, *e.g.*, MISS CHATTERBOX and LITTLE MISS BOSSY, along with Disney characters such as Minnie Mouse and Daisy Duck, created a likelihood of reverse confusion. The plaintiff supported this theory with the results of a two-room sequential array survey in which, as described by the court, "(1) respondents were exposed to specific sets of three Miss Disney/Little Miss Disney shirts and then three [of the plaintiff's] shirts and (2) the [plaintiff's] and Disney[s] shirts were presented amongst an array of extraneous

---

1115. *See* Ga.-Pac. Consumer Prods. LP v. Myers Supply, Inc., 621 F.3d 771 (8th Cir. 2010).

1116. *Id.* at 776.

1117. *Id.*

1118. *See id.* at 776-77.

1119. *See* THOIP v. Walt Disney Co., 788 F. Supp. 2d 168 (S.D.N.Y. 2011).



products.”<sup>1120</sup> Addressing the issue in the context of Disney’s motion in limine and motions for summary judgment filed by both parties, the court held that the survey results were inadmissible. There were multiple reasons for this determination, including the lack of an adequate control,<sup>1121</sup> the improper coding of responses by the plaintiff’s expert witness,<sup>1122</sup> and the failure to account for demand effects.<sup>1123</sup> Nevertheless, the lead explanation offered by the court was that the sequential array format was inappropriate in light of the plaintiff’s failure to demonstrate that goods bearing the marks shown to respondents would be sold in close proximity to each other; this, the court held, prevented the survey from replicating actual marketplace conditions and warranted the outright exclusion of its results.<sup>1124</sup>

In contrast, a sequential array survey met with a better judicial reception after the proffering party, the plaintiff, proved to the court’s satisfaction that the parties’ goods were “both sparkling wines located in the same area of liquor stores and listed in the same category in brochures and wine lists,” even if, as the defendants argued, the goods were sold at significantly different price points.<sup>1125</sup> The court’s acceptance of an array format on those

---

1120. *Id.* at 179.

1121. “As ‘controls,’ [the plaintiff’s expert] selected three . . . T-shirts containing an illustration of a ‘cute French bulldog’ together with wording that included the bulldog’s name and/or character trait, either ‘Rebecca Bonbon,’ ‘I’m Way Way Too Cool,’ or simply ‘Love.’” *Id.* at 174 (internal quotation marks omitted). Because the control shirts “shared very few similarities with [the plaintiff’s] or Disney[’s] shirts,” they failed to satisfy the requirement that they share as many characteristics of the parties’ marks as possible, other than the element of those marks underlying the dispute. *Id.* at 181.

1122. According to the court, the plaintiff’s expert witness “inflated his ‘confusion’ rates by counting respondents as confused even if their responses were not necessarily indicative of reverse confusion.” *Id.* at 182. The court identified additional examples of this phenomenon, but one was that the expert “counted as confused those respondents who responded that [the plaintiff’s] shirts were put out by the same company as a ‘Little Miss Sunshine’ T-Shirt. But Disney did not put out a ‘Little Miss Sunshine’ shirt—[the plaintiff] did . . .” *Id.* Putatively confused respondents also included those whose answers mentioned the cartoon characters and colors appearing on the parties’ shirts, even though those were not at issue in the case. *See id.*

1123. Although the goods on which the parties’ marks were used were T-shirts, the portfolio of stimuli exposed to respondents included goods other than shirts, which caused the court to conclude that “I agree with Disney that the Disney shirts stood out like a bearded man in a lineup with four clean-shaven men in the test surveys . . .” *Id.* at 183 (internal quotation marks omitted).

1124. *See id.* at 180. The plaintiff did submit evidence that at least some Disney products were sold through the same channels of distribution as its own licensed goods, but the Disney products did not bear the challenged marks; moreover, the plaintiff’s expert “admitted in his deposition that he had no basis to believe that any of the [third-party] products used in his portfolio [of stimuli]—including puzzles, books, and pajama pants—were ever sold alongside any of the shirts at issue.” *Id.*

1125. *Champagne Louis Roederer v. J. Garcia Carrión, S.A.*, 732 F. Supp. 2d 836, 876 (D. Minn. 2010).

facts certainly was defensible, as was its finding that the invented COURTALINO mark was sufficiently close to the defendants' CRISTALINO mark to be an appropriate control,<sup>1126</sup> but its resolution of other survey-related issues was downright generous to the plaintiff. These included its rejection of the defendant's challenges to the survey's universe, which was limited to respondents already familiar with the plaintiff's sparkling wine<sup>1127</sup> and to those who had purchased or intended to purchase an imported sparkling wine for under \$35 per bottle.<sup>1128</sup>

Different challenges to a different sequential array survey commissioned by a pair of plaintiffs to measure confusion between two motor-oil bottles similarly fell short.<sup>1129</sup> For example, the plaintiffs' testifying expert may not have conducted the survey herself, but "the overseer of the survey" may testify "without having to present testimony from other persons involved in the details of conducting the survey."<sup>1130</sup> Likewise, although the survey's universe was limited to past purchasers of the plaintiffs' motor oil who were located at truck stops, "an imperfect universe is not fatal to the surveys' admissibility."<sup>1131</sup> Finally, the court was disinclined to exclude the survey even though the control used in it had little in common with the plaintiffs' bottle:

[T]he Court is troubled that the control chosen seems to share virtually *no* features with the [plaintiffs'] bottle beside the basic fact that they are motor-oil bottles. However, this . . . goes to weight, not admissibility, and the Court finds that the control used lessens only slightly the probative value of the survey[].<sup>1132</sup>

The survey results therefore were admissible, and the 34.3 percent confusion rate reflected in them helped defeat the defendant's motion for summary judgment.<sup>1133</sup>

---

1126. See *id.* at 875 ("COURTALINO' and 'CRISTALINO' are very similar, and Defendants identify no alternative name that meets the criteria for a control.").

1127. The court credited the defendants' argument that this methodology had inflated the number of positive responses, but nevertheless decided merely to "decrease[] the weight given to [the] survey due to the underinclusive universe." *Id.*

1128. On this issue, the court concluded that "[t]o the extent this flaw increased the number of respondents who had heard of [the plaintiffs'] champagne, its effect is subsumed in the effect of restricting survey respondents to those aware of [the plaintiffs'] champagne." *Id.*

1129. See *Shell Trademark Mgmt. B.V. v. Warren Unilube, Inc.*, 765 F. Supp. 2d 884 (S.D. Tex. 2011).

1130. *Id.* at 891 (quoting *Procter & Gamble Co. v. Colgate-Palmolive Co.*, No. 96 CIV. 9123 (RPP), 1998 WL 788802, at \*82 (S.D.N.Y. Nov. 9, 1998)).

1131. *Id.* at 892-93.

1132. *Id.* at 894.

1133. See *id.* at 901.

One opinion drove home the point that, although the proper choice of survey format can have a significant effect on the admissibility and probative weight of the survey's results, it may not be necessary to choose between the two leading formats if both will yield favorable evidence.<sup>1134</sup> The plaintiff, which sold oral-care products under a variety of marks that included the word "go," challenged the defendants' use for competitive products of marks with the salient element "glo." The plaintiff chose not to support its bid for a preliminary injunction with survey evidence, but the defendants commissioned an *Eveready* study that exposed different groups of respondents to several of the defendants' goods and then recorded their answers to the question, "Do you have an opinion about what company or brand puts out the product you were just shown, or do you not?"<sup>1135</sup> Those respondents answering yes were then asked to identify the company or brand they had in mind; in addition, all respondents were asked to identify any other products marketed by the same company or brand and whether they believed "the company that puts out the product you were shown is affiliated with or received approval from any other company or brand that you know of . . . ?"<sup>1136</sup> This methodology yielded zero positive responses.<sup>1137</sup>

Although these results might be expected in light of the relative obscurity of the plaintiff's marks, the defendants also commissioned a sequential array survey, which initially exposed all respondents to one of the plaintiff's products. Respondents in the test cell then viewed packages used by the defendants, while those in a control cell viewed altered versions of the same packages from which the allegedly infringing mark had been removed. Respondents in the test cell concluded that the parties' products were put out by the same company at a 37.5 percent rate, while "[i]n the control cell, which did not use [the challenged mark], 38.5% of respondents reached the same conclusions."<sup>1138</sup> According to the defendants' survey expert, the resulting net confusion rate was zero,<sup>1139</sup> a figure that the court found to be "reliable and probative."<sup>1140</sup>

The plaintiff attacked both sets of results in its cross-examination of the expert witness proffering them, but the court

---

1134. See *GoSMiLE, Inc. v. Dr. Jonathan Levine*, D.M.D. P.C., 769 F. Supp. 2d 630 (S.D.N.Y. 2011).

1135. Quoted in *id.* at 642.

1136. Quoted in *id.* at 642-43 (alteration in original).

1137. See *id.* at 643.

1138. *Id.*

1139. See *id.*

1140. *Id.*

rejected the plaintiff's criticisms by applying standards drawn from the *Manual of Complex Litigation*:

In evaluating the sampling methods employed by an expert, a court should consider factors such as whether 1) the population was properly chosen and defined, 2) the sample chosen was representative of that population, 3) the gathered data was accurately reported, and 4) the data was analyzed in a manner consistent with accepted statistical principles. In addition, when considering the validity of a survey, the court should consider whether 1.) the survey questions were clear and not leading, 2.) the survey was conducted by qualified persons, and 3.) the survey was conducted in a manner that ensured objectivity.<sup>1141</sup>

In particular, the court found that the surveys' universes, which included "actual and prospective purchasers of tooth whitening products," who were willing to pay for products in the price ranges at which the parties' goods were sold and "[n]early two-thirds of [whom] had either recently shopped or would consider shopping through" channels of distribution used by both parties, were appropriate.<sup>1142</sup>

If properly conducted, of course, an *Eveready* survey can stand on its own, unaccompanied by a corresponding array study. Thus, for example, one court entered a preliminary injunction in a trade dress infringement action based in part on the results of "a blinded, controlled Eveready consumer confusion survey of more than 400 respondents at a sample of malls nationwide, which reported a 24.3% confusion level after adjusting for the confusion found in the control group."<sup>1143</sup> As the court explained, "[a] confusion level of 24.3% approximates the 25% to 50% that is generally viewed as 'solid support' for finding likelihood of confusion, and where there is other evidence weighing in favor of a likelihood of confusion, courts have held that findings of 15% to 20% confusion corroborate that likelihood."<sup>1144</sup> Although the defendants conducted a responsive survey using a format not described by the opinion, the court concluded that the results of that study did not discredit those reported by the plaintiff's expert.<sup>1145</sup>

---

1141. *Id.* at 643-44 (citing *Manual for Complex Litigation* (Fourth) § 11.493 (2004)).

1142. *Id.*

1143. *See* *Fiji Water Co. v. Fiji Mineral Water USA, LLC*, 741 F. Supp. 2d 1165, 1179 (C.D. Cal. 2010).

1144. *Id.*

1145. The court noted that it was:

troubled by several aspects of [the defendants' expert's] survey, all of which indicate that his report under-stated the confusion level. Indeed, [the plaintiff's expert] found that after adjusting for some of these aspects, [the defendants'] survey would support

### *e. Effect of Disclaimers*

As usual, defendants' disclaimers of affiliation with plaintiffs generally failed to ward off findings of likely confusion.<sup>1146</sup> For example, one group of defendants using a disclaimer operated a free website that prominently featured the marks and school colors of a major university in stories about the university's football program.<sup>1147</sup> The defendants' landing page recited that "[t]his website is an unofficial and independently operated source of news and information not affiliated with any school or team,"<sup>1148</sup> but the court was unconvinced that this notice was sufficient. On the contrary, because the defendants were using exact reproductions of the university's marks and because consumers encountered the disclaimer only after reaching the defendants' website as a result of initial-interest confusion, the likelihood of confusion created by the defendants' conduct warranted entry of a preliminary injunction.<sup>1149</sup>

### **3. Counterfeiting Matters**

As is almost always the case, some plaintiffs were tripped up by the formality-heavy nature of allegations that defendants have violated either criminal or civil prohibitions on the trafficking of goods bearing counterfeit marks, with one case in particular standing out.<sup>1150</sup> In that litigation, the plaintiff secured an ex parte seizure order but then suffered a dramatic downturn in its fortunes when a group of defendants successfully moved to dismiss the plaintiff's federal trademark causes of action because the averments in the plaintiff's complaint failed to establish either that the plaintiff was the owner of the registered marks at issue or that the seized goods were anything but genuine. In light of these manifest deficiencies in the plaintiff's case, the order dismissing the action also held that the moving defendants were entitled to the damages they had suffered from the wrongful seizure:

Under Section 34(d)(11) of the Lanham Act, "[a] person who suffers damage by reason of a wrongful seizure under this

---

finding at minimum a 17.5% confusion level, and perhaps as high as a 28% confusion level.

*Id.* Most of the plaintiff's criticisms of the defendants' survey found valid by the court focused on the restrictive coding of responses by the defendants' expert. *See* at 1179-80.

1146. *See, e.g.,* WWP, Inc. v. Wounded Warriors Family Support, Inc., 628 F.3d 1032, 1042 (8th Cir. 2011) (affirming finding of liability notwithstanding use of "anemic" disclaimer).

1147. *See* Ohio State Univ. v. Thomas, 738 F. Supp. 2d 743 (S.D. Ohio 2010).

1148. *Quoted in id.* at 755.

1149. *See id.*

1150. *See* Prince of Peace Enters. v. Top Quality Food Mkt., LLC, 760 F. Supp. 2d 384 (S.D.N.Y. 2011).

subsection has a cause of action against the applicant for the order under which such seizure was made, and shall be entitled to recover such relief as may be appropriate.” A party seeking damages under Section 34(d)(11) must establish (1) that it was the victim of an *ex parte* seizure; (2) that it was damaged by that seizure; and (3) either (a) that the seized goods were predominantly non-infringing or were otherwise legitimate merchandise, or (b) that the party seeking the seizure did so in bad faith.<sup>1151</sup>

Because the moving defendants had demonstrated their entitlement to relief under this standard, the action was referred to a magistrate judge for a determination of the quantum of their damages.<sup>1152</sup>

A federal counterfeiting claim fell short in another case as well, but for different reasons.<sup>1153</sup> To begin with, the plaintiff’s registered mark was CHARLOTTE for wearing apparel, while the defendants displayed the CHARLOTTE SOLNICKI mark on the clothing they sold. Referencing the definition of “counterfeit mark” contained in Section 45 of the Act—“a spurious mark which is identical with, or substantially indistinguishable from, a registered mark”<sup>1154</sup>—the court not surprisingly concluded that “‘Charlotte Solnicki’ is simply not identical with or substantially indistinguishable from ‘Charlotte.’”<sup>1155</sup> Although the plaintiff claimed that the defendants had used CHARLOTTE as a standalone mark, the court found that the plaintiff’s showing proved only that someone in the defendants’ chain of distribution had “handwritten . . . ‘Charlotte’ or ‘Charlotte Solnicki’ to identify the designer of the goods being sold”; because “[t]here is no evidence that the word ‘Charlotte’ alone was placed on any labels or displays in [the defendants’] showroom,” the defendants were entitled to summary judgment.<sup>1156</sup>

State anti-counterfeiting statutes can present their own difficulties for those acting on mark owners’ behalf,<sup>1157</sup> but the strict requirements applicable to claims of counterfeiting under federal law are not always extant under their state-law counterparts. This was apparent in the affirmance by the New

---

1151. *Id.* at 395-96 (quoting 15 U.S.C. § 1116(d)(11) (2006)).

1152. *See id.* at 396.

1153. *See GMA Accessories, Inc. v. BOP, LLC*, 765 F. Supp. 2d 457 (S.D.N.Y. 2011).

1154. 15 U.S.C. § 1127 (2006).

1155. *GMA Accessories*, 765 F. Supp. 2d at 472.

1156. *Id.*

1157. *See, e.g., People v. Hong Wu*, 917 N.Y.S.2d 234, 235-36 (App. Div. 2011) (reversing conviction for second-degree counterfeiting in light of failure of indictment to allege required scienter for criminal liability).

York Court of Appeals of a conviction for counterfeiting in the second degree notwithstanding the apparently undisputed fact that most of the goods in which the defendant had trafficked were not covered by federal registrations of the marks appearing on the goods.<sup>1158</sup> As the court explained, the relevant New York penal statute<sup>1159</sup> differed from its federal counterpart<sup>1160</sup> in a critical respect:

As the People observe, statutory interpretation always begins with the words of the statute, and New York's trademark counterfeiting statute is simply not on its face restricted in the way that [the defendant] advocates. By contrast, the definition of "counterfeit" under the federal Trademark Counterfeiting Act does, in fact, reach only those instances in which the counterfeit mark is used in connection with the same goods or services as those for which the mark is registered on the Principal Register at the United States Patent and Trademark Office, and is in use.

....

... [T]he Legislature's decision not to parrot federal law in this regard and enact an identity-of-goods requirement may reflect[] the understanding that the consumer relies on the mark itself and is not in a position to know or determine the precise product for which the mark is registered.<sup>1161</sup>

The conviction therefore withstood appellate scrutiny.

## 4. Dilution

### *a. Proving Mark Fame and Distinctiveness*

In addition to codifying other reforms, the 2006 passage of the Trademark Dilution Revision Act (TDRA) was intended to amend Section 43(c) of the Act<sup>1162</sup> to tighten up eligibility for protection under that statute.<sup>1163</sup> That point, however, was lost on an Eastern District of Pennsylvania court, which found on a motion for a preliminary injunction that the MARBLELIFE mark for the restoration and repair of granite and other types of inorganic and organic surfaces was sufficiently famous and distinctive to qualify

1158. See *People v. Levy*, 940 N.E.2d 547 (N.Y. 2010).

1159. N.Y. Penal Law § 165.70 (McKinney 2010).

1160. 18 U.S.C. § 2320[e][1][A][i]-[iii] (2006).

1161. *Levy*, 940 N.E.2d at 550 (fourth alteration in original) (internal quotation marks omitted).

1162. 15 U.S.C. § 1125(c) (Supp. IV 2006).

1163. See, e.g., H.R. Rep. No. 109-23, at 8 (2005) ("[T]he legislation expands the threshold of 'fame' and thereby denies protection for marks that are famous only in 'niche' markets.").

for relief.<sup>1164</sup> Apparently oblivious to the TDRA, the court dredged up the mark-fame factors from the long-since abrogated version of Section 43(c) enacted by the Federal Trademark Dilution Act of 1995 (FTDA).<sup>1165</sup> Worse still, it then focused on only two of those factors to find that “Plaintiff’s mark is famous and distinctive within the meaning of the FTDA as it has been used for nearly twenty (20) years. In addition, the mark has been used throughout the United States and has been used extensively in Plaintiff’s unique advertising arrangements.”<sup>1166</sup>

Not all courts were receptive to claim of mark fame and distinctiveness.<sup>1167</sup> Thus, for example, one court found as a matter of law that the A TASTE OF PHILADELPHIA mark for the sale of various food items was not famous and distinctive for purposes of Section 43(c), “particularly given that [the] mark lacks inherent strength; [the] mark has not gained a secondary meaning in its marketplace; Plaintiff has not expended significant resources on advertising its business; and the record shows that similar marks are used by several third parties.”<sup>1168</sup> In a different case, a federal registration covering a package design was an insufficient basis for a finding of fame in the absence of “look-for” advertising calling attention to the design or survey evidence of consumer recognition.<sup>1169</sup> And one court dismissed a cause of action brought under the New York dilution statute<sup>1170</sup> for failure to state a claim on the ground that the plaintiff’s averment of “enormous value and recognition”<sup>1171</sup> for its jewelry configuration was “completely bereft of any [supporting] factual allegations.”<sup>1172</sup>

Beyond these decisions, some courts adopted a hard-line approach to the requirement in Section 43(c)(1)<sup>1173</sup> that a plaintiff’s

1164. See *MarbleLife, Inc. v. Stone Res., Inc.*, 759 F. Supp. 2d 552 (E.D. Pa. 2010).

1165. See 15 U.S.C. § 1125(c) (2000).

1166. *MarbleLife*, 759 F. Supp. at 562.

1167. See, e.g., *Oriental Fin. Grp. v. Cooperativa de Ahorro y Crédito Oriental*, 750 F. Supp. 2d 396, 404 (D.P.R. 2010) (declining to issue preliminary injunction to protect mark used primarily in Puerto Rico); *Teter v. Glass Onion, Inc.*, 723 F. Supp. 2d 1138, 1157 (W.D. Mo. 2010) (granting defense motion for summary judgment on ground that LEE TETER mark for fine art depicting American frontier scenes was “not famous within the meaning of [Section 43(c)] to the general consuming public”).

1168. See *R.J. Ants, Inc. v. Marinelli Enters.*, 771 F. Supp. 2d 475, 501 n.6 (E.D. Pa. 2011).

1169. See *Mattel, Inc. v. MGA Entm’t, Inc.*, 782 F. Supp. 2d 911, 1010-11 (C.D. Cal. 2011).

1170. N.Y. Gen. Bus. Law § 360-l (McKinney 1996 & Supp. 2008).

1171. Quoted in *Eyal R.D. Corp. v. Jewelelex N.Y. Ltd.*, 784 F. Supp. 2d 441, 445 (S.D.N.Y. 2011).

1172. *Id.* at 449.

1173. 15 U.S.C. § 1125(c)(1) (2006).



mark be famous prior to the defendant's use.<sup>1174</sup> For example, the defendants in the action introduced their CRISTALINO mark for sparkling wine in 1989, but, in an attempt to move the key date forward, the plaintiff argued that the defendants' sales after the mark's introduction were modest and that, in any case, that the defendants' use was not actionable until they modified their labels in 1993.<sup>1175</sup> Despite finding that the defendants' mark was likely to be confused with the plaintiff's CRISTAL and CRISTAL CHAMPAGNE marks, the court did not reach the merits of the plaintiff's claim of likely dilution: Rather, because "[t]he caselaw does not support a '*de minimus*' exception to federal anti-dilution law,"<sup>1176</sup> and because, whatever the timing of the mark fame inquiry, the plaintiff had proven only niche market fame in the wine industry, it was ineligible for relief under Section 43(c) in the first instance.<sup>1177</sup>

Of course, the heightened standard for mark fame and distinctiveness applicable under federal law may not carry the same force under state law. Thus, one court applying both the Texas dilution statute<sup>1178</sup> and the then-extant Massachusetts dilution statute<sup>1179</sup> declined to grant a defense motion for summary judgment grounded in the theory that the plaintiffs' marks were neither famous nor distinctive.<sup>1180</sup> The court pointed out that mere distinctiveness, and not fame, was a prerequisite for relief under the Texas statute;<sup>1181</sup> it also concluded with respect to the Massachusetts statute that "distinctive marks are synonymous with very strong marks."<sup>1182</sup> And, because the plaintiffs had adduced sufficient evidence and testimony to create a justiciable factual dispute as to the distinctiveness of their marks, their claims could not be dismissed on summary judgment.<sup>1183</sup>

---

1174. See, e.g., *Mattel, Inc. v. MGA Entm't, Inc.*, 782 F. Supp. 2d 911, 1011 (C.D. Cal. 2011) (faulting counterclaim plaintiff for failure to adduce proof of when its claimed trade dress might have become famous).

1175. See *Champagne Louis Roederer v. J. Garcia Carrión, S.A.*, 732 F. Supp. 2d 836 (D. Minn. 2010).

1176. *Id.* at 878.

1177. See *id.* at 979-80.

1178. Tex. Bus. & Com. Code Ann. § 16.29 (2007).

1179. Mass. Gen. Laws § ch. 110B, § 12 (West 2005).

1180. See *Santander Consumer USA Inc. v. Walsh*, 762 F. Supp. 2d 217 (D. Mass. 2010).

1181. See *id.* at 230.

1182. *Id.* at 232.

1183. See *id.* at 231, 231-32.

### ***b. Proving Actual or Likely Dilution***

#### **(1) Actual or Likely Dilution by Tarnishment**

The past year failed to produce any reported opinions squarely addressing claims of actual or likely dilution by tarnishment.

#### **(2) Actual or Likely Dilution by Blurring**

The most dubious applications of federal dilution doctrine over the past year came from two courts hearing motions for preliminary injunctions under Section 43(c). The first one cited *Moseley v. V Secret Catalogue, Inc.*<sup>1184</sup> for the proposition that “[t]o establish trademark dilution, a Plaintiff must demonstrate actual dilution not merely the likelihood of dilution,”<sup>1185</sup> and the second one held that “a claim for dilution requires proof of actual dilution.”<sup>1186</sup> As amended by the TDRA, of course, just the opposite is true: A mere *likelihood* of dilution will suffice for liability.<sup>1187</sup> The error by the first court proved to be harmless in light of the court’s finding that the defendant’s continued use of the plaintiff’s marks after being terminated as the plaintiff’s franchisee actually diluted the marks.<sup>1188</sup> In the second case, however, the plaintiff’s inability to prove actual dilution became one of two grounds—the obscurity of the plaintiff’s mark was the other—for the denial of its motion.<sup>1189</sup>

The degree of mark similarity necessary to support a finding of likely dilution by blurring under Section 43(c) has diminished in recent years, with the Ninth Circuit becoming the most recent federal appellate court to trend toward that result.<sup>1190</sup> The case before that tribunal was one to protect a federally registered mark consisting of the stitching applied to the pockets of blue jeans.<sup>1191</sup> Although an advisory jury found that the plaintiff’s mark was both famous and distinctive, it also found that the defendant’s mark was not identical or nearly identical to the plaintiff’s mark; this,

---

1184. 537 U.S. 418 (2003).

1185. *MarbleLife, Inc. v. Stone Res., Inc.*, 759 F. Supp. 2d 552, 561 (E.D. Pa. 2010).

1186. *Teter v. Glass Onion, Inc.*, 723 F. Supp. 2d 1138, 1157 (W.D. Mo. 2010).

1187. *See* 15 U.S.C. § 1125(c)(1) (2006).

1188. *See MarbleLife*, 723 F. Supp. 2d at 562 (“Defendant’s continued use of the [plaintiff’s] name . . . , coupled with Defendant’s use of Plaintiff’s unique advertising arrangements and phone numbers in the very territory in which it operated as a . . . franchise [of the plaintiff] clearly serves to weaken the recognition of Plaintiff’s mark.”).

1189. *See Teter*, 723 F. Supp. 2d at 1157 (“[The plaintiff] has offered no evidence of proof of actual dilution as required by *Moseley*.”).

1190. *See Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158 (9th Cir. 2011).

1191. As described by the court, the mark featured “two connecting arches that meet in the center of the pocket.” *Id.* at 1159.

the district court determined, precluded the plaintiff from prevailing on its likelihood-of-dilution claims under the controlling opinions of its reviewing court.<sup>1192</sup>

The Ninth Circuit reversed. It noted that the historical origins of its requirement that the plaintiff demonstrate identity or near-identity lay in case law applying the FTDA,<sup>1193</sup> as well as interpretations of the New York dilution statute.<sup>1194</sup> These authorities, it held, were properly accorded limited weight in light of the intervening enactment of the TDRA in 2006.<sup>1195</sup> Of the TDRA, the court noted that “any reference to the standards commonly employed by [pre-2006 federal appellate opinions]—“identical,” “nearly identical,” or “substantially similar”—are absent from the statute.”<sup>1196</sup> Rather, the TDRA “defines ‘dilution by blurring’ as ‘the association arising from the *similarity* between a mark or a trade name and a famous mark that impairs the distinctiveness of the famous mark’”;<sup>1197</sup> “[m]oreover, in the non-exhaustive list of dilution factors that Congress set forth, the first is [t]he degree of similarity between the [challenged] mark or trade name and the famous mark.”<sup>1198</sup>

The court found this statutory language significant for two reasons, the first of which was that:

When referring to the junior mark, Congress did not authorize an injunction against another person who commences use of “the” mark; use of the definite article “the” clearly would have signaled that the junior mark had to be the same as the senior. Instead, Congress employed the indefinite article “a,” which indicates that any number of unspecified, junior marks may be likely to dilute the senior mark.<sup>1199</sup>

The second reason was that “Congress did not require an association arising from the ‘substantial’ similarity, ‘identity’ or ‘near identity’ of the two marks. The word chosen by Congress, ‘similarity,’ sets forth a less demanding standard . . . .”<sup>1200</sup> Because

---

1192. See *id.* at 1159-61. For an additional example of a Ninth Circuit court applying the “identical or nearly identical” standard based on then-extant authority from that jurisdiction, see *Mattel, Inc. v. MGA Entm’t, Inc.*, 782 F. Supp. 2d 911, 1011 (C.D. Cal. 2011).

1193. See *Playboy Enters. v. Welles*, 279 F.3d 796 (9th Cir. 2002) (interpreting 15 U.S.C. § 1125(c) (2000)).

1194. See, e.g., *Mead Data Cent., Inc. v. Toyota Motor Sales, U.S.A., Inc.*, 875 F.2d 1026 (2d Cir. 1989) (interpreting N.Y. Gen. Bus. Law § 360-1 (McKinney 1996 & Supp. 2008)).

1195. See 15 U.S.C. § 1125(c) (2006).

1196. *Levi Strauss & Co.*, 633 F.3d at 1166.

1197. *Id.* (quoting 15 U.S.C. § 1125(c)(2)(B)).

1198. *Id.* (second alteration in original) (quoting 15 U.S.C. § 1125(c)(2)(B)(i)).

1199. *Id.* at 1171.

1200. *Id.*

the district court's jury instruction to the contrary was not harmless, the Ninth Circuit remanded the action for further proceedings.<sup>1201</sup>

Federal district courts applying the Texas dilution statute<sup>1202</sup> reached the same conclusion,<sup>1203</sup> with one in particular addressing the issue at length.<sup>1204</sup> In the absence of express statutory factors governing the liability inquiry, it drew upon a variety of sources, including Section 43(c)(2)(B),<sup>1205</sup> to hold that:

[T]he following factors are relevant to [the] dilution analysis: (1) the degree of similarity between the allegedly diluting mark or trade name and the distinctive mark; (2) the degree of inherent or acquired distinctiveness of the distinctive mark; (3) the extent to which the owner of the distinctive mark engages in substantially exclusive use of the mark; (4) the degree of recognition of the distinctive mark; (5) whether the user of the allegedly diluting mark or trade name intended to create an association with the distinctive mark; (6) any actual or potential association between the allegedly diluting mark or trade name and the distinctive mark; (7) the similarity of the products or services between users; and (8) the sophistication of consumers. As emphasized by caselaw, the Court neither considers the factors of equal import nor affords any one dispositive authority.<sup>1206</sup>

With respect to the first of these considerations, the court noted that "[l]ike [Section 43(c)], the Texas anti-dilution statute's text lacks any suggestion that marks must meet a high threshold of similarity . . . ."<sup>1207</sup> In any case, it found that the defendant's CASH STORE FINANCIAL and CASH STORE CASH ADVANCE CENTERS marks, used in the United States in connection with the raising of capital for the defendant's Canada-based payday lending business, was sufficiently similar to the plaintiff's THE CASH STORE mark for payday lending services, to support a finding of likely dilution.<sup>1208</sup>

---

1201. *See id.* at 1173-75.

1202. Tex. Bus. & Com. Code § 16.29 (2007).

1203. *See Santander Consumer USA Inc. v. Walsh*, 762 F. Supp. 2d 217, 231 (D. Mass. 2010) (observing, in order denying defendants' motion for summary judgment, that "[a] reasonable jury could find that the [defendants' DRIVEUSA] mark is very similar to the [plaintiffs' DRIVE and DRIVE FINANCIAL SERVICES] marks").

1204. *See Cottonwood Fin. Ltd. v. Cash Store Fin. Servs., Inc.*, 778 F. Supp. 2d 726 (N.D. Tex. 2011).

1205. 15 U.S.C. § 1125(c)(2)(B) (2006).

1206. *Cottonwood Fin.*, 778 F. Supp. 2d at 749-50.

1207. *Id.* at 750.

1208. *See id.* at 750-51. As to the remaining factors in its ad hoc test, the court found that the distinctiveness (and not fame) of the plaintiff's mark, the plaintiff's substantially

Another court's application of the Massachusetts dilution statute<sup>1209</sup> did not expressly refer to the degree of similarity of the parties' marks but instead invoked the following test en route to a holding that the defendants were not entitled to summary judgment:

In order to raise a fact issue on likelihood of dilution, [a plaintiff] must produce sufficient evidence to support a finding of either (a) injury to the value of the mark caused by actual or potential customer confusion, (b) injury resulting from use of the mark in a way that detracts from, draws on, or otherwise appropriates the goodwill and reputation associated with [the] plaintiff's mark, or (3) diminution in the uniqueness and individuality of [the] plaintiff's mark.<sup>1210</sup>

The court's application of this test was somewhat less than detailed. Because the defendants had failed to convince the court that they were entitled to a holding of noninfringement as a matter of law, the court concluded that there was necessarily a factual dispute as to whether dilution was likely; moreover, although the court did not expressly describe it, "there is also sufficient evidence for a jury to find a diminution in the uniqueness and individuality of the [plaintiffs'] [m]arks."<sup>1211</sup>

In contrast, the Eighth Circuit held in an application of the Missouri dilution statute<sup>1212</sup> that mark similarity *did* serve a gatekeeping function.<sup>1213</sup> The parties' marks, which were used in connection with competitive flavor delivery systems, were SENSIENT FLAVORS and SENSORYEFFECTS FLAVOR SYSTEMS. In affirming entry of summary judgment in the defendant's favor, the court initially held that "[i]nherent in a dilution action under Missouri law is a showing of similarity between the marks, which results in the dilution."<sup>1214</sup> Having previously concluded while discussing the plaintiff's likelihood-of-

exclusive use of the mark, the mark's "moderate degree of recognition," the likelihood of consumers associating the marks, the relatedness of the parties' services, and the possibility of unsophisticated consumers coming into contact with the parties' marks all favored a finding of liability, *see id.* at 751-57; although there was no evidence that the defendant had acted in bad faith or of actual confusion, *see id.* at 754, 759, those considerations did not sufficiently outweigh the others that a preliminary injunction was inappropriate. *See id.* at 759.

1209. Mass. Gen. Laws § ch. 110B, § 12.

1210. *Santander Consumer USA Inc. v. Walsh*, 762 F. Supp. 2d 217, 232 (D. Mass. 2010) (quoting *Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc.*, 718 F.2d 1201, 1209 (1st Cir. 1983)).

1211. *Id.*

1212. Mo. Rev. Stat. § 417.061(1) (1995).

1213. *See Sensient Techs. Corp. v. SensoryEffects Flavor Co.*, 613 F.3d 754 (8th Cir. 2010), *cert. denied*, 131 S. Ct. 1603 (2011).

1214. *Id.* at 770.

confusion-based causes of action that the factor of mark similarity weighed in the defendant's favor, the court accorded that consideration dispositive weight in its treatment of the plaintiff's claim that dilution was likely. As the court explained, "[the plaintiff's] dilution claim under Missouri law fails because the marks are not sufficiently similar, and therefore there is no likelihood of dilution between the marks."<sup>1215</sup>

## 5. Section 43(a) Claims

### *a. Passing Off*

One of the more notable opinions over the past year to address the tort of passing off under Section 43(a) originated in an allegedly improperly conducted facelift, which the defendant believed had caused her various problems.<sup>1216</sup> The court described the defendant's response to the procedure:

Since the surgery, [the defendant] has published a large volume of postings on various internet sites alleging that [the plaintiff] mishandled her surgery and caused her to suffer severe health problems, particularly breathing difficulties. She placed postings on complaint sites, maintained various blogs and websites, and posted videos on internet platforms, all blaming [the plaintiff] for her asserted post-surgical condition. In her internet publications, [the defendant] has noted that subsequent to the surgery performed by [the plaintiff] she consulted other physicians, who have concluded there was nothing physically wrong with her.<sup>1217</sup>

The defendant's conduct might have fallen within the category of nonactionable "gripes," except for two considerations: (1) "the record indicates an effort to elevate [the defendant] to celebrity status by publicizing her as the 'star' of an HBO documentary and to promote the market for [a] book about her that [a third party] is writing";<sup>1218</sup> and (2) the defendant had engaged in a practice of registering domain names based on the plaintiff's name and had appropriated his name and likeness "in social network and other websites [as part of] a deliberate effort to attract internet users to the websites controlled by [the defendant] and her associates and to create the false impression that they are websites and pages created or authorized by [the plaintiff]."<sup>1219</sup> That conduct, the court concluded in granting the plaintiff's motion for summary

---

1215. *Id.* at 770-71.

1216. *See* Eppley v. Iacovelli, 99 U.S.P.Q.2d 1040 (S.D. Ind. 2010).

1217. *Id.* at 1043.

1218. *Id.* at 1044.

1219. *Id.*

judgment, “amounts to a ‘passing off’ in violation of Section 43(a).”<sup>1220</sup>

Some courts evaluated claims of passing off by applying a test for liability virtually identical to that for trademark infringement. An example of that methodology came in a case in which the court found that the plaintiff’s claimed mark, “overhead” for garage doors, was generic as a matter of law.<sup>1221</sup> Having dismissed the plaintiff’s infringement claim for want of a protectable mark, the court’s analysis of the plaintiff’s passing off claim began in promising fashion:

When a generic term is involved, a competitor’s use of that name, without more, does not give rise to an unfair competition claim under Section 43(a) of the Lanham Act. However, such a claim might be supportable if consumer confusion or a likelihood of consumer confusion arose from the failure of the defendant to adequately identify itself as the source of the product. Similarly, a plaintiff may establish passing off if the defendant has engaged in potentially confusion-generating practices.<sup>1222</sup>

Eventually, however, the court framed the issues in a way that resembled nothing if not the standard test for infringement, holding liability to turn on “whether the term ‘overhead’ has acquired secondary meaning, and, if so, whether a likelihood of confusion exists.”<sup>1223</sup> Because there was a factual dispute as to each prong of the relevant analysis, the defendants’ motion for summary judgment was denied.<sup>1224</sup>

A Sixth Circuit district court took much the same approach but with a twist.<sup>1225</sup> Although holding as a matter of law that the genericness of the defendant’s, rather than the plaintiff’s, mark precluded a finding of liability from infringement, the court nevertheless barreled through the likelihood-of-confusion analysis on the theory that the plaintiff’s back-up claim for passing off required it. The points of comparison used by the court were the “www.borescopesrus.com” domain name used by the plaintiff and the “www.borescopes.us.com” domain name used by the defendant. Because the plaintiff’s “mark” was weak, because plaintiff had presented only “vague” evidence of actual confusion, and because the defendant had not selected its domain name in bad faith—

---

1220. *Id.*

1221. *See* PSK, LLC v. Hicklin, 757 F. Supp. 2d 836 (N.D. Iowa 2010).

1222. *Id.* at 862 (citation omitted) (internal quotation marks omitted).

1223. *Id.*

1224. *See id.* at 863-69.

1225. *See* Borescopes R Us v. 1800Endoscope.com, LLC, 728 F. Supp. 2d 938 (M.D. Tenn. 2010).

usually the determinative issue in passing off litigation—the defendant was entitled to summary judgment.<sup>1226</sup>

### ***b. Reverse Passing Off***

In *Dastar Corp. v. Twentieth Century Fox Film Corp.*,<sup>1227</sup> the Supreme Court adopted a restrictive interpretation of Section 43(a)(1)(A) of the Act,<sup>1228</sup> which reduced that section’s utility as a mechanism for challenging allegations of reverse passing off. In doing so, however, the Court expressly acknowledged in dictum that Section 43(a)(1)(B)<sup>1229</sup> remained an option for a plaintiff seeking to challenge a defendant who, “in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person’s goods, services, or commercial activities.”<sup>1230</sup> As the Court explained, a false designation of origin in violation of Section 43(a)(1)(A) was one thing, but a misrepresentation of the inherent nature of goods and services was another.<sup>1231</sup>

*Dastar*’s holding reverberated through interpretations of Section 43(a)(1)(A) and Section 43(a)(1)(B) alike over the past year. The leading example of this phenomenon came in *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*,<sup>1232</sup> in which the Ninth Circuit *sua sponte* determined that claimed marks consisting of the cartoon character Betty Boop and her name were aesthetically functional when applied to dolls, T-shirts, and handbags. Not content with holding in the defendants’ favor only on that ground, the court turned to *Dastar*, which it interpreted as standing for the proposition that “where a copyright is in the public domain, a party may not assert a trademark infringement action against an alleged infringer if that action is essentially a substitute for a copyright infringement action.”<sup>1233</sup> Raising the specter of trademark owners enjoying “perpetual rights to exploit their creative work,” it then held that “[i]f we ruled that [the defendants’] depictions of Betty Boop infringed [the plaintiff’s] trademarks, the Betty Boop character would essentially never enter the public domain.”<sup>1234</sup> Whether the plaintiff enjoyed protectable rights therefore was not dispositive: On the contrary,

---

1226. *See id.* at 950-55.

1227. 539 U.S. 23 (2003).

1228. 15 U.S.C. § 1125(a)(1)(A) (2006).

1229. *Id.* § 1125(a)(1)(B).

1230. *Id.*

1231. *See Dastar*, 539 U.S. at 38.

1232. 636 F.3d 1115 (9th Cir.), *withdrawn and superseded*, 654 F.3d 958 (9th Cir. 2011).

1233. *Id.* at 1124.

1234. *Id.*



even if those rights existed, “[the plaintiff] cannot assert a trademark infringement action against [the defendants]” because “[the plaintiff’s] use of Betty Boop is functional and aesthetic, and because ruling in [the plaintiff’s] favor would prevent the Betty Boop character from ever entering the public domain.”<sup>1235</sup>

As the *Dastar* Court expressly pointed out, however, that case did not present allegations of trademark infringement;<sup>1236</sup> instead, it was one for “reverse passing off” brought under a prong of Section 43(a)(1)(A) providing for liability for the use of a “false designation of origin . . . which is likely to cause confusion . . . as to the origin . . . of [the defendant’s] goods.”<sup>1237</sup> *Dastar* therefore addressed the meaning of the word “origin” in Section 43(a)(1)(A), and not the validity of any trademark at issue in that case.<sup>1238</sup> In contrast, at least one of the plaintiffs’ causes of action in *Fleischer Studios* fell squarely within the portion of Section 43(a)(1)(A) that creates a private cause of action against the use of “any word, term, name, symbol, or device . . . which is likely to cause confusion.”<sup>1239</sup>

The distinction between the two causes of action is more than an academic one, and case law applying Section 43(a)(1)(A) uniformly has rejected the proposition that an otherwise protectable trademark—including the BETTY BOOP “symbol” or “device” at issue in *Fleischer Studios*—loses protection against confusingly similar imitations simply because it might once have qualified for copyright protection.<sup>1240</sup> Likewise, although not

---

1235. *Id.*

1236. *See Dastar*, 539 U.S. at 28-31.

1237. 15 U.S.C. § 1125(a)(1)(A) (2006). Indeed, even the Ninth Circuit’s opinion in *Dastar* recognized that the cause of action at issue in that case was not one for trademark infringement. *See Twentieth Century Fox Film Corp. v. Entm’t Distrib.*, 34 F. App’x 312, 314 (9th Cir. 2002) (“We affirm the district court’s summary judgment on the reverse passing off claim under section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).”), *rev’d*, 539 U.S. 23 (2003).

1238. *See Dastar*, 539 U.S. at 31 (“At bottom, we must decide what § 43(a)(1)(A) of the Lanham Act means by the ‘origin’ of ‘goods.’”).

1239. 15 U.S.C. § 1125(a)(1)(A); *see also Fleischer Studios*, 636 F.3d at 1122 (“The [lead plaintiff] . . . sued [the lead defendant] for infringing its trademarks.”)

1240. For opinions reaching this conclusion in the context of cartoon characters such as that at issue in *Fleischer Studios*, *see Brown v. It’s Entm’t, Inc.*, 34 F. Supp. 2d 854, 858-59 (E.D.N.Y. 1999) (finding that stylized aardvark design “is entitled to protection under the Lanham Act”); *Walt Disney Co. v. Powell*, 698 F. Supp. 10, 12 (D.D.C. 1988) (finding MICKEY MOUSE and MINNIE MOUSE are protected characters who have acquired a secondary meaning “of great value, favorable in all respects, and well-entrenched worldwide”), *vacated in part on other grounds*, 897 F.2d 565 (D.C. Cir. 1990); *DC Comics, Inc. v. Filmation Assocs.*, 486 F. Supp. 1273, 1277 (S.D.N.Y. 1980) (affirming protection of cartoon characters as trademarks and rejecting argument “that plaintiff is barred from proceeding under the Lanham Act because it failed to assert claims under the federal Copyright Act”). Although arising in another context, the Fifth Circuit’s resolution of the

turning on the issue of Section 43(a)(1), it is well-established in the trademark registration context that “[w]hether copyright . . . protection may be available to [a trademark claimant] is irrelevant . . . . [C]opyright . . . and trademark laws stem from different concepts and other different kinds of protection, which are not mutually exclusive.”<sup>1241</sup> As Professor McCarthy therefore has explained:

Quite apart from the possibility of copyright protection, the use of literary characters is protectable under unfair competition principles. In general, the courts have recognized that the author of a distinctive characterization (whether delineated in words or pictures) has the right to have the character exclusively identified with the author.

---

same issue in *Boston Profl Hockey Ass’n v. Dallas Cap & Emblem Mfg. Inc.*, 510 F.2d 1004 (5th Cir. 1975), merits reproduction at length:

The district court thought that to give plaintiffs protection in this case would be tantamount to the creation of a copyright monopoly for designs that were not copyrighted. The copyright laws are based on an entirely different concept than the trademark laws, and contemplate that the copyrighted material, like patented ideas, will eventually pass into the public domain. The trademark laws are based on the needed protection of the public and business interests and there is no reason why trademarks should ever pass into the public domain by the mere passage of time.

....

The argument that the symbols could be protected only if copyrighted likewise misses the thrust of trademark protection. A trademark is a property right which is acquired by use. It differs substantially from a copyright, in both its legal genesis and its scope of federal protection. The legal cornerstone for the protection of copyrights is Article I, section 8, clause 8 of the Constitution. In the case of a copyright, an individual creates a unique design and, because the Constitutional fathers saw fit to encourage creativity, he can secure a copyright for his creation for a period of 28 years, renewable once. *After the expiration of the copyright, his creation becomes part of the public domain. In the case of a trademark, however, the process, is reversed. An individual selects a word or design that might otherwise be in the public domain to represent his business or product. If that word or design comes to symbolize his product or business in the public mind, the individual acquires a property right in the mark. The acquisition of such a right through use represents the passage of a word or design out of the public domain into the protective ambits of trademark law.* Under the provisions of the Lanham Act, the owner of a mark acquires a protectable interest in his mark through registration and use.

*Id.* at 1010-11, 1013-14 (emphasis added). For other pre- and post-*Dastar* opinions reaching conclusions to similar effect, see *Blue Nile, Inc. v. Ice.com, Inc.*, 478 F. Supp. 2d 1240, 1246 (W.D. Wash. 2007)); *Through The Country Door Inc. v. J.C. Penny Co.*, 83 U.S.P.Q.2d 1538, 1540 (W.D. Wis. 2007); *Frederick Warne & Co. v. Book Sales, Inc.*, 481 F. Supp. 1191, 1196 (S.D.N.Y. 1979); *Tempo Commc’ns, Inc. v. Colombian Art Works, Inc.*, 223 U.S.P.Q. 721, 722 (N.D. Ill. 1983); *Rolls-Royce Motors, Ltd. v. A & A Fiberglass, Inc.*, 428 F. Supp. 689, 692-93 (N.D. Ga. 1976).

1241. *In re Penthouse Int’l Ltd.*, 565 F.2d 679, 683 n.3 (C.C.P.A. 1977); see also *Coca-Cola Co. v. Rodriguez Flavoring Syrups, Inc.*, 89 U.S.P.Q. 36, 41 (Comm’r Pats. 1951) (“Applicant’s contention would mean that, on the expiration of the copyright in any matter of this kind, any trade marks rights in connection with trade marks which might have been mentioned in the copyrighted matter lapse and pass into the public domain. The mere statement of the proposition is sufficient to show its absurdity.”).

....

There is no policy reason why a character picture that is out of copyright cannot achieve protection under trademark law. The two types of protection are separate and independent and do not lean on each other for support.<sup>1242</sup>

Indeed, even the Ninth Circuit itself previously had upheld the entry of injunctive relief against a putative parody of the Dr. Seuss book *The Cat in the Hat* under both copyright and trademark theories.<sup>1243</sup>

Simply put, the prerequisites for a finding of liability in an action under the Lanham Act—use in commerce, distinctiveness, nonfunctionality, and either likely confusion or dilution—are not the same as those for a finding of liability under the Copyright Act—originality, nonfunctionality, and copying. The Ninth Circuit erred by failing to distinguish between the two sets of requirements, but any long-term damage occasioned by this failure was mooted by a superseding opinion from the court approximately six months later.<sup>1244</sup> Although the plaintiffs had sought rehearing and rehearing en banc of the original decision, and although the arguments raised by the plaintiffs' petitions had been fully briefed, the court on its own initiative withdrew its original opinion and replaced it with a new one that failed altogether to mention either *Dastar* or the court's prior reading of Section 43(a); moreover, the later opinion also acknowledged at least the possibility of the plaintiffs' word marks and design marks qualifying for trademark protection. At least for the time being, therefore, the balance under Section 43(a)(1)(A) between trademark and copyright law has been restored in that jurisdiction.

In a more conventional treatment of reverse passing-off principles under Section 43(a)(1)(A), albeit one without any references to *Dastar*, the Fourth Circuit addressed the issue of whether parties other than the manufacturers of particular goods can bring actions for reverse passing off.<sup>1245</sup> The parties were competing purveyors of furniture, and it was undisputed that the plaintiff did not itself manufacture its line but instead relied on a third party to do so. Although the court recognized that the first element of a reverse passing-off claim was that the good in question originate with the plaintiff, that consideration did not preclude the plaintiff before it from proceeding against a

---

1242. 2 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 10:42 ((footnotes omitted) (4th ed. 2008).

1243. See *Dr. Seuss Enters. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1399-1406 (9th Cir. 1997).

1244. See *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958 (9th Cir. 2011).

1245. See *Universal Furniture Int'l Inc. v. Collezione Europa USA, Inc.*, 618 F.3d 417 (4th Cir. 2010).

competitor that had displayed the plaintiff's goods as its own at a trade show: "[The plaintiff] is the company that markets and 'stands behind' its furniture collections. [The plaintiff] labels the furniture with its name, distributes the furniture, and owns the copyrights in the designs."<sup>1246</sup> Moreover, after reviewing the record, the court held that the district court had not erred in finding that the plaintiff had satisfied the three remaining requirements for a finding of reverse passing off: (1) the defendant had falsely designated the origin of its work by displaying the plaintiff's furniture in its showroom; (2) that display was likely to confuse consumers; and (3) the plaintiff had suffered harm from the mere appearance of its furniture in the defendant's showroom, even if the defendant had not made any sales of its directly competing line.<sup>1247</sup>

Like the Ninth Circuit's initial interpretation of Section 43(a)(1)(A) in *Fleischer Studios*, applications of Section 43(a)(1)(B) in false advertising cases took their cue from *Dastar*.<sup>1248</sup> For example, one court invoked *Dastar* to dismiss an action in which the plaintiff claimed that the defendants had falsely advertised that some of the defendants were authorized to distribute certain photographs and, additionally, that another defendant was the author of the photographs.<sup>1249</sup> As it explained, "the allegations supporting [the plaintiff's] false advertising claim are identical to those supporting his false representation claim. The import of *Dastar* that an author's recourse for unauthorized use is in copyright cannot be avoided by shoe-horning a claim into section 43(a)(1)(B) rather than 43(a)(1)(A)."<sup>1250</sup>

Nevertheless, not all reported opinions gave *Dastar* its full effect,<sup>1251</sup> and one in particular took a different approach to an allegation of false advertising under Section 43(a)(1)(B) in an

1246. *Id.* at 438.

1247. *See id.* at 438-39.

1248. *See, e.g.,* Marvel Worldwide, Inc. v. Kirby, 756 F. Supp. 2d 461, 474 (S.D.N.Y. 2010) (dismissing claim under Section 43(a)(1)(B) by heirs of noted comic book illustrator based on alleged lack of authorship credit in two films based on works to which illustrator had contributed).

1249. *See* Agence France Presse v. Morel, 769 F. Supp. 2d 295 (S.D.N.Y. 2011).

1250. *Id.* at 308.

1251. *See, e.g.,* Cvent, Inc. v. Eventbrite, Inc., 739 F. Supp. 2d 927, 935-36 (E.D. Va. 2010) (declining to dismiss reverse passing-off cause of action grounded in defendants' alleged "scraping" and reformatting of information from plaintiff's website); Cable v. Agence France Presse, 728 F. Supp. 2d 977, 981 (N.D. Ill. 2010) (declining to dismiss reverse passing-off cause of action grounded in defendants' alleged reproduction without attribution—characterized by the court as "repackaging"—of the plaintiff's copyrighted photographs); *cf.* Flowserve Corp. v. Hallmark Pump Co., 98 U.S.P.Q.2d 1979, 1986-87 (S.D. Tex. 2011) (finding, on plaintiffs' unopposed motion for summary judgment, that defendant's reproduction of copyrighted photographs in its promotional materials constituted literally false advertising as a matter of law).

action in which the technology underlying a patent, rather than the authorship of a creative work, was at issue.<sup>1252</sup> The gravamen of the plaintiff's Section 43(a)(1)(B) claim was that the defendants had falsely represented to the trade that their canine genetic testing product did not infringe any patents. The plaintiff owned a patent it claimed covered the technology incorporated into the defendants' product, which meant that the challenged advertising in effect constituted a representation that the technology did not originate with the plaintiff. Although the plaintiff's claim therefore could be characterized as an end-run around *Dastar's* interpretation of Section 43(a)(1)(A),<sup>1253</sup> the court declined to grant the defendants' motion for summary judgment. Instead, it held, "[the lead defendant] advertises on its website that it has a 'good' for sale . . . and that its sale of this 'good' is legal because the 'good' does not infringe on any patents. Such advertising concerns the nature, quality or characteristics of this good (and not Plaintiff's patent)."<sup>1254</sup> Consequently, "assuming that these statements are literally false (or likely to mislead or confuse consumers), . . . [the lead defendant] may be held liable for false advertising under the Lanham Act."<sup>1255</sup>

Another reported opinion of note was decided under Florida law.<sup>1256</sup> If the Ninth Circuit initially overstated *Dastar's* scope, the Eleventh Circuit failed altogether to apply the principles underlying the earlier Supreme Court decision in an action in which the plaintiff alleged that the defendant had violated the Florida false advertising statute<sup>1257</sup> by using a copyright notice in conjunction with its bear-shaped pacifier holders. As might be expected, the primary thrust of the plaintiff's complaint was that the defendant had engaged in copyright infringement by imitating the plaintiff's own competitive bear-shaped product; the plaintiff's ancillary state-law claim apparently was an afterthought. Rather than holding the theory that the defendant's use of the notice constituted a false claim of "authorship" to be preempted by federal copyright law, the court took a less demanding approach: Because the plaintiff had failed as a matter of law to demonstrate that the parties' pacifier holders were substantially similar for

---

1252. See *Optigen, LLC v. Int'l Genetics, Inc.*, 777 F. Supp. 2d 390 (N.D.N.Y. 2011).

1253. Cf. *Baden Sports, Inc. v. Molten USA, Inc.*, 556 F.3d 1300 (Fed. Cir. 2009) (applying Ninth Circuit law to dismiss false advertising claim under Section 43(a)(1)(B) grounded in defendants' promotion of their goods as "innovative").

1254. *Optigen*, 777 F. Supp. 2d at 406.

1255. *Id.*

1256. See *Baby Buddies, Inc. v. Toys "R" Us, Inc.*, 611 F.3d 1308 (11th Cir. 2010).

1257. See Fla. Stat. § 817.41(1) (2005).

purposes of its copyright law claim, the plaintiff's false advertising claim necessarily fell by the wayside as well.<sup>1258</sup>

An application of the Oklahoma Deceptive Trade Practices Act<sup>1259</sup> yielded a similar outcome but for different reasons.<sup>1260</sup> The defendants were the producers and an animator of the motion picture *Cars*, and the plaintiff, a professional driver, alleged that the motorized lead protagonist of that film, dubbed "Lightning McQueen," bore an unlawful resemblance to the plaintiff's own stock car. Based on evidence and testimony apparently introduced by the parties into the record at the pleadings stage, both the trial court assigned to the case and the Court of Civil Appeals of Oklahoma held that the plaintiff had failed to state a claim for reverse passing off. In particular, the appellate court credited the defendants' showing that their character had been created in ignorance of the plaintiff's car, which led to a holding that "[t]he fact that there may be similar features in Lightning McQueen and [the plaintiff's] race car does not rise to the level of a false representation as to Lightning McQueen's source or [the] 'passing off' [of] the fictional car as . . . [the plaintiff's]."<sup>1261</sup>

### *c. False Endorsement*

Relatively few reported opinions addressed allegations of false endorsement under Section 43(a). In a case presenting an exception to this trend, the plaintiff, an interior designer, developed an on-line following using such electronic media as Facebook, Twitter, and a blog on her employer's website.<sup>1262</sup> In the course of her employment, the plaintiff was struck by a car and then hospitalized, which prevented her from returning to work for approximately eight months. Her injuries did not, however, prevent her employer and her fellow employees from allegedly continuing to post content under her name even after she requested them to stop. In her ensuing lawsuit against her employer and its principals, the defendants moved to dismiss the plaintiff's Section 43(a) cause of action for failure to state a claim, but the court was unsympathetic. It held that "construing the facts and all reasonable inferences in [the plaintiff's] favor, she alleges that she was engaged in the commercial marketing of her skills when Defendants wrongfully used her name and likeness by authoring Tweets and [p]osts under her name."<sup>1263</sup> Because the

---

1258. See *Baby Buddies*, 611 F.3d at 1321.

1259. Okla. Stat. tit. 78, § 53A (2004).

1260. See *Brill v. Walt Disney Co.*, 246 P.3d 1099, 1106 (Okla. Civ. App. 2010).

1261. *Id.*

1262. See *Maremont v. Susan Fredman Design Grp.*, 772 F. Supp. 2d 967 (N.D. Ill. 2011).

1263. *Id.* at 971.

plaintiff had therefore alleged “a commercial injury based on Defendants’ deceptive use of her name and likeness,” dismissal of her allegations at the pleadings stage was inappropriate.<sup>1264</sup>

### *d. False Advertising*

With some exceptions, courts in recent years increasingly have adopted a five-part test for determining whether false advertising in violation of Section 43(a)(1)(B) has occurred. As the Eleventh Circuit explained, a plaintiff seeking relief under that section:

must establish that: “(1) the ads of the opposing party were false or misleading, (2) the ads deceived, or had the capacity to deceive, consumers, (3) the deception had a material effect on purchasing decisions, (4) the misrepresented product or service affects interstate commerce, and (5) the movant has been—or is likely to be—injured as a result of the false advertising.”<sup>1265</sup>

Other courts, however, particularly those in the Second Circuit, applied a more simply stated test: “To state a claim for false advertising, [a plaintiff] must allege facts that could support a reasonable inference that (1) ‘the challenged advertisement is literally false, *i.e.*, false on its face’ or (2) ‘the advertisement, while not literally false, is nevertheless likely to mislead or confuse consumers.’”<sup>1266</sup>

1264. *Id.*

1265. *Osmose, Inc. v. Viance, LLC*, 612 F.3d 1298, 1308 (11th Cir. 2010) (quoting *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1216 (11th Cir. 2008)); *accord Pernod Ricard USA, LLC v. Bacardi U.S.A., Inc.*, 653 F.3d 241, 248 (3d Cir. 2011); *Fair Isaac Corp. v. Experian Info. Solutions, Inc.*, 650 F.3d 1139, 1151 (8th Cir. 2011); *PBM Prods., LLC v. Mead Johnson & Co.*, 639 F.3d 111, 120 (4th Cir. 2011); *Vienna Beef Ltd. v. Red Hot Chi. Inc.*, 100 U.S.P.Q.2d 1773, 1776 (N.D. Ill. 2011); *Flowserve Corp. v. Hallmark Pump Co.*, 98 U.S.P.Q.2d 1979, 1986 (S.D. Tex. 2011); *Thermal Design, Inc v. Am. Soc’y of Heating, Refrigerating & Air-Conditioning Eng’rs, Inc.*, 775 F. Supp. 2d 1082, 1092 (E.D. Wis. 2011); *Fed. Express Corp. v. United Parcel Serv., Inc.*, 765 F. Supp. 2d 1011, 1016-17 (W.D. Tenn. 2010); *PSK, LLC v. Hicklin*, 757 F. Supp. 2d 836, 870 (N.D. Iowa 2010); *Process Controls Int’l, Inc. v. Emerson Process Mgmt.*, 753 F. Supp. 2d 912, 929 (E.D. Mo. 2010); *Innovation Ventures, LLC v. N.V.E., Inc.*, 747 F. Supp. 2d 853, 861 (E.D. Mich. 2010); *DocMagic, Inc. v. Ellie Mae, Inc.*, 745 F. Supp. 2d 1119, 1142 (N.D. Cal. 2010); *Miller’s Ale House, Inc. v. Boynton Carolina Ale House, LLC*, 745 F. Supp. 2d 1359, 1376 (S.D. Fla. 2010); *Intertape Polymer Corp. v. Inspired Techs., Inc.*, 725 F. Supp. 2d 1319, 1332 (M.D. Fla. 2010); *Riddell, Inc. v. Schutt Sports, Inc.*, 724 F. Supp. 2d 963, 971 (W.D. Wis. 2010); *Deston Therapeutics LLC v. Trigen Labs.*, 723 F. Supp. 2d 665, 673 (D. Del. 2010). For a substantively identical test applying six factors, see *Architectural Mailboxes LLC v. Epoch Design LLC*, 99 U.S.P.Q.2d 1799, 1803 (S.D. Cal. 2011).

1266. *Turbon Int’l, Inc. v. Hewlett-Packard Co.*, 769 F. Supp. 2d 262, 268 (S.D.N.Y. 2011); *accord Pom Wonderful LLC v. Organic Juice USA, Inc.*, 769 F. Supp. 2d 188, 195 (S.D.N.Y. 2011); *Reckitt Benckiser Inc. v. Motomco Ltd.*, 760 F. Supp. 2d 446, 452 (S.D.N.Y. 2011); *Pamlab LLC v. Seton Pharm. LLC*, 97 U.S.P.Q.2d 1475, 1479 (S.D.N.Y. 2010); *QVC, Inc. v. Your Vitamins, Inc.*, 714 F. Supp. 2d 291, 297 (D. Del. 2010).

A number of opinions addressed the effect of the “false or misleading” distinction embodied in the first of these requirements on the third requirement. The majority applied the well-established rule that a plaintiff able to demonstrate literal falsity need not also prove the materiality of the literally false statement.<sup>1267</sup> In contrast, Eleventh Circuit courts adhered to that jurisdiction’s aberrational requirement that materiality be affirmatively shown even where literally false statements were concerned: Under that rule, only deception, and not materiality, was presumed upon a showing of literal falsity.<sup>1268</sup>

### **(1) Proving Use “in Commercial Advertising and Promotion” by Defendants**

The heyday of courts concluding that defendants have not engaged in actionable “commercial advertising and promotion” within the meaning of Section 43(a) may have passed, but that outcome did hold sway in at least some reported opinions over the past year.<sup>1269</sup> Perhaps the leading example came in a false advertising action by a developer of ceiling and wall insulation systems for metal buildings against a publisher of technical standards and guidelines.<sup>1270</sup> Angered by the defendant’s adoption of a particular standard with which its products did not comply, the plaintiff sought a preliminary injunction on the theory that the standard was false and misleading because it would lead the public to believe mistakenly that the use of products complying with the standard was consistent with current building practices. Not surprisingly in light of the plaintiff’s failure to address the issue in its moving papers, the court denied the motion on the ground that it was “not convinced that [the plaintiff] is reasonably likely to succeed in proving that the statements made by [the defendant] are made in commercial advertising and promotion.”<sup>1271</sup>

---

1267. See, e.g., *PBM Prods.*, 639 F.3d at 120; *Pernod Ricard USA*, 653 F.3d at 248; *Vienna Beef*, 100 U.S.P.Q.2d at 1776; *Fed. Express*, 765 F. Supp. 2d at 1016-17; *Reckitt Benckiser*, 760 F. Supp. 2d at 454; *Irwin Indus. Tool Co. v. Worthington Cylinders Wis., LLC*, 747 F. Supp. 2d 568, 577-78 (W.D.N.C. 2010); *Innovation Ventures*, 747 F. Supp. 2d at 861; *Pamlab*, 97 U.S.P.Q.2d at 1479-80; *QVC*, 714 F. Supp. 2d at 297.

1268. See *Osmose*, 612 F.3d at 1319; see also *Intertape*, 725 F. Supp. 2d at 1334.

1269. See, e.g., *JPS Elastomerics Corp. v. Specialized Tech. Res., Inc.*, 769 F. Supp. 2d 17, 19-20 (D. Mass. 2011) (granting, in cursory analysis, motion to dismiss Section 43(a) cause of action based on defendant’s transmittal of single e-mail to customer); *Riddell, Inc. v. Schutt Sports, Inc.*, 724 F. Supp. 2d 963, 977 (W.D. Wis. 2010) (finding as a matter of law that PowerPoint slides used for internal presentations “are not themselves advertisements and do not support a claim that representatives [viewing them] were making false statements”).

1270. See *Thermal Design, Inc. v. Am. Soc’y of Heating, Refrigerating & Air-Conditioning Eng’rs, Inc.*, 775 F. Supp. 2d 1082 (E.D. Wis. 2011).

1271. *Id.* at 1092.



In particular, “[the defendant] cautions its audience that its standards and guidelines are just that: standards and guidelines.”<sup>1272</sup>

Another plaintiff had better luck, albeit in the context of a motion to dismiss.<sup>1273</sup> The allegedly false statements by the defendants at issue related to a component of a composition used in a prescription ear drop solution and appeared in product inserts and on the composition’s label. According to the defendants, statements in these media could not qualify as commercial advertising and promotion because they did not propose a commercial transaction and because they were not widely disseminated within the industry. Accepting the allegations in the plaintiffs’ complaint as true for purposes of the defendant’s motion, the court disagreed. For one thing, “[a]dvertising is not limited to newspaper, television or radio announcements; any notice addressed to the public serves the same purpose.”<sup>1274</sup> For another, “Plaintiffs have alleged that the information on . . . [the] label [of the defendants’ composition] has been broadcast via drug information databases so that purchasers across the country have been misled to believe that [the defendants’ composition] is a substitute for [the plaintiffs’ competitive composition].”<sup>1275</sup> The defendants’ motion therefore missed the mark and was denied.<sup>1276</sup>

## **(2) Proving False or Misleading Statements of Fact**

### ***i. Allegedly Misleading Marks as False Statements of Fact***

The issue of whether a mark in and of itself can constitute false advertising took center stage in a Third Circuit appeal.<sup>1277</sup> The mark in question was HAVANA CLUB, which was used in connection with rum not made in Cuba, and which the plaintiff alleged constituted a false representation of the rum’s geographic origin in violation of Section 43(a)(1)(B),<sup>1278</sup> particularly in light of certain “Cuban Heritage” statements found in the defendant’s advertising. The defendant’s labels otherwise advised consumers of the geographic origin of the defendant’s rum, and the Third Circuit held this consideration to be dispositive:

---

1272. *Id.*

1273. *See* Deston Therapeutics LLC v. Trigen Labs., 723 F. Supp. 2d 665 (D. Del. 2010).

1274. *Id.* at 674 (quoting Warren Corp. v. Goldwert Textile Sales, Inc., 581 F. Supp. 2d 897, 900 S.D.N.Y. 1984)).

1275. *Id.* at 675.

1276. *See id.*

1277. *See* Pernod Ricard USA, LLC v. Bacardi U.S.A., Inc., 653 F.3d 241 (3d Cir. 2011).

1278. 15 U.S.C. § 1125(a)(1)(B) (2006).

Here, there is a factually accurate, unambiguous statement of the geographic origin of Havana Club rum. The label clearly states on the front that the liquor is “Puerto Rican Rum” and, on the back, that it is “distilled and crafted in Puerto Rico.” No reasonable consumer could be misled by those statements, and the rest of the label does not put those statements in doubt.<sup>1279</sup>

The court then dismissed the plaintiffs’ attempt to dispel the significance of these notices through survey evidence, holding that “[u]nder these circumstances, a district court can properly disregard survey evidence as immaterial, because, by definition, § 43(a)(1) does not forbid language that reasonable people would have to acknowledge is not false or misleading.”<sup>1280</sup> Moreover, although the Trademark Trial and Appeal Board had previously found the same mark to be primarily geographically deceptively misdescriptive when applied to cigars not made in Cuba,<sup>1281</sup> “[a]gency decisions regarding the registration of trademarks look at the words of the mark in isolation and do not consider them in the context of a whole advertisement in which they are used.”<sup>1282</sup>

## ii. “Puffery”

Many of the reported opinions addressing the issue of whether defendants’ representations in commerce constituted nonactionable puffery did so in conspicuous fashion by finding puffing as a matter of law, including, unusually, on motions to dismiss for failure to state claims.<sup>1283</sup> The parties in one case producing such an outcome operated in the market for loan document marketing services, and the defendant had claimed in its advertising that software it offered provided “greater automation, safeguards and control” and would “help you easily stay compliant now.”<sup>1284</sup> The court noted as an initial matter that “a statement that is quantifiable, that makes a claim as to the specific or absolute characteristics of a product, may be an actionable statement of fact while a general, subjective claim about a product is non-actionable puffery.”<sup>1285</sup> Because the statements

---

1279. *Pernod Ricard USA*, 653 F.3d at 252.

1280. *Id.* at 253.

1281. *See* *Corporacion Habanos, S.A. v. Annacas, Inc.*, 88 U.S.P.Q.2d 1785, 1791 (T.T.A.B. 2008).

1282. *Pernod Ricard USA*, 653 F.3d at 255.

1283. *See, e.g.*, *JPS Elastomerics Corp. v. Specialized Tech. Res., Inc.*, 769 F. Supp. 2d 17, 19-20 & n.2 (D. Mass. 2010) (dismissing, in cursory analysis, Section 43(a) cause of action based on e-mail advising customer that plaintiff’s goods were “made with . . . stolen IP” and that the defendant had “good cause” to believe that the plaintiff had “misappropriated [the defendant’s] technology” for failure to state a claim).

1284. *DocMagic, Inc. v. Ellie Mae, Inc.*, 745 F. Supp. 2d 1119, 1142 (N.D. Cal. 2010).

1285. *Id.* (internal quotation marks omitted).

described by the plaintiff's complaint so clearly fell into the second of these categories, dismissal was appropriate on the ground that "the alleged misrepresentations are not actionable as a matter of law and do not come close to stating a claim for false advertising."<sup>1286</sup>

Another court also held as a matter of law that a mere claim that the parties' medical skin markers were "comparable" fell outside the scope of Section 43(a).<sup>1287</sup> Under the court's definition, "[p]uffery" is exaggerated advertising or unspecified boasting, characterized by vague and subjective statements, upon which no reasonable consumer could rely. Puffery is not actionable. On the other hand, a claim that is specific and measurable is actionable."<sup>1288</sup> It then granted the counterclaim defendants' motion for summary judgment on the ground that:

[I]t is apparent that [the counterclaim defendants'] statements about comparability, express or implied, are not specific and measurable. . . . [The counterclaim plaintiff's arguments] do not show that [the counterclaim defendants'] . . . statements as a competitor that its products are "comparable" are anything more than puffery—vague and subjective statements, upon which no reasonable buyer would rely. Instead, [the counterclaim plaintiff's] interpretation of how the word comparable can be used would essentially remove it from competitors' advertising vocabulary.<sup>1289</sup>

A holding of puffery on a defense motion for summary judgment also occurred in a dispute between two producers of painters' masking tape.<sup>1290</sup> The counterclaim plaintiff's Section 43(a) cause of action targeted a number of representations by the counterclaim defendant, including claims that the counterclaim defendant's product was "industry leading" and featured "good" bleed resistance. Granting the counterclaim defendant's motion for summary judgment, the court held that "'industry leading' is classic puffery . . ."<sup>1291</sup> and that, "[w]hile [the counterclaim plaintiff's] product may certainly be more than 'good,' phrases such as 'good' are indeterminate expressions of opinion";<sup>1292</sup> moreover, "even if both statements taken together convey the message that [the counterclaim defendant's tape] has bleed resistance that is

---

1286. *Id.*

1287. *See DeSena v. Beekley Corp.*, 729 F. Supp. 2d 375 (D. Me. 2010).

1288. *Id.* at 392 (citation omitted) (internal quotation marks omitted).

1289. *Id.*

1290. *See Intertape Polymer Corp. v. Inspired Techs., Inc.*, 725 F. Supp. 2d 1319 (M.D. Fla. 2010).

1291. *Id.* at 1334.

1292. *Id.* at 1335.

'better than' [the counterclaim plaintiff's tape's] bleed resistance, that statement is not a specific, measurable claim that can be reasonably interpreted as an objective fact and is therefore puffery."<sup>1293</sup> The counterclaim plaintiff's challenge to certain other representations by the counterclaim defendant met an identical fate, with the court further holding that "statements to the effect of 'delivering performance results not yet seen' in competing products or '[W]hen the painter pulls the tape of the wall, the line is picture perfect, crisp, and straight' are puffery or opinion."<sup>1294</sup>

Still, however, at least one plaintiff survived a case-dispositive motion to fight another day.<sup>1295</sup> Having secured approval to use a certification mark owned by another defendant in the case, the lead defendant promoted its certified remanufactured equipment by referring to the certification, describing its remanufacturing process as compliant "with industry and regulatory standards,"<sup>1296</sup> and advising the trade "in bold and larger text, '**Nobody else can do this.**'"<sup>1297</sup> The lead defendant moved to dismiss the plaintiff's false advertising allegations on the ground that there was no dispute that its goods were certified while the plaintiff's goods were not, but the court held that the issue was more complex than that. In particular, the court pointed out, "[the lead defendant] claims . . . that its products have been put through a remanufacturing process involving several safety steps that ensure the products comply with all industry and regulatory standards, and that no other remanufacturer uses such a process."<sup>1298</sup> Because this statement was capable of being proven false and because the issue of whether it was, in fact, false was a factual question, dismissal was inappropriate.<sup>1299</sup>

### *iii. Literally False Claims*

"To prove literal falsity, a plaintiff must prove that the [challenged] advertisement contains 'a statement, [that] on its face conflicts with reality.'"<sup>1300</sup> In a case between competing producers of treated wood, the Eleventh Circuit elaborated on the difference

1293. *Id.*

1294. *Id.* (alteration in original).

1295. *See* Process Controls Int'l, Inc. v. Emerson Process Mgmt., 753 F. Supp. 2d 912 (E.D. Mo. 2010).

1296. *Quoted in id.* at 930.

1297. *Id.*

1298. *Id.*

1299. *See id.* at 930-31.

1300. *Pamlab LLC v. Seton Pharm. LLC*, 97 U.S.P.Q.2d 1475, 1479 (S.D.N.Y. 2010) (second alteration in original) (quoting *Schering Corp. v. Pfizer Inc.*, 189 F.3d 218, 229 (2d Cir. 1999)).

between statements falling into this category and those that are merely misleading in context:

The distinction between literally false and merely misleading statements is often a fine line. The ambiguity of the statement at issue, or the lack thereof, is significant. Statements that have an unambiguous meaning, either facially or considered in context, may be classified as literally false. As the meaning of the statement becomes less clear, however, and it becomes susceptible to multiple meanings, the statement is more likely to be merely misleading.<sup>1301</sup>

The particular advertising before that court consisted of statements concerning the efficacy of the plaintiff's treated wood products in resisting decay and termite attack. Because the statements were grounded in the results of a series of less-than-convincing tests and surveys, the court classified them as "establishment" claims. That holding had significance to the parties' respective burdens of proof: "[A] plaintiff challenging 'tests prove' or 'establishment' claims[] does not have to affirmatively prove that [the defendant's] safety concerns are false; rather, [the plaintiff] has to prove only that [the defendant's] tests do not support [the defendant's] conclusions."<sup>1302</sup> The record demonstrated that the plaintiff had made this required showing on three levels: (1) the defendant's broad statements about the safety of structures made with preserved wood of the type sold by the plaintiff were based on research concerning only fence posts, lot markers, and stakes;<sup>1303</sup> (2) the percentage of posts made of that wood exhibiting signs of decay—either 2.45 percent or 3.4 percent—identified by one of the plaintiff's studies was an insufficient basis for the defendant's attacks on the wood's safety as a building component;<sup>1304</sup> and (3) qualifying language in one of the studies relied upon by the defendant undermined the study's support for the defendant's claims.<sup>1305</sup>

An additional successful claim of literal falsity turned on a document styled as *Risk Mitigation Decision for Ten Rodenticides* (RMD) issued by the Environmental Protection Agency (EPA), as well as the response to that paper by the New York State Department of Environmental Conservation (NYSDEC).<sup>1306</sup> The parties were competing manufacturers of rodenticides, and each

---

1301. *Osmose, Inc. v. Viance, LLC*, 612 F.3d 1298, 1308-09 (11th Cir. 2010) (citations omitted) (internal quotation marks omitted).

1302. *Id.* at 1310.

1303. *See id.* at 1313-14.

1304. *See id.* at 1314-16.

1305. *See id.* at 1316-17.

1306. *See Reckitt Benckiser Inc. v. Motomco Ltd.*, 760 F. Supp. 2d 446 (S.D.N.Y. 2011).

was potentially affected by the EPA's issuance in the RMD of certain rodenticide-based policies, followed by the NYSEDEC's announcement that it would no longer register products not complying with the RMD for sale in New York. The plaintiff challenged the RMD in court, while the defendant, which initially chose the high road of compliance, authored and distributed to retail buyers two "white papers" bearing certain hallmarks of the EPA and the NYSDEC.<sup>1307</sup> According to the plaintiff, the defendant then used the white papers to suggest that the plaintiff's rodenticide was subject to regulatory action and that retailers therefore would experience supply disruptions if they stocked the plaintiff's product.

On the parties' cross-motions for preliminary injunctive relief, the court concluded that the defendant had engaged in literally false advertising. To begin with, "[b]oth White Papers lack any identification of authorship by Defendant, and include headings and other information creating the misleading impression that the papers were authored by the EPA and NYSDEC, respectfully. As the White Papers were authored by Defendant, not the agencies, those documents are literally false."<sup>1308</sup> Moreover:

It is also literally false for Defendant to state, with absolute certainty, that retailers carrying Plaintiff's products in New York State will experience disruptions to their businesses or penalties . . . . At the preliminary injunction hearing, NYSDEC representatives testified that whether the department will take future regulatory actions against manufacturers and retailers who persist in selling [products within the scope of the RMD] is up in the air and, at the very least, a long process would be required before NYSDEC could force Plaintiff or retailers to pull the products from the market. If Defendant wishes to tell retailers its opinion about possible future NYSDEC action, it may do so, but only if it makes clear to those retailers that it is only expressing its opinion in that regard.<sup>1309</sup>

Nevertheless, if the defendant had crossed the line into actionable conduct, so too had the plaintiff. The plaintiff admitted to having represented to retailers that the defendant had cancelled the EPA registrations covering those of its rodenticides within the

---

1307. According to the court's description, "[o]ne White Paper has the heading 'NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION (NYSDEC)' and contains contact information for two NYSDEC officials. The other has the heading 'EPA Rodenticide Mitigation Decision' and includes photocopies of two EPA officials' business cards. Neither White Paper identifies Defendant as its author." *Id.* at 451 (citations omitted).

1308. *Id.* at 455.

1309. *Id.*

scope of the RMD, but the court found that the defendant had merely amended the registrations in question.<sup>1310</sup> The court similarly found that the plaintiff had falsely claimed to have a special exemption from the RMD, and, additionally, that the EPA was enjoined from enforcing it.<sup>1311</sup> As to the last of these transgressions, the court held that “Plaintiff may state that it expects to receive such an injunction in the future, so long as Plaintiff is clear that it is speaking only about its future expectations.”<sup>1312</sup>

A final notable victory by plaintiffs on the literal falsity front came on a motion to dismiss, rather than a disposition of the case on the merits.<sup>1313</sup> The complaint in the action was a textbook case of pleading causes of action in the alternative. Because the defendants promoted a pharmaceutical composition they sold as equivalent to a competitive composition sold by the plaintiffs, the plaintiffs averred that the defendants’ composition infringed a utility patent covering the plaintiffs’ composition. To the extent that the defendants’ composition might ultimately prove not to be equivalent to their own, however, the plaintiffs’ complaint alleged that the defendants’ representations to the contrary constituted literally false advertising. In rejecting the defendants’ claim that the plaintiffs were required to allege a specific difference between the parties’ compositions, the court confirmed that the plaintiffs could state their claims, including that for false advertising, both alternatively or hypothetically.<sup>1314</sup>

More characteristic dispositions of claims of literal falsity—their rejection—came in other cases, including one in which the plaintiff sold after-market printer cartridges and objected to advertising by the defendant that called into question the quality of “bargain toners” and “remanufactured cartridges.”<sup>1315</sup> The advertising did not, however, expressly refer to the plaintiff’s cartridges in particular, and this proved to be an insurmountable obstacle to the theory of liability set forth in the plaintiff’s complaint. That theory depended on the allegedly high quality of the plaintiff’s goods, but, as the court noted, “[t]hat consumers rarely return [the plaintiff’s] cartridges to the manufacturer conveys nothing about the subject of the challenged advertisements: the performance of after-market cartridges in general.”<sup>1316</sup> Because “[the plaintiff] fails to provide a basis to

---

1310. *See id.*

1311. *See id.* at 456.

1312. *Id.*

1313. *See* Deston Therapeutics LLC v. Trigen Labs., 723 F. Supp. 2d 665 (D. Del. 2010).

1314. *See id.* at 673.

1315. *See* Turbon Int’l, Inc. v. Hewlett-Packard Co., 769 F. Supp. 2d 262 (S.D.N.Y. 2011).

1316. *Id.* at 268.

compare the challenged statements with the ‘reality’ of after-market cartridges,” the plaintiffs’ claim of literal falsity was dismissed at the pleadings stage.<sup>1317</sup>

A second cartridge case, which involved those for coffee makers, rather than printers, led to the dismissal of the plaintiffs’ averment of literal falsity on a motion for a preliminary injunction.<sup>1318</sup> The defendant promoted its cartridges with the statement that they were “for use by owners of [the plaintiffs’] coffee makers,”<sup>1319</sup> which the plaintiff interpreted as a claim that the defendant’s cartridges were functionally equivalent to those of the plaintiff, despite the alleged inability of the defendant’s cartridges to meet the plaintiff’s quality standards. The court denied the plaintiff’s motion for two reasons, the first of which was that “[n]owhere on [its] box does defendant claim that its products have the same failure rate or quality level as plaintiffs.”<sup>1320</sup> The second was that “[e]ven if the court were to require that defendant’s products meet plaintiff’s quality standards, conflicting evidence on the record prevents plaintiff from showing a likelihood of success on the merits.”<sup>1321</sup>

Other cases built on allegations of literal falsity also broke down on bids for preliminary injunctive relief.<sup>1322</sup> For example, the parties in one dispute were competing manufacturers of medical food products containing vitamin B9, which the defendant initially described on its labels as “a class of folates that includes folic acid and other vitamers—such as reduced folates”;<sup>1323</sup> following the outbreak of hostilities between the parties, the defendant modified its labels to read “[v]itamin B9 is a class of folates that includes folic acid and reduced folates such as folinic acid.”<sup>1324</sup> The bases of the plaintiffs’ objections to these notices were that, because the defendant’s product contained folinic (rather than folic) acid, the defendant’s failure to identify folinic acid as an active ingredient constituted false advertising, as did the defendant’s suggestion

---

1317. *Id.*

1318. *See* *Keurig, Inc. v. Strum Foods, Inc.*, 769 F. Supp. 2d 699 (D. Del. 2011).

1319. *Quoted in id.* at 712.

1320. *Id.*

1321. *Id.* at 713. As the court described this conflicting evidence, “plaintiff conducted an In house [sic] test of 30 of defendant’s cartridges, and found that they had a failure rate of over 25%. Defendant, on the other hand, hired an independent testing firm who tested over 100 cartridges without failure.” *Id.* (emphasis omitted).

1322. *See, e.g.,* *QVC, Inc. v. Your Vitamins, Inc.*, 714 F. Supp. 2d 291, 298-301 (D. Del. 2010) (finding various claims by defendants about plaintiffs’ dietary supplements not so “completely unsubstantiated” as to be considered literally false).

1323. *Quoted in* *PamLab LLC v. Seton Pharm. LLC*, 97 U.S.P.Q.2d 1475, 1477 (S.D.N.Y. 2010).

1324. *Quoted in id.*



that vitamin B9 did not consist of folic acid alone, rather than other constituents such as folinic acid.<sup>1325</sup>

The court accepted the assertion of an expert retained by the plaintiffs that vitamin B9 and folic acid were treated as synonyms in some industry references. According to the court, however, that testimony “sheds no light on whether the term ‘vitamin B9’ *may also be synonymous* with the term ‘folinic acid.’”<sup>1326</sup> Even if the defendant “could easily have properly identified the . . . active ingredient in [its product] as folinic acid,”<sup>1327</sup> the court continued, “a Lanham Act claim cannot rest on the lack of specificity alone.”<sup>1328</sup> Preliminary injunctive relief therefore was inappropriate because “[p]laintiffs have not shown that it is *literally false* to use the group label of ‘vitamin B9’ and ‘folates’ (accompanied by the footnote ‘Vitamin B9 is a class of folates that includes folic acid and other vitamers—such as reduced folates’) to denominate a specific member of that group, folinic acid.”<sup>1329</sup>

The plaintiffs fared no better with a second claim of literal falsity, one grounded in the defendant’s affixation of a two-year expiration date on its labels. According to the plaintiffs, the defendant could not substantiate that date because it had not tested the stability of the actual product at issue but instead was relying on the results of tests done on a similar product. The plaintiffs supported this theory with expert testimony that the reliance on the stability testing of similar products was not consistent with standard industry practice, but the defendant countered with expert testimony of its own to the opposite effect. Faced with these conflicting opinions, the court concluded that “[n]one of the experts has had broad enough experience to render his or her testimony on this issue dispositive.”<sup>1330</sup> It then reviewed the FDA’s decision not to offer guidance on expiration dates for dietary supplements, a step the agency took after receiving public comments suggesting that manufacturers should have a degree of flexibility when evaluating the stability of their products.<sup>1331</sup> Viewed as a whole, the record weighed against the entry of an interlocutory injunction on this issue as well:

Plaintiffs have failed to show that, when an expiration date is based on stability testing done on a *similar* product, that similar product must have active ingredients identical to those

---

1325. *See id.* at 1481.

1326. *Id.*

1327. *Id.*

1328. *Id.*

1329. *Id.* at 1481-82.

1330. *Id.* at 1483.

1331. *See id.*

in the product affixed with the expiration date. The parties' experts disagree on that assertion, and the little regulatory guidance that there is on the topic indicates that such a *requirement* does not exist.<sup>1332</sup>

A number of courts disposed of allegations of literal falsity as a matter of law, including, unusually, one that did so at the pleadings stage.<sup>1333</sup> The case at issue had been brought by Federal Express, which objected to the representation in March 2009 by its rival, United Parcel Service, that UPS's service "was just ranked the most reliable."<sup>1334</sup> This claim was accompanied by a notice reading "[a]ccording to Morgan Stanley Parcel Returns Survey, November, 2008,"<sup>1335</sup> which Federal Express argued did not substantiate a "just" claim made five months later; Federal Express objected even more strenuously to the continuation of UPS's advertising after the results of a later Morgan Stanley survey gave it, rather than UPS, the highest marks.

The court treated UPS's representation as an "establishment" claim, a holding that allowed Federal Express's case to proceed to the extent that it was grounded in criticisms of the Morgan Stanley survey.<sup>1336</sup> At the same time, however, the court dismissed Federal Express's challenges to UPS's "just ranked" claims as literally false. As to the timing of those claims, the court held that the disclosure of the date of the Morgan Stanley survey, coupled with the ambiguity inherent in the use of the word "just," prevented UPS's advertising from being literally false,<sup>1337</sup> even where the advertising that had run after the second Morgan Stanley survey had been run.<sup>1338</sup> And, as to Federal Express's objection to UPS's characterization of the initial survey as having "ranked" the parties, the court held that "[w]hile FedEx may challenge the methodology employed by Morgan Stanley Research in rejecting the conclusion that UPS was ranked the 'most reliable,' FedEx cannot state a cause of action for literal falsity by claiming that the survey did not rank the providers—because the survey plainly did."<sup>1339</sup>

---

1332. *Id.* at 1484 (footnote omitted).

1333. *See* Fed. Express Corp. v. United Parcel Serv., Inc., 765 F. Supp. 2d 1011 (W.D. Tenn. 2010).

1334. *Quoted in id.* at 1014.

1335. *Quoted in id.*

1336. *See id.* at 1020.

1337. *See id.* at 1021.

1338. *See id.* at 1022.

1339. *Id.* at 1021.

Additional causes of action challenging allegedly literally false advertising came up short on motions for summary judgment,<sup>1340</sup> including those in another “establishment” case in which the parties were competing producers of football helmets.<sup>1341</sup> The litigation had its origins in the counterclaim defendant’s attempt to demonstrate the superiority of its goods in reducing concussions by commissioning a series of studies of high school players wearing the counterclaim defendant’s REVOLUTION helmet, on the one hand, and players wearing “traditional” helmets, on the other hand. After several studies produced inconclusive outcomes, one yielded the putative result that players wearing the counterclaim defendant’s helmet were at a statistically significant lower risk of suffering concussions than the study’s other participants;<sup>1342</sup> after surviving the peer-review process, an article describing the study’s methodology and results was published in the journal *Neurosurgery*.<sup>1343</sup>

The counterclaim defendant quickly characterized the study as establishing the superior safety of its helmets,<sup>1344</sup> which just as quickly triggered objections by the counterclaim plaintiff. Responding to the counterclaim defendant’s motion for summary judgment, the counterclaim plaintiff advanced numerous criticisms of the study, some of which also had been raised by *Neurosurgery*’s peer reviewers. Those included criticisms aimed at the following: (1) the alleged existence of conflicts of interest resulting from the counterclaim defendant’s funding of the study and its relationship with the owners of the diagnostic software used in the study; (2) the non-random sampling method used by the study’s authors; (3) the study’s failure to disclose information on the age and condition of the traditional helmets used as controls; (4) discrepancies between the number of participants in earlier reports and in the study’s final report; (5) what the authors considered to be the “preliminary” nature of the study; and (6) the study’s failure to address data collected in the years after the data discussed by the

---

1340. See, e.g., *DeSena v. Beekley Corp.*, 729 F. Supp. 2d 375, 392 (D. Me. 2010) (rejecting as a matter of law claim of literal falsity for representations that parties’ products were “comparable”); *Intertape Polymer Corp. v. Inspired Techs., Inc.*, 725 F. Supp. 2d 1319, 1334-35 (M.D. Fla. 2010) (granting motion for summary judgment of nonliability on ground that counterclaim plaintiff had failed prove literal falsity of counterclaim defendant’s representations that it sold a “technologically superior” product that was “best in class” and featured “new technology”).

1341. See *Riddell, Inc. v. Schutt Sports, Inc.*, 724 F. Supp. 2d 963 (W.D. Wis. 2010).

1342. See *id.* at 967-69.

1343. See Micky Collins, Mark R. Lovell, Grant L. Iverson, Thad Ide & Joseph Maroon, *Examining Concussion Rates and Return to Play in High School Football Players Wearing Newer Helmet Technology: A Three-Year Prospective Cohort Study*, 58 *Neurosurgery* 275 (2006).

1344. See *Riddell*, 724 F. Supp. 2d at 969-70.

study.<sup>1345</sup> Eschewing any reliance on the argument that the study's results might be actionable as misleading in context, the counterclaim plaintiff contended that the study's deficiencies rendered the results literally false, therefore obviating the need for the counterclaim plaintiff to prove the results' materiality to consumers.

Taking the counterclaim plaintiff at its word, the court held that "[the counterclaim plaintiff] can establish the literal falsity of [the counterclaim defendant's] establishment claims by showing either: (1) the study cited does not establish what the advertisement says it does or (2) the cited study's methods or findings are not acceptable to the relevant scientific community."<sup>1346</sup> Addressing these issues in reverse order, the court held that "[the counterclaim plaintiff's] concerns about the study give reasons to doubt the results of the study, but they do not show that the study was unreliable."<sup>1347</sup> Specifically, "the concerns do not support a finding that the results of the study are not acceptable within the relevant scientific community."<sup>1348</sup> One reason for this conclusion was the court's finding that "the fact that a peer-reviewed article was approved for publication is some evidence that the study is reliable."<sup>1349</sup> Another was the failure of the counterclaim plaintiff's expert witness to answer the question "[w]hat is it about the combination of listed 'concerns' that undermines the study's acceptability to the relevant scientific community?"<sup>1350</sup> If the counterclaim plaintiff was to prevail, it therefore had to be under the theory that the counterclaim defendant's advertisements incorrectly described the study's results.

Reviewing those advertisements, the court determined that only a single one—a "mailer letter" that mistakenly described the study as having tested "youth" helmets—was literally false.<sup>1351</sup> Of the remainder, the counterclaim defendant's representations to the effect that its REVOLUTION helmets were safer were at worst ambiguous despite their failure to disclose that the putatively supporting study had examined the safety of only one model of REVOLUTION helmet, rather than that of all the models sold by the counterclaim defendant under that brand.<sup>1352</sup> Likewise,

---

1345. *See id.* at 973; *see also id.* at 968-69.

1346. *Id.* at 973.

1347. *Id.* at 974.

1348. *Id.*

1349. *Id.*

1350. *Id.* at 975.

1351. *See id.* at 976.

1352. *See id.*

although the counterclaim defendant promoted the survey results to potential consumers other than high school players—the only pool from which participants in the study were drawn—“the lack of a limiting statement does not make the broad statement [regarding safety] literally false, not even by ‘necessary implication’”;<sup>1353</sup> rather, “advertisements do not become literally false simply because they are directed to groups other than the segment of the population tested.”<sup>1354</sup> Finally, even if the internal PowerPoint slides in which it appeared constituted advertising in the first place, the statement that a particular model of helmet offered by the counterclaim plaintiff “doesn’t stack up” was not a literally false representation by the counterclaim defendant that that model had been tested in the study.<sup>1355</sup>

The difficulty in proving literal falsity was equally apparent in the outcome of a case between competing restaurateurs in South Florida.<sup>1356</sup> It was undisputed that the defendant had promoted its restaurants with coupons valid at “participating Palm Beach area locations,”<sup>1357</sup> even though it had only a single location within Palm Beach County, with another in adjoining Broward County. The coupons recited the addresses of both of the defendant’s South Florida locations, which led the court to conclude as a matter of law that the coupons did not constitute literally false advertising. As it explained, “[t]he reference on the coupons to ‘Palm Beach Area locations’ must be viewed in the context of the entire advertisement, which specifically lists the . . . locations where the coupons are valid.”<sup>1358</sup>

A motion for summary judgment of nonliability was also successfully pursued in litigation between competitors in the garage door industry.<sup>1359</sup> One subject of the plaintiff’s ire was the defendants’ claim to have “certified” technicians, who in fact were certified only by the lead defendant. The plaintiff argued that the self-certification rendered the defendants’ claim literally false, but that argument fell on deaf judicial ears. According to the court, the plaintiff offered “no evidence that the [defendants] have ever claimed—on an advertisement, shirt, or otherwise—that their technicians were certified by anyone in particular.”<sup>1360</sup> In addition,

---

1353. *Id.* at 977.

1354. *Id.*

1355. *See id.* at 978.

1356. *See Miller’s Ale House, Inc. v. Boynton Carolina Ale House, LLC*, 745 F. Supp. 2d 1359 (S.D. Fla. 2010).

1357. *Quoted in id.* at 1365.

1358. *Id.* at 1377.

1359. *See PSK, LLC v. Hicklin*, 757 F. Supp. 2d 836 (D. Iowa 2010).

1360. *Id.* at 870.

“[t]he technicians were, in fact, certified—[the lead defendant] certified them.”<sup>1361</sup> As a matter of law, therefore, the defendants’ representation was not literally false.<sup>1362</sup>

A second theory advanced by the plaintiff was that the defendants’ use of a telephone number with a (319) area code falsely suggested that they were located in Cedar Rapids, Iowa. The court was no more receptive to this theory than it was to the plaintiff’s first one: “Plaintiff does not argue that there is anything literally false about the [defendants’] use of a (319) telephone number. For example, Plaintiff does not contend that the [defendants] affirmatively represent to the public that calls to [their] number are answered within that area code.”<sup>1363</sup> Summary judgment of nonliability held on this claim held as well.<sup>1364</sup>

A counterclaim challenging allegedly literally false advertising in the pomegranate juice industry similarly fell short.<sup>1365</sup> To emphasize that it produced its juice “in-house,” or, in other words, without using components from other sources, the counterclaim defendant produced a “tree-to-bottle” video showing the juice in various stages of production. The video accurately depicted each stage shown as being managed by the counterclaim defendant’s own personnel, but it did not show stages at which the juice was concentrated, frozen, reconstituted, and pasteurized before being bottled. The counterclaim plaintiff argued that the omitted stages rendered the advertising literally false by implication,<sup>1366</sup> and it moved the court for summary judgment in its favor. The court declined to do so:

[T]he “Tree to Bottle” video does not explicitly claim to represent the *entire* production process of [the counterclaim defendant’s] juice. Therefore, the conclusion that [the counterclaim defendant’s] juice is not from concentrate is not a necessary implication. A reasonable alternative implication is that the video—which is just over one minute in length—depicts only those parts of the production process that highlight [the counterclaim defendant’s] vertically integrated production model. While [the counterclaim plaintiff] may be

---

1361. *Id.*

1362. *See id.*

1363. *Id.* at 871.

1364. *See id.*

1365. *See Pom Wonderful LLC v. Organic Juice USA, Inc.*, 769 F. Supp. 2d 188 (S.D.N.Y. 2011).

1366. According to the court, “the doctrine of ‘false by necessary implication[]’ [is] a subspecies of literal falsity. ‘If the words or images, considered in context, necessarily imply a false message, the advertisement is literally false and no extrinsic evidence of consumer confusion is required.’” *Id.* at 201 (quoting *Time Warner Cable, Inc. v. DIRECTV, Inc.*, 497 F.3d 144, 158 (2d Cir. 2007)).

able to prove that the video is likely to confuse customers [because it is false by implication], the video is not literally false by necessary implication.<sup>1367</sup>

#### *iv. Literally True But Misleading Claims*

A number of opinions demonstrated the difficulty faced by plaintiffs challenging allegedly accurate, but nevertheless misleading, advertising: “[I]f ‘a plaintiff’s theory of recovery is premised upon a claim of implied falsehood, a plaintiff must demonstrate, by extrinsic evidence, that the challenged [advertisements] tend to mislead or confuse consumers.’”<sup>1368</sup> Some courts offered plaintiffs lacking survey evidence some slender reeds to grasp:<sup>1369</sup> For example, the Fourth Circuit suggested over the past year that a defendant’s past history of false advertising could be a substitute for this extrinsic evidence,<sup>1370</sup> a Second Circuit district court stated in dictum that intentional misrepresentations by a defendant could serve the same purpose,<sup>1371</sup> and a Third Circuit district court refused to rule out the possibility that postings on consumers’ blogs could be used to demonstrate materiality.<sup>1372</sup> Nevertheless, courts most often

1367. *Id.* at 202.

1368. *PBM Prods., LLC v. Mead Johnson & Co.*, 639 F.3d 111, 120 (4th Cir. 2011) (alterations in original) (quoting *Johnson & Johnson Merck Consumer Pharm. Co. v. SmithKline Beecham Corp.*, 960 F.2d 294, 297 (2d Cir. 1992)); *accord* *Pernod Ricard USA, LLC v. Bacardi U.S.A., Inc.*, 653 F.3d 241, 248 (3d Cir. 2011) (“If the message conveyed by an advertisement is literally true or ambiguous, . . . the plaintiff must prove actual deception or a tendency to deceive, and it may do so with a properly conducted consumer survey.” (alteration in original)); *Vienna Beef Ltd. v. Red Hot Chi. Inc.*, 100 U.S.P.Q.2d 1773, 1776 (N.D. Ill. 2011) (denying temporary restraining order on ground that “[the plaintiff] is asserting false-in-context claims that require it to show evidence of consumer confusion, which it has not done”); *Keurig, Inc. v. Strum Foods, Inc.*, 769 F. Supp. 2d 699, 713 (D. Del. 2011) (denying plaintiff’s motion for preliminary injunction on ground that the effect of allegedly false-by-implication advertising should be measured by public reaction); *Pom Wonderful LLC v. Organic Juice USA, Inc.*, 769 F. Supp. 2d 188, 196 (S.D.N.Y. 2011) (“In most likelihood-of-confusion cases, the required extrinsic evidence will come in the form of expert consumer surveys.”); *PSK, LLC v. Hicklin*, 757 F. Supp. 2d 836, 870-71 (N.D. Iowa 2010) (granting defense motion for summary judgment based on plaintiff’s failure to adduce supporting survey evidence); *DeSena v. Beekley Corp.*, 729 F. Supp. 2d 375, 392 (D. Me. 2010) (entering summary judgment of nonliability for false advertising based on counterclaim plaintiff’s failure to offer survey evidence).

1369. *See, e.g., Riddell, Inc. v. Schutt Sports, Inc.*, 724 F. Supp. 2d 963, 971 (W.D. Wis. 2010) noting in dictum that “unless the statement in question is literally false, the plaintiff . . . must show actual consumer confusion, which can be established by direct or survey evidence” (citation omitted).

1370. *See PBM Prods., LLC v. Mead Johnson & Co.*, 639 F.3d 111, 125 (4th Cir. 2011).

1371. *See Turbon Int’l, Inc. v. Hewlett-Packard Co.*, 769 F. Supp. 2d 262, 269 (S.D.N.Y. 2011) (“The Court may presume that the advertisement is misleading where the defendant’s misrepresentation is intentional.”).

1372. *See QVC, Inc. v. Your Vitamins, Inc.*, 714 F. Supp. 2d 291, 302 n.19 (D. Del. 2010). According to the court, “[b]log posts . . . may be more reliable than broad-based surveys,

required plaintiffs to satisfy their burden on the issue by submitting survey results demonstrating the advertising's materiality to consumers.<sup>1373</sup>

As is the case with surveys measuring actual or likely confusion, criticisms of survey methodology in the false advertising context generally go to weight, and not admissibility.<sup>1374</sup> Thus, for example, the Fourth Circuit sustained a jury finding of liability in a case between competing producers of baby food products based in part on two surveys—one conducted online and one conducted over the telephone—of new or expectant mothers.<sup>1375</sup> According to the court:

[The first survey expert retained by the plaintiffs] conducted his survey by presenting an online survey to a group of participants located by a third party. The survey participants were pre-screened to ensure that they were (1) new parents or expecting a baby in the next six months, (2) were open to considering purchasing infant formula, (3) were not participating in the Women, Infants, and Children Nutrition Program, and (4) were or would be the primary or shared decision maker in choosing infant formula brands.

The . . . survey [conducted by the plaintiff's second survey expert] was based on interviews conducted among four groups of consumers, two of which were exposed to the disputed advertisement and two of which were exposed to a "control mailer" that contained similar, but more accurate statements about [the defendant's] infant formula. All participants were new and expectant mothers. After viewing either the disputed advertisement or the control advertisement, participants dialed a toll free number and were questioned about the material.<sup>1376</sup>

Rejecting the defendant's attacks on the universe of respondents targeted by each survey, the appellate court observed that "[the]

---

insofar as they represent direct feedback from consumers specifically interested in the product(s) at issue, although concerns regarding such posts' authenticity are not ill-founded." *Id.* Ultimately, however, it found that the postings proffered by the plaintiffs were not so convincing evidence of materiality as to support the merits of the plaintiffs' case. *See id.* at 301-02.

1373. *See Fair Isaac Corp. v. Experian Info. Solutions, Inc.*, 650 F.3d 1139, 1151-52 (8th Cir. 2011) ("A claim that a statement is implicitly false requires proof that the statement is deceptive or misleading, and the success of such a claim usually turns on the persuasiveness of a consumer survey."); *Innovation Ventures, LLC v. N.V.E., Inc.*, 747 F. Supp. 2d 853, 863 (E.D. Mich. 2010) (granting counterclaim defendant's motion for summary judgment based in part on counterclaim plaintiff's failure to adduce survey evidence).

1374. *See, e.g., Pom Wonderful LLC v. Organic Juice USA, Inc.*, 769 F. Supp. 2d 188, 197-201 (S.D.N.Y. 2011) (declining to exclude survey results proffered by counterclaim plaintiff).

1375. *See PBM Prods., LLC v. Mead Johnson & Co.*, 639 F.3d 111, 123-24 (4th Cir. 2011).

1376. *Id.*



argument that [the survey experts] surveyed the wrong universe bears directly on the weight accorded to [each] survey, not to its admissibility.”<sup>1377</sup>

Of course, even when it was offered, not all extrinsic evidence in the form of survey evidence carried the day. Such was the result in an appeal to the Fourth Circuit of an action in which the gravamen of the counterclaim plaintiff’s claims was that “compare to” advertising conducted by the counterclaim defendants communicated to consumers that the parties’ goods were identical.<sup>1378</sup> The plaintiff supported this theory with the results of two surveys, which, according to the counterclaim plaintiff, established that respondents exposed to the counterclaim defendants’ advertising believed that the parties’ goods were the “same.” Like the district court, the Fourth Circuit concluded that the coding of the results precluded them from having probative weight on the key issue of whether the challenged advertising communicated that the goods had been determined to be “equivalent” in laboratory tests: In particular, “[the counterclaim plaintiff’s survey expert] assumed that respondents who stated ‘same’ meant ‘identical,’ even though he admitted that some respondents who thought the products were nearly the same would have chosen ‘same’ instead of ‘different.’”<sup>1379</sup> As a consequence, “[b]ecause the surveys failed to account for the actual allegations in the case, they failed to provide the required evidence of falsity.”<sup>1380</sup>

A final opinion of note did not resolve a claim of literally true but misleading advertising on the merits, but instead merely declined to dismiss it at the pleading stage.<sup>1381</sup> Touting the results of a third-party survey, the defendant claimed that its services had “just [been] ranked the most reliable” in the industry,<sup>1382</sup> even after the third party announced the results of a later survey placing the plaintiff’s services in that lofty position. The defendant argued that the plaintiff’s literally-true-but-misleading cause of action failed to state a claim because it failed to cite any evidence of actual deception, but the court concluded otherwise: Because the plaintiff was “not required to set forth evidence of actual confusion

---

1377. *Id.* at 124.

1378. *See id.* at 116.

1379. *Id.* at 122.

1380. *Id.*

1381. *See Fed. Express Corp. v. United Parcel Serv., Inc.*, 765 F. Supp. 2d 1011 (W.D. Tenn. 2010).

1382. *Quoted in id.* at 1014.

at the pleading stage,”<sup>1383</sup> it had “sufficiently alleged actual consumer confusion and deception caused by the commercial.”<sup>1384</sup>

### (3) Causation and Likelihood of Injury

The Fourth Circuit served up a reminder that causation is a prerequisite for liability under Section 43(a) just as much as falsity itself.<sup>1385</sup> The allegedly false advertising at issue compared the parties’ competing baby food products, and the counterclaim plaintiff’s monetary relief expert submitted a report that assumed a directly variable relationship between the parties’ sales. The district court granted the counterclaim defendants’ motion for summary judgment, and the Fourth Circuit affirmed. As the appellate court explained, “even if [the counterclaim defendants’] ‘compare to’ messages were false, the district court correctly concluded that [the counterclaim plaintiff] cannot prove that the ‘compare to’ language caused any damages.”<sup>1386</sup> In particular, “[t]he fatal flaw in [the counterclaim plaintiff’s] economic information was that its expert assumed that every sale [the counterclaim defendants] made was attributable to the ‘compare to’ statement on the [counterclaim defendant’s] product.”<sup>1387</sup>

A failure to adduce evidence or testimony of damage also resulted in a finding of nonliability as a matter of law in a case in which the counterclaim plaintiff successfully had demonstrated literal falsity.<sup>1388</sup> The offending promotional piece represented that a study had documented the concussion-reducing characteristics of the counterclaim defendant’s youth football helmets, when, in fact, the study only examined one model of the counterclaim defendant’s high school helmets. The piece had been distributed only a single time, and, of equal importance, the court regarded the falsity as merely “a technical one.”<sup>1389</sup> With the counterclaim plaintiff unable to offer any evidence that it had lost sales or market share, the court granted the counterclaim defendant’s motion for summary judgment on the ground that “with no basis for loss or unjust enrichment in sight, it would be unjust to award any sum to [the counterclaim plaintiff] for the false advertisement.”<sup>1390</sup>

---

1383. *Id.* at 1022.

1384. *Id.* at 1023.

1385. *See PBM Prods.*, 639 F.3d 111, at 127.

1386. *Id.* at 122.

1387. *Id.*

1388. *See Riddell, Inc. v. Schutt Sports, Inc.*, 724 F. Supp. 2d 963 (W.D. Wis. 2010).

1389. *Id.* at 980.

1390. *Id.*

The Eleventh Circuit took a more generous approach toward a plaintiff's showing of causation.<sup>1391</sup> That court affirmed a district court finding that injury or likelihood of injury could be presumed from the defendant's misleading use of a study conducted by a third party to suggest that buildings constructed from wood treated with a process used by the plaintiff were unsafe. As it explained, "the injury flowing from statements regarding [the third party's study] is inherent in the injury resulting from statements regarding the safety and efficacy of [the plaintiff's process] because the statement that [the third party] verified and endorsed those concerns is intimately tied to those safety concerns."<sup>1392</sup>

## 6. Cybersquatting Claims

The Anticybersquatting Consumer Protection Act (ACPA) authorizes both in rem and in personam actions in challenges to domain names that allegedly misappropriate trademarks and service marks.<sup>1393</sup> If a prior arbitration proceeding under the Uniform Dispute Resolution Policy (UDRP) has resulted in the suspension, transfer, or disabling of a domain name, the ACPA also authorizes what is effectively a mechanism for the domain name registrant to appeal the outcome of the UDRP action by bringing a cause of action for reverse domain name hijacking.<sup>1394</sup>

### *a. In Rem Actions*

Perhaps in part because of the ready availability of the UDRP in disputes in which the owner of a challenged domain name is located outside the reach of United States courts, reported opinions in in rem actions brought under the ACPA have been in decline and, indeed, the past year no readily apparent examples of such an opinion.

### *b. In Personam Actions*

Where in personam actions are concerned, "[t]he Anti-Cybersquatting Consumer Protection Act establishes civil liability for 'cyberpiracy' where a plaintiff proves that (1) the defendant registered, trafficked in, or used a domain name; (2) the domain name is identical or confusingly similar to a protected mark owned by the plaintiff; and (3) the defendant acted 'with [a] bad faith

---

1391. See *Osmose, Inc. v. Viance, LLC*, 612 F.3d 1298 (11th Cir. 2010).

1392. See *id.* at 1319-20.

1393. See 15 U.S.C. § 1125(d) (2006).

1394. See *id.* § 1114(2)(D)(v).

intent to profit from that mark.”<sup>1395</sup> A defendant’s legitimate explanation for its registration of a particular domain name will ordinarily insulate that defendant from liability,<sup>1396</sup> but, as the Fourth Circuit confirmed, a potential violation under this standard can occur later if the use of its domain name evolves over time.<sup>1397</sup> The plaintiff in the case before that court was the owner of the federally registered NEWPORT NEWS mark for women’s clothing and accessories, as well for the retail sale of those items. The lead defendant was the registrant of the “newportnews.com” domain name, which it initially used to provide information on the city of Newport News, Virginia. Based on that use, the lead defendant successfully defended its registration in an arbitration proceeding brought by the plaintiff under the UDRP. Following that victory, however, the lead defendant and its principal (who was also named as a defendant) began accepting occasional advertising for women’s clothing on their website; eight years after their UDRP victory, the site “was dominated by advertisements for women’s apparel.”<sup>1398</sup> In affirming entry of summary judgment in the plaintiff’s favor, the Fourth Circuit agreed with the district court that there was no factual dispute as to the defendants’ bad faith:

The record conclusively shows that in making changes to its website in 2007, [the lead defendant] shifted its focus away from the legitimate service of providing information related to the city of Newport News and became instead a website devoted primarily to women’s fashion. Most of the items on its homepage, as well as those most prominently placed, related to women’s attire. Not only was the site dominated by advertisements for apparel, it also contained dozens of links to shopping websites. The website’s references to the city of Newport News became minor in comparison to the fashion-related content. [The lead defendant] cannot escape the consequences of its deliberate metamorphosis. [The lead defendant] would apparently have us hold that as long as it provided any information about the city of Newport News, it continued to provide a “bona fide” service. Such a formalistic approach would allow a cybersquatter seeking to profit from

---

1395. *DSPT Int’l, Inc. v. Nahum*, 624 F.3d 1213, 1218-19 (9th Cir. 2010) (quoting 15 U.S.C. § 1125(d)((1)(A) (2006)).

1396. *See, e.g., Oriental Fin. Grp. v. Cooperativa de Ahorro y Crédito Oriental*, 750 F. Supp. 2d 396, 404 (D.P.R. 2010) (rejecting claim of ACPA violation on ground that “Defendant uses the website [associated with the challenged domain name] to promote and provide its services, and the domain name is its shortened name, which it has used in the marketplace since 1995.”).

1397. *See Newport News Holdings Corp. v. Virtual City Vision, Inc.*, 650 F.3d 423 (4th Cir.), *cert. denied*, 132 S. Ct. 575 (2011).

1398. *Id.* at 430.

another company's trademark to avoid liability by ensuring that it provides some minimal amount of information about a legitimate subject. It would also undermine the purpose of the ACPA, which seeks to prevent the bad-faith and abusive registration of distinctive marks as Internet domain names with the intent to profit from the goodwill associated with such marks.<sup>1399</sup>

The Fourth Circuit also agreed with the district court's conclusion that the lead defendant's success in the earlier UDRP proceeding weighed in the plaintiff's, rather than the defendant's, favor. As the appellate court explained, "[w]hat the [district] court deemed most significant was that the [UDRP] decision found [the lead defendant's] use proper precisely because its business of providing city information was unrelated to [the plaintiff's] clothing business."<sup>1400</sup> Noting that the UDRP panel had rested its ruling on "the total absence of competition between the [parties'] businesses,"<sup>1401</sup> the court held that "[t]he fact that, in the face of this cautionary language, [the lead defendant] later purposefully transformed its website into one that competed with [the plaintiff] by advertising women's apparel is a legitimate factor within the totality of the circumstances supporting the district court's finding of bad faith."<sup>1402</sup> Under these circumstances, the defendant's latter-day adoption of a notice reading "We are Newport News, Virginia" to reduce the likelihood of confusion caused by its use was insufficient to ward off a finding of liability as a matter of law.<sup>1403</sup>

An individual defendant in a different case similarly learned the hard way that this cause of action reaches the subsequent misuse of a domain name originally registered with the plaintiff's permission.<sup>1404</sup> Thus, although he may not initially have violated the ACPA by registering a domain name corresponding to his employer's mark to facilitate the employer's establishment of a website, he later did so by removing the site's content and holding the domain name hostage after a dispute over commissions arose between the parties. Affirming a jury finding of liability, the Ninth Circuit held that the defendant's arguments that his conduct did

---

1399. *Id.* at 435-36 (internal quotation marks omitted).

1400. *Id.* at 437.

1401. *Quoted in id.*

1402. *Id.*

1403. *See id.* at 437. According to the court, "[f]or ACPA purposes, '[t]he fact that confusion about a website's source or sponsorship could be resolved by visiting the website is not relevant to whether the domain name itself is identical or confusingly similar to a plaintiff's mark.'" *Id.* (second alteration in original) (quoting *Coca-Cola Co. v. Purdy*, 382 F.3d 774, 783 (8th Cir. 2004)).

1404. *See DSPT Int'l, Inc. v. Nahum*, 624 F.3d 1213 (9th Cir. 2010).

not fall within the scope of the ACPA were “not implausible,” but nevertheless were “mistaken”:

True, the statute was intended to prevent cybersquatters from registering well-known brand names as internet domain names in order to make the trademark owners buy the ability to do business under their own names. . . .

But the statute, like so many, is written more broadly than what may have been the political catalyst that got it passed. . . . Though there was no evidence of anything wrong with [the defendant’s] registration of the domain name to himself, the evidence supported a verdict that [the defendant] subsequently, years later, used the domain name to get leverage for his claim for commissions. The statute says “registers, traffics in, or uses,” with “or” between the terms, so use alone is enough to support a verdict, even in the absence of violative registration or trafficking.<sup>1405</sup>

The court then held that there was sufficient evidence to support the jury’s finding that the defendant was ineligible for the ACPA’s safe harbor, concluding that “[the defendant] could not have reasonably believed that he could lawfully use [the plaintiff’s mark] when he no longer worked for [the plaintiff]. The safe harbor protects uses such as parody and comment, and use by persons ignorant of another’s superior right to the mark.”<sup>1406</sup>

Post-registration misuse proved to be the basis for a preliminary injunction in another case brought under the ACPA.<sup>1407</sup> The parties once had had an amicable relationship, which led to the plaintiff’s registration of two marks, the defendants’ use of the same marks, and the defendants’ registration of domain names based on the marks. The court found that the defendants were using the domain names in the bona fide offering of goods and services, but it also found that the defendants’ use of the plaintiff’s registered marks had been under license and that the license had been revoked. Noting that “a bad faith intent to profit from a domain name can arise either at the time of registration or at any time afterwards,”<sup>1408</sup> the court found that two showings by the plaintiff weighed in favor of a finding that a violation of the ACPA had occurred, namely, the defendants’ offer to sell the domain names to the plaintiff for \$200,000 and

---

1405. *Id.* at 1219 (footnote omitted) (quoting 15 U.S.C. § 1125(d)(1)(A) (2006)).

1406. *Id.* at 1220 (footnote omitted).

1407. *See Sound Surgical Techs., LLC v. Leonard A. Rubenstein, M.D., P.A.*, 734 F. Supp. 2d 1262 (M.D. Fla. 2010).

1408. *Id.* at 1277.

their refusal to stop using the domain names in the face of the plaintiff's objections.<sup>1409</sup>

In a more conventional in personam action, the defendants, providers of plumbing and HVAC-related services, had the poor grace to register a domain name based on a service mark owned by the plaintiff, a direct competitor.<sup>1410</sup> In the lawsuit that followed, the court granted the plaintiff's motion for summary judgment based on its conclusion that an "overwhelming number" of the statutory factors set forth in Section 43(d)(1)(B)(i)<sup>1411</sup> favored a finding of liability. Those factors included the defendants' lack of any interest in any intellectual property rights corresponding to the domain name, as well as their failure to use it for a legitimate purpose. On the contrary, and of greatest apparent importance to the court, the defendants' intent was merely to redirect business to their own site:

[The lead defendant] disputes that it intended to divert consumers from Plaintiff's website to the [defendants'] website, [the lead defendant] admits that it registered close to 100 other domain names containing in whole or in part the names of many other plumbing, heating, cooling, and electrical contractors in Western Pennsylvania. All such registrations were done without the knowledge, permission, or consent of the related business owners. Many such websites advertised and offered Defendants' services. Such registration establishes [a] pattern of behavior [by the lead defendant] that may have kept potential customers from accessing the legitimate websites of competing businesses or diverted customers to its own website. Such redirection could harm the goodwill represented by Plaintiff's mark and create in customers a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site. [The lead defendant] has not offered any evidence that it registered the domain names for a bona fide reason other than to limit the parties' direct competition.<sup>1412</sup>

Some opinions deferred resolution of the cybersquatting claims before them until trial,<sup>1413</sup> with one in particular not boding well for the counterclaim defendant, who had moved the court for

---

1409. *See id.*

1410. *See Fagnelli Plumbing Co. v. Gillece Plumbing & Heating Inc.*, 98 U.S.P.Q.2d 1997 (W.D. Pa. 2011).

1411. 15 U.S.C. § 1125(d)(1)(B)(i) (2006).

1412. *Fagnelli Plumbing*, 98 U.S.P.Q.2d at 2002 (citation omitted).

1413. *See, e.g., Passport Health Inc. v. Travel Med Inc.*, 98 U.S.P.Q.2d 1344, 1347-48 (E.D. Cal. 2011) (finding factual dispute as to intent of defendant that had registered the challenged domain name while a franchisee of the plaintiff).

summary judgment.<sup>1414</sup> One basis of the counterclaim defendant's motion was that he had registered the disputed domain name prior to the time the counterclaim plaintiff's descriptive mark had acquired secondary meaning. Unfortunately for the counterclaim defendant, however, either he or his affiliates had reregistered the domain name several times after the initial registration, which, according to the court, effectively reset the clock for secondary meaning purposes. According to the court, "[t]he [ACPA] provides no exception for re-registrations by the same owner. Any registration thus may bring the registrant within the statute's purview."<sup>1415</sup>

Finally, one court addressed, albeit without extended analysis, the pleading requirements for an in personam cause of action under the ACPA.<sup>1416</sup> Denying a motion to dismiss, it held that allegations of unlawful conduct under the ACPA were not subject to heightened pleading requirements. To the contrary, "[w]hile allegations of fraud must be pled with particularity under Rule 9(b) of the Federal Rules of Civil Procedure, this case does not involve allegations of fraud as contemplated by Rule 9(b), but instead involves alleged cybersquatting violations."<sup>1417</sup>

### *c. Reverse Domain Name Hijacking Actions*

The close relationship between in personam actions brought by mark owners, on the one hand, and reverse domain name hijacking actions brought by domain name registrants, on the other hand, was on display in a case in which such a registrant responded to a loss in a UDRP proceeding by filing suit against the victorious mark owner in federal district court.<sup>1418</sup> It was undisputed between the parties that the first three requirements of a successful cause of action for reverse domain name hijacking were met: (1) the plaintiff was the record owner of the disputed domain name; (2) the UDRP proceeding had led to an order that the domain name be transferred to the defendant; and (3) the defendant had received proper notice of the action.<sup>1419</sup> The remaining and dispositive issue therefore was whether the plaintiff could prove that its registration and use of the domain name was "not unlawful under this Chapter."<sup>1420</sup>

---

1414. See *Ricks v. BMEzine.com, LLC*, 727 F. Supp. 2d 936 (D. Nev. 2010).

1415. *Id.* at 954.

1416. See *CSC Holdings, LLC v. Optimum Networks, Inc.*, 731 F. Supp. 2d 400 (D.N.J. 2010).

1417. *Id.* at 410.

1418. See *Ricks v. BMEzine.com, LLC*, 727 F. Supp. 2d 936 (D. Nev. 2010).

1419. See *id.* at 959 n.11.

1420. See 15 U.S.C. § 1114(2)(D)(v) (2006).



After resolving the issue of what the statutory reference to “Chapter” meant—it was a reference to the ACPA, and not the Lanham Act generally<sup>1421</sup>—the court held on the defendant’s motion for summary judgment that the plaintiff was unable to satisfy this last requirement. To begin with, although the defendant’s mark was descriptive, there was no material dispute that the mark had acquired secondary meaning prior to the plaintiff’s registration of the domain name.<sup>1422</sup> It was also the case that the plaintiff, a losing party in numerous unrelated UDRP arbitrations, had acted with a bad-faith intent to profit from his use of the domain name: It was initially associated with the website of a legitimate business, but the plaintiff eventually “parked” the domain name with a third-party defendant, which converted the site to one featuring click-through advertising for goods and services closely related to those of the defendant mark owner.<sup>1423</sup> Finally, and although the plaintiff adduced at least some evidence and testimony that the defendant had not actually owned the mark it sought to protect at the time of the UDRP proceeding, his unclean hands barred the equitable relief he sought.<sup>1424</sup>

## 7. Recovery for Fraudulent Procurement of Registrations

Section 38 of the Act provides a civil cause of action against “[a]ny person who shall procure registration in the Patent and Trademark Office of a mark by a false or fraudulent declaration or representation, oral or in writing, or by any false means.”<sup>1425</sup> That does not mean, however, that the attorneys’ fees incurred in either the defense of an action to protect a fraudulently registered mark or a successful counterclaim for the cancellation of the registration in question are recoverable and, indeed, the consensus among courts is that they are not. One set of plaintiffs therefore successfully moved a court hearing a challenge to the plaintiffs’ registrations to dismiss a counterclaim seeking this relief at the pleadings stage;<sup>1426</sup> the defendants were, however, allowed to pursue certain other categories of alleged damages, which the court did not describe in detail.<sup>1427</sup>

---

1421. See *Ricks*, 727 F. Supp. 2d at 959-60.

1422. See *id.* at 962-63.

1423. See *id.* at 964-65.

1424. See *id.* at 965-66.

1425. 15 U.S.C. § 1120 (2006).

1426. See *Santander Consumer USA Inc. v. Walsh*, 762 F. Supp. 2d 217, 234 (D. Mass. 2010).

1427. See *id.* at 234-35.

## 8. State and Common-Law Claims

### *a. Preemption of State Unfair Competition Causes of Action*

The Lanham Act does not preempt state prohibitions on unfair competition.<sup>1428</sup> Nevertheless, plaintiffs that augment federal Lanham Act claims with related state-law unfair competition causes of action run the risk of holdings that the latter are preempted by Section 301 of the federal Copyright Act, which proscribes state-law claims purporting to protect “legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright.”<sup>1429</sup> The preemption inquiry under Section 301 is a two-fold one: A state cause of action will be preempted if its subject matter falls within the subject matter of copyright and, additionally, if the rights asserted under it are equivalent to those articulated in Section 106 of the Copyright Act,<sup>1430</sup> which identifies the rights of copyright owners.<sup>1431</sup> “Elements of intent or commercial malfeasance are not sufficient to save a state claim from preemption.”<sup>1432</sup>

Some litigants made the preemption inquiry an easy one.<sup>1433</sup> These included one plaintiff whose various New York state-law causes of action were grounded merely in the repeated allegation that the defendant’s jewelry designs had been copied from its own.<sup>1434</sup> Thus, as the court read that document, “[t]he complaint does not allege, for instance, the efforts of a salesman or a company, by words or deeds, to deceive consumers into believing that accused merchandise is something else, a claim that might not be preempted because it would involve allegations beyond the scope of the Copyright Act.”<sup>1435</sup> The absence of averments of this sort, the court held, mandated the dismissal of the plaintiff’s claims as preempted under Section 301: “[W]here there is no allegation that [a defendant] has palmed off its own goods as [a

1428. *See generally* *People v. Ebelechukwu*, 937 N.E.2d 222, 224-227 (Ill. App. Ct. 2010) (rejecting argument that Lanham Act preempted Illinois criminal anticounterfeiting statute).

1429. 17 U.S.C. § 301 (2006).

1430. *Id.* § 106.

1431. *See generally* *Jules Jordan Video, Inc. v. 144942 Canada Inc.*, 617 F.3d 1146, 1154 (9th Cir. 2010).

1432. *Feldman v. Twentieth Century Fox Film Corp.*, 723 F. Supp. 2d 357, 368 (D. Mass. 2010) (granting defendants’ motion to dismiss for failure to state a claim).

1433. *See, e.g.,* *Aronson v. Dog Eat Dog Films, Inc.*, 738 F. Supp. 2d 1104, 1114-16 (W.D. Wash. 2010) (dismissing as preempted state-law cause of action grounded in defendant’s alleged unauthorized copying of plaintiff’s home video).

1434. *See* *Eyal R.D. Corp. v. Jewelex N.Y. Ltd.*, 784 F. Supp. 2d 441 (S.D.N.Y. 2011).

1435. *Id.* at 447.

plaintiffs], there is no basis to find . . . trade dress infringement independent from the claim alleged under the Copyright Act.”<sup>1436</sup>

The Supreme Judicial Court of Massachusetts reached the same result in an action under that state’s common law grounded in similarly deficient averments.<sup>1437</sup> The original plaintiff in the parties’ longstanding dispute was alleged to have “designed and produced unique and distinctive printed promotional materials used by automobile dealerships to conduct direct mail campaigns and advertise dealership sales events.”<sup>1438</sup> His estate claimed in its complaint that, between them, the defendants had printed and distributed materials that “[to] an ordinary observer . . . were substantially similar to those produced by [the original plaintiff].”<sup>1439</sup> Although the estate argued that this conduct could be the basis for findings of reverse passing off and deceptive trade practices, the court disagreed, holding instead that the estate’s theory of relief under each depended on a “right equivalent to copyright” and therefore was preempted.<sup>1440</sup>

A more difficult preemption analysis—but only marginally so—was undertaken by the Ninth Circuit to dismiss a California right-of-publicity claim arising from the unauthorized copying and distribution in DVD format of an adult film.<sup>1441</sup> The lead plaintiff was an actor appearing in the film, as well as the owner of the copyright covering it. In addition to prosecuting a copyright infringement cause of action, he argued that he was entitled to injunctive and monetary relief based on the defendants’ alleged misuse of his image. The precise nature of that misuse went unexplained at trial, but the plaintiffs characterized it on appeal as consisting of the appearance of the lead plaintiff’s name and likeness on the covers of the counterfeit DVDs. The Ninth Circuit quickly disposed of that argument on both legal and factual grounds. As to the former, the court dryly noted that “[the lead plaintiffs] face appears nowhere on any of the DVD covers, and whether his ‘persona’ appears in the form of some other part of his anatomy is unknown.”<sup>1442</sup> This meant that, as a legal proposition, “[t]he essence of [the lead plaintiffs] claim is that the . . . defendants reproduced and distributed the DVDs without

---

1436. *Id.* at 448.

1437. *See* *Curtis v. Herb Chambers I-95, Inc.*, 940 N.E.2d 413 (Mass. 2011).

1438. *Quoted in id.* at 417.

1439. *Quoted in id.* (first and second alterations in original).

1440. *See id.* at 418-19, 420. The estate’s claims for breach of the implied covenant of good faith and fair dealing and for interference with advantageous business relations suffered the same fate. *See id.* at 419-20.

1441. *See* *Jules Jordan Video, Inc. v. 144942 Canada Inc.*, 617 F.3d 1146 (9th Cir. 2010).

1442. *Id.* at 1154.

authorization. His claim is under the Copyright Act.”<sup>1443</sup> The plaintiffs’ victory before a jury therefore was reversed.<sup>1444</sup>

### *b. Right of Publicity*

Right-of-publicity law is at heart a creation of state law, and this led to several state law-specific opinions in the area over the past year. Plaintiffs lost a number of cases as a matter of law,<sup>1445</sup> with the most notable example of such a disposition arising from a particularly bizarre scenario in which a trust invested in an annuity based on the life of a terminally ill individual with no ties to the trust.<sup>1446</sup> Objecting to the trust’s nonconsensual use of the individual’s name in the annuity papers,<sup>1447</sup> the individual’s estate sought to assert a claim against the trust and its agents under the Illinois right-of-publicity statute.<sup>1448</sup> Because the statute required a “*public* use or holding out of an individual’s identity . . . in connection with the . . . sale of a product,”<sup>1449</sup> however, the court declined to allow the estate to amend its complaint to include the statutory cause of action. As it explained, such an amendment would be futile on the ground that “the alleged facts, as well as the Annuity documents themselves, show that the Annuity was a private contract between [the issuer] and the . . . Trust.”<sup>1450</sup>

The Eleventh Circuit affirmed the grant of a defense motion for summary judgment in an action brought under Georgia law.<sup>1451</sup> Reduced to their essentials, the plaintiff’s claims were routine ones for service mark infringement and unfair competition; that the plaintiff’s mark was a surname, however, allowed him to assert that his likeness had been unlawfully misappropriated as well. The court disagreed, holding that “[t]o prove an appropriation of likeness under Georgia law, a plaintiff must establish that the defendant invaded his privacy by appropriating, for the

---

1443. *Id.* at 1155.

1444. *See id.*

1445. *See, e.g.,* Mercado-Salinas v. Bart Enters. Int’l, Ltd., 747 F. Supp. 2d 275, 277 (D.P.R. 2010) (declining to recognize right-of-publicity cause of action under Puerto Rico law); Hart v. Elec. Arts, Inc., 740 F. Supp. 2d 658, 664-68 (D.N.J. 2010) (holding that plaintiff had failed to state a claim for violation of his right of publicity under New Jersey law but not foreclosing possibility of amended complaint).

1446. *See* MetLife Investors USA Ins. Co. v. Zeidman, 734 F. Supp. 2d 304 (E.D.N.Y. 2010), *aff’d*, 442 F. App’x 589 (2d Cir. 2011).

1447. The individual’s estate alleged that the trust had induced the individual’s aunt to sign the individual’s name to the annuity papers by falsely representing that the papers were tax forms. *See id.* at 309.

1448. *See* 765 Ill. Comp. Stat. § 1075/30(a) (2007).

1449. *Id.* § 1075/5 (emphasis added).

1450. *MetLife Investors USA*, 734 F. Supp. 2d at 312.

1451. *See* Tana v. Dantanna’s, 611 F.3d 767 (11th Cir. 2010).

defendant's benefit, use or advantage, the plaintiff's name or likeness."<sup>1452</sup> Because "[a]n appropriation of likeness without an intent to use the likeness for one's benefit fails to meet the very definition of the tort itself," and because the summary judgment record failed to reflect the existence of a justiciable question of fact as to the defendants' intent, "the district court did not err in granting summary judgment to Defendants on Plaintiff's appropriation-of-likeness claim."<sup>1453</sup>

Summary judgment of nonliability also resulted from an application of the Florida right-of-publicity statute<sup>1454</sup> by a federal district court in that state.<sup>1455</sup> The defendant alleged to have violated the statute marketed notes from lectures delivered at the University of Florida while the plaintiff was the authorized publisher of a set of packaged notes by a professor at that school. When the defendant identified the professor by name in describing the courses its notes covered, the plaintiff claimed that the express identification constituted an unauthorized use of the professor's name in the promotion of the defendant's goods. In an analysis consistent with the nominative fair use doctrine, the court disagreed and granted the defendant's motion for summary judgment. As the court read the record, "no reasonable inference can be drawn that [the professor] was actually promoting or endorsing the notes or that [the defendant] used [the professor's] name to give that impression."<sup>1456</sup> As a consequence, "[n]o reasonable jury could find that [the defendant] used [the professor's] name or likeness to promote its product or service."<sup>1457</sup>

Oklahoma law proved to be no more generous to a professional stock car driver seeking to recover for the alleged use of his persona in the animated motion picture *Cars*.<sup>1458</sup> According to the plaintiff's opening pleading, he had driven a red race car with number 95 painted on the doors in yellow since 1995. The gravamen of plaintiff's complaint against the film's producer and animators was that his right of publicity had been violated by the appearance in the film of a character named "Lightning McQueen," whom the court described as "a red race car of a fictional make/model with a large yellow lightning bolt painted on the side and the number 95 displayed in yellow over the lightning bolt."<sup>1459</sup>

---

1452. *Id.* at 783.

1453. *Id.*

1454. Fla. Stat. § 540.08 (2009).

1455. *See* Faulkner Press, L.L.C. v. Class Notes, L.L.C., 756 F. Supp. 2d 1352 (N.D. Fla. 2010).

1456. *Id.* at 1360.

1457. *Id.*

1458. *See* Brill v. Walt Disney Co., 246 P.3d 1099 (Okla. Civ. App. 2010).

1459. *Id.* at 1101.

The trial court assigned to the matter held that the plaintiff had failed to state a claim, and the Court of Civil Appeals of Oklahoma affirmed. Addressing the plaintiffs' common-law cause of action, the appellate court concluded that "a fictional, talking, driverless red race car with the number 95 on it cannot be construed as a likeness of a driver of a similarly colored/numbered race car";<sup>1460</sup> the same outcome held with respect to the plaintiff's claim under Oklahoma statutory law,<sup>1461</sup> which was additionally deficient because the plaintiff had failed adequately to plead that the defendants knowingly used his likeness without his consent.<sup>1462</sup>

In contrast, a number of courts were more forgiving toward plaintiffs asserting right-of-publicity causes of action, especially at the pleadings stage of the cases before them.<sup>1463</sup> Thus, for example, a federal district court applying Arkansas law declined to dismiss such a claim brought by an ophthalmologist and his practice.<sup>1464</sup> The plaintiffs had contracted with the defendants to perform laser-based corrective surgery as part of the defendants' nationwide network. The plaintiffs averred that, although the defendants terminated the contract less than two years after its execution, the defendants had continued to promote their services through unauthorized references to the ophthalmologist, including references in a patient-notification letter allegedly bearing a forged copy of the ophthalmologist's signature. This was all the court needed to know: Because the plaintiffs had pleaded a "facially plausible" claim, the motion to dismiss was denied.<sup>1465</sup>

### *c. Other State Statutory and Common-Law Unfair Competition Claims*

#### **(1) Georgia**

In an opinion in which everything else also went poorly for the plaintiff, one Georgia federal district court confirmed that a state registration is a prerequisite for a statutory infringement action

---

1460. *Id.* at 1103.

1461. *See* Okla. Stat. tit. 12, § 1449(A) (2001).

1462. *See Brill*, 246 P.3d at 1103.

1463. *See, e.g.,* *Maremont v. Susan Fredman Design Grp.*, 772 F. Supp. 2d 967, 971-72 (N.D. Ill. 2011) (declining to dismiss as time-barred plaintiff's right-of-publicity case of action under Illinois law); *Chen v. Cayman Arts, Inc.*, 757 F. Supp. 2d 1294, 1299-1300 (S.D. Fla. 2010) (declining to dismiss right-of-publicity action under Florida law for failure to state a claim based on dispute between parties over whether plaintiff consented to use of name and image by defendant).

1464. *See Lasikplus Murphy, M.D., P.A. v. LCA-Vision, Inc.*, 776 F. Supp. 2d 886 (E.D. Ark. 2011).

1465. *See id.* at 900.

under the law of that state.<sup>1466</sup> Because the plaintiff had failed to register the marks it sought to protect with the Georgia Secretary of State, its claims under the relevant statute<sup>1467</sup> were dismissed on summary judgment;<sup>1468</sup> nevertheless, its remaining Georgia statutory and common-law causes of action survived (only to fall short on other grounds).<sup>1469</sup>

## (2) Michigan

In a departure from the approach taken by applications of the consumer protection statutes in other states, a Michigan federal district court interpreted the Michigan Consumer Protection Act (MCPA)<sup>1470</sup> as authorizing a cause of action by the producer of an energy drink against a competitor.<sup>1471</sup> The gravamen of the counterclaim plaintiffs' cause of action was that the counterclaim defendant had disseminated to the trade a misleading characterization of a preliminary injunction entered earlier in the case. Noting that the MCPA expressly reached, *inter alia*, "*advertising, solicitation, offering for sale or rent, sale, lease, or distribution of a service or property,*"<sup>1472</sup> the court held that the counterclaim defendant's conduct was actionable under the MCPA. Under its reading of the statute, "[b]ecause [the counterclaim defendant's] conduct in this case may properly be construed as advertising, and because [the counterclaim defendant] is in the business of providing, albeit it through various distributors, goods for personal, family, or household purposes, its conduct is 'trade or commerce' as defined by the MCPA."<sup>1473</sup>

## (3) Nebraska

In an otherwise straightforward dispute over two closely similar marks—WOUNDED WARRIOR PROJECT and WOUNDED WARRIORS, INC.—both of which were used by charitable organizations serving the needs of injured United States service members, the plaintiff hedged its bets by asserting an unjust enrichment cause of action in addition to more conventional

---

1466. See *Brown Bark II, L.P. v. Dixie Mills, LLC*, 732 F. Supp. 2d 1353, 1360 (N.D. Ga. 2010).

1467. See Ga. Code Ann. § 10-1-450(a) (2007).

1468. See *Brown Bark II*, 732 F. Supp. 2d at 1359-60.

1469. See *id.* at 1360.

1470. Mich. Comp. Laws §§ 445.901- .922 (1979).

1471. See *Innovation Ventures, LLC v. N2G Distrib., Inc.*, 779 F. Supp. 2d 671 (E.D. Mich. 2011).

1472. *Id.* at 681 (quoting Mich. Comp. L. § 445.902(g)).

1473. *Id.*

likelihood-of-confusion-based claims.<sup>1474</sup> The gravamen of the former was that the defendant had retained and deposited donations intended for the plaintiff but which had been misdirected to the defendant as a result of actual confusion between the parties' marks. The defendant argued at trial that it had returned all such donations to the plaintiff, but the plaintiff responded with expert witness testimony that there were more donations at stake than those acknowledged by the defendant. In affirming a jury verdict in the plaintiff's favor, the Eighth Circuit held that the plaintiff had produced sufficient evidence and testimony to satisfy each of the three requirements for liability: (1) the defendant received money; (2) the defendant had retained the money; and (3) justice and fairness warranted the return of the money to the plaintiff.<sup>1475</sup>

#### (4) New Jersey

One federal district court confirmed that the New Jersey Consumer Fraud Act (NJCFA)<sup>1476</sup> was just that—a statute to protect consumers against fraud.<sup>1477</sup> The gravamen of the plaintiff's complaint was that the defendant had violated his right of publicity by depicting a player with his attributes in the defendant's video game. The defendant moved the court to dismiss the plaintiff's cause of action under the NJCFA, and the court did so. As the court noted, "Plaintiff is not a direct, commercial competitor of Defendant; he does not produce and sell video games."<sup>1478</sup> Of equal importance, "he has not pointed to any cases in which a non-direct competitor was held to have standing, and the Court sees no reason to presume that the New Jersey Supreme Court would extend the NJCFA to such plaintiffs."<sup>1479</sup>

#### (5) New York

A motion to dismiss a sparsely worded complaint for failure to state a claim gave one federal district court the opportunity to opine on the prerequisites for relief under various New York causes of action.<sup>1480</sup> One was that of common-law unfair competition, which was grounded in the defendant's alleged

---

1474. *See* WWP, Inc. v. Wounded Warriors Family Support, Inc., 628 F.3d 1032 (8th Cir. 2011).

1475. *See id.* at 1042.

1476. N.J. Stat. Ann. §§ 56:8-1 *et seq.* (West 2001).

1477. *See* Hart v. Elec. Arts, Inc., 740 F. Supp. 2d 658 (D.N.J. 2010).

1478. *Id.* at 669.

1479. *Id.*

1480. *See* Eyal R.D. Corp. v. Jewelex N.Y. Ltd., 784 F. Supp. 2d 441 (S.D.N.Y. 2011).



copying of the plaintiff's jewelry designs. The court held this allegation to be fatally deficient "because [the plaintiff], in its complaint, did not allege any facts to support the claim that [the defendant's] actions were done in bad faith . . . which is an element required to show unfair competition under New York common law."<sup>1481</sup> The plaintiff's statutory cause of action for deceptive trade practices<sup>1482</sup> fell similarly short on the ground that "[h]ere, [the plaintiff] pleads only an injury to itself, and not to the public . . . ."<sup>1483</sup>

### (6) Pennsylvania

A rigid application of *Erie Railroad v. Tompkins*<sup>1484</sup> led a Michigan federal district court to decline to expand the Pennsylvania common-law tort of unfair competition to allegedly false representations made about a competitor's product.<sup>1485</sup> In dismissing the plaintiff's allegations to that effect for failure to state a claim, the court acknowledged that federal courts applying Pennsylvania law had allowed claims for unfair competition to go forward on allegations that, if true, would have triggered liability under the Lanham Act.<sup>1486</sup> Nevertheless, because it was also the case that "Pennsylvania state courts have traditionally restricted unfair competition claims to claims where one party is attempting to 'pass off' their goods as those of another party,"<sup>1487</sup> the court was unwilling "to extend the law beyond the bounds that the Pennsylvania Supreme Court has set."<sup>1488</sup>

### (7) Texas

In a trade dress infringement action to protect the appearance of a motor-oil bottle, the plaintiff included a Texas cause of action for misappropriation, only to have the court dismiss that claim on a defense motion for summary judgment.<sup>1489</sup> According to the court:

---

1481. *Id.* at 447.

1482. See N.Y. Gen. Bus. Law § 349 (McKinney 1996).

1483. *Eyal*, 784 F. Supp. 2d at 450.

1484. 304 U.S. 64 (1938).

1485. See *Dorman Prods., Inc. v. Dayco Prods., LLC*, 749 F. Supp. 2d 630 (E.D. Mich. 2010).

1486. See *id.* at 642.

1487. *Id.*

1488. *Id.* at 643.

1489. See *Shell Trademark Mgmt. B.V. v. Warren Unilube, Inc.*, 765 F. Supp. 2d 884 (S.D. Tex. 2011).

To prove a misappropriation claim under Texas law, a plaintiff must show “(i) the creation of plaintiff’s product through extensive time, labor, skill and money, (ii) the defendant’s use of that product in competition with the plaintiff, thereby gaining a special advantage in that competition (i.e., a ‘free ride’) because defendant is burdened with little or none of the expense incurred by the plaintiff, and (iii) commercial damage to the plaintiff.”<sup>1490</sup>

As the court read the summary judgment record, “[the plaintiffs] [have] not responded by pointing to any evidence of [their] expenditures in creating [their bottle] or of commercial damages as a result of misappropriation.”<sup>1491</sup>

### (8) Wisconsin

The Wisconsin Deceptive Trade Practices Act contains what might on its face seem to be broad prohibitions on “untrue, deceptive or misleading” conduct,<sup>1492</sup> but, as one federal district court in that state confirmed, the Act is not unrestricted in scope.<sup>1493</sup> The plaintiff at the short end of that holding was a developer of ceiling and wall insulation systems for metal buildings, certain of whose products did not comply with recently published standards and guidelines developed by the defendant, a certifying organization in the heating, ventilation, air conditioning, and refrigeration industry. Rejecting the plaintiff’s bid for a preliminary injunction against what the plaintiff considered to be the deceptive nature of the defendant’s new standards, the court held that “[w]hat is missing from the plaintiff’s argument is any link between the allegedly false statements or representations and their relationship to the ‘purchase, sale, hire, use, or lease of . . . real estate, merchandise, securities, service or employment,’” as required by the Act.<sup>1494</sup> Beyond this deficiency, the plaintiff’s case was equally flawed by its failures to recognize that the Act did not provide a cause of action for misrepresentations made to non-parties (in this case, the public) and to document any pecuniary loss it had suffered as a result of the publication of the defendant’s standards.<sup>1495</sup> The denial of interlocutory relief followed.<sup>1496</sup>

---

1490. *Id.* at 902 (quoting *U.S. Sporting Prods., Inc. v. Johnny Stewart Game Calls, Inc.*, 865 S.W.2d 214, 218 (Tex. Ct. App. 1993)).

1491. *Id.*

1492. Wis. Stat. § 100.18 (2010).

1493. *See Thermal Design, Inc. v. Am. Soc’y of Heating, Refrigerating & Air-Conditioning Eng’rs, Inc.*, 775 F. Supp. 2d 1082 (E.D. Wis. 2011).

1494. *Id.* at 1088 (quoting Wis. Stat. § 100.18).

1495. *See id.* at 1088-89.

1496. *See id.* at 1089.

## 9. Secondary Liability

Unfair competition law recognizes two types of secondary liability—contributory infringement and vicarious liability. Both made appearances in reported opinions over the past year.

### *a. Contributory Infringement and Contributory Likelihood of Dilution*

Somewhat unusually, the past year produced two federal appellate opinions addressing claims of contributory infringement brought by the same plaintiff, a manufacturer of paper towels. In the first, the plaintiff alleged that a competitor had induced distributors and end users to load the competitor's paper towels into the plaintiff's branded dispensers.<sup>1497</sup> In addition to the plaintiff's marks, each of the plaintiff's dispensers bore notices that it was the plaintiff's property and that it could be used "only to dispense the trademark-bearing products identified on its exterior."<sup>1498</sup> The district court concluded as a matter of law that this practice did not constitute contributory infringement, but the Fourth Circuit held that it had erred in doing so. After concluding that the plaintiff had presented sufficient evidence to satisfy the standard for contributory infringement set forth in *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*,<sup>1499</sup> the appellate court turned its attention to whether a reasonable jury could find that the predicate act of direct infringement had occurred. In the process of vacating the district court's holding as a matter of law that that act had not occurred, the Fourth Circuit took issue with the district court's failure to consider the effect on ordinary restroom visitors of the defendant's conduct and to accord proper weight to favorable survey evidence introduced by the plaintiff.<sup>1500</sup>

The plaintiff's luck ran out the following month, however, in a case presenting similar facts but a different procedural disposition.<sup>1501</sup> In contrast to the appeal before the Fourth Circuit, the defense victory under review had come after a full trial rather than on a motion for summary judgment.<sup>1502</sup> The clearly erroneous standard of review, together with the Eighth Circuit's receptiveness to the defendant's showing that the industry

---

1497. Ga.-Pac. Consumer Prods., LP v. Von Drehle Corp., 618 F.3d 441 (4th Cir. 2010).

1498. Quoted in *id.* at 446.

1499. 456 U.S. 844 (1982).

1500. See *Von Drehle Corp.*, 618 F.3d at 451-53.

1501. See Ga.-Pac. Consumer Prods. LP v. Myers Supply, Inc., 621 F.3d 771 (8th Cir. 2010).

1502. The district court previously had declined to resolve the action on summary judgment. See *id.* at 776.

generally, including the plaintiff itself, engaged in the challenged conduct led the appellate court to affirm the district court's finding that confusion was unlikely.<sup>1503</sup> En route to this conclusion, it declined to disturb as an abuse of discretion the district court's decision not to accord meaningful weight to survey evidence adduced by the plaintiff.<sup>1504</sup>

The inherently factual nature of the contributory infringement inquiry did not preclude some courts from reaching findings of nonliability as a matter of law. Chief among them was one that granted a motion to dismiss a contributory infringement claim against a domain name registrar.<sup>1505</sup> The plaintiffs had registered a domain name incorporating their mark using the defendant's services, but, as a result of a series of errors by the defendant's personnel, the domain name was temporarily hijacked by an unidentified "Intruder," which rerouted traffic intended for the plaintiffs to the putative site of the "Iranian Cyber Army."<sup>1506</sup> The court had little sympathy for the plaintiffs' argument that the defendant had unlawfully contributed to what the plaintiffs considered to be the infringement of their mark:

Here, despite its purported failings, [the defendant] did not induce the Intruder to engage in trademark infringement, nor did it monitor or control the Intruder, nor did it know or have reason to know that the Intruder was engaging in or would engage in trademark infringement. . . . While [the lead plaintiff] plausibly alleges that [the defendant's] gross negligence or recklessness allowed the Intruder to gain control of its account, [the lead plaintiff] does not plausibly allege that [the defendant] engaged in contributory trademark infringement.<sup>1507</sup>

The plaintiffs' cause of action therefore failed to state a claim.<sup>1508</sup>

The gravamen of the plaintiffs' complaint in a case before a Utah federal district court was that the defendant had allowed one of its affiliates to place online advertising that featured the plaintiff's mark.<sup>1509</sup> The court explained that "[f]or contributory trademark infringement liability to 'lie' with a service provider, . . . it 'must have more than a general knowledge or reason to know that its service is being used to [infringe]. Some contemporary knowledge of which particular [acts] are infringing or will infringe

---

1503. *See id.* at 774-77.

1504. *See id.* at 775.

1505. *See* Baidu, Inc. v. Register.com, Inc., 760 F. Supp. 2d 312 (S.D.N.Y. 2010).

1506. *See id.* at 316.

1507. *Id.* at 321-22.

1508. *See id.* at 322.

1509. *See* 1-800 Contacts, Inc. v. Lens.com, Inc., 755 F. Supp. 2d 1151 (D. Utah 2010).

in the future is necessary.”<sup>1510</sup> Applying this standard to the summary judgment record, the court determined that “[h]ere, Defendant authorized its affiliates to use its name in their advertisements; consequently, it may be subject to the law of contributory infringement”;<sup>1511</sup> at the same time, however, “Plaintiff . . . has not presented any evidence that Defendant intentionally induced [its] affiliates to infringe on Plaintiff’s mark.”<sup>1512</sup> With the plaintiff additionally unable to prove that the defendant had continued to provide its services to the allegedly infringing affiliate with knowledge of the alleged infringement or that the defendant had acted with willful blindness while doing so,<sup>1513</sup> summary judgment of nonliability was appropriate.<sup>1514</sup>

A far more unusual claim of secondary liability to be addressed in a reported opinion was one for contributory dilution.<sup>1515</sup> That cause of action was advanced by two plaintiffs against the owner and operator of a flea market at which goods bearing allegedly counterfeit imitations of the plaintiffs’ marks were sold. Moving to dismiss it for failure to state a claim, the defendants argued that no federal appellate court had recognized such a theory of liability nor had any district court in the circuit (the First) in which the case was being heard. Surveying the limited jurisprudence on the subject, the court remarked that “what the contributory dilution jurisprudence shows is one claim that survived summary judgment, one claim that went to a factfinder, and *no* appellate decision rejecting the existence of such a cause of action.”<sup>1516</sup> That case law, however “scant” it might be, weighed against the dismissal of the plaintiffs’ cause of action.<sup>1517</sup>

### ***b. Vicarious Liability***

The issue of vicarious liability for the infringement and unfair competition of others is not an issue addressed with great

---

1510. *Id.* at 1184 (second and third alterations in original) (quoting *Tiffany Inc. v. eBay, Inc.*, 600 F.3d 93, 107 (2d Cir. 2010), *cert. denied*, 131 S. Ct. 647 (2010)).

1511. *Id.* at 1185.

1512. *Id.*

1513. On this particular issue, the court held that the defendant was entitled to a reasonable amount of time in which to investigate the facts underlying the plaintiff’s pre-filing objections to the affiliate’s conduct. *See id.* at 1186 (“[The defendant] had no obligation to cease licensing its name to all of its affiliates while it took steps to identify the one who generated [the offending advertisement].”). Moreover, the same was true even after the defendant was served with the plaintiff’s complaint. *See id.* (“Once a lawsuit is filed, it takes time to address issues raised in a complaint.”).

1514. *See id.* at 1185-87.

1515. *See* *Coach Inc. v. Gata Corp.*, 98 U.S.P.Q.2d 1911 (D.N.H. 2011).

1516. *Id.* at 1915.

1517. *See id.* at 1914-15.

frequency in reported opinions. In the one case in which this theory of relief did make a substantive appearance over the past year, the plaintiff objected to Internet advertising placed by an affiliate of the defendant.<sup>1518</sup> Although the court was receptive to the plaintiff's argument that the advertising featured infringing uses of the plaintiff's mark, it did not agree that the defendant was responsible for that infringement. It might be true that the defendant had control over entities with which it associated itself, but the text of the advertisements was drafted by the affiliate and not the defendant. Reviewing the relationship between the defendant and the affiliate, the court concluded that the defendant's trademark-related authority was limited to policing the affiliate's use of the defendant's mark and did not extend to the content of the affiliate's advertising; moreover, "Plaintiff has failed to show that [the affiliate] was vested with authority to conduct and conclude transactions on behalf of Defendant."<sup>1519</sup> The court therefore granted the defendant's motion for summary judgment on the ground that "no jury could reasonably find that an agency relationship existed between Defendant and [its affiliate]."<sup>1520</sup>

## 10. Personal Liability

Individual defendants frequently respond to complaints served upon them with motions to dismiss, but that strategy generally failed over the past year.<sup>1521</sup> Thus, for example, one court denying such a motion noted that "a corporate officer, who is a central figure in the corporation, can be found personally liable for 'acts of trademark infringement that he . . . authorized and approved.'"<sup>1522</sup> The complaint before the court averred, *inter alia*, that the individual defendant moving for dismissal had personally participated in the selection of the disputed mark, had directed his company to make directly competing use of the mark in a location

---

1518. 1-800 Contacts, Inc. v. Lens.com, Inc., 755 F. Supp. 2d 1151 (D. Utah 2010).

1519. *Id.* at 1184.

1520. *Id.*

1521. *See, e.g.*, Brown & Brown, Inc. v. Cola, 745 F. Supp. 2d 588, 618 (E.D. Pa. 2010) (declining, without extensive discussion of allegations against them, to dismiss complaint against individual defendants); Tempur-Pedic Int'l, Inc. v. Go Satellite Inc., 758 F. Supp. 2d 366, 378-39 (N.D. Tex. 2010) (exercising personal jurisdiction over individual defendant based on averments of his personal involvement in alleged infringement); Planet Techs., Inc. v. Planit Tech. Grp., 735 F. Supp. 2d 397, 405 (D. Md. 2010) (same); JTH Tax, Inc. v. Gouneh, 721 F. Supp. 2d 132, 140 (N.D.N.Y. 2010) (holding, in cursory analysis, that plaintiff had "adequately alleged [an individual defendant's] personal involvement in engaging in trademark infringement, unfair competition, and deceptive business acts or practices").

1522. Planet Techs., Inc. v. Planit Tech. Grp., 735 F. Supp. 2d 397, 405 (D. Md. 2010) (quoting Stafford Urgent Care, Inc. v. Garrisonville Urgent Care, P.C., 224 F. Supp. 2d 1062, 1066 (E.D. Va. 2002)) (internal quotation marks omitted).

less than five miles from the plaintiff's office, and had additionally instructed his company's outside trademark counsel to apply to register the mark.<sup>1523</sup> Dismissal was therefore inappropriate on the ground that "[a]ccepting as true these factual allegations, the Court finds that [the] Complaint sufficiently demonstrates a plausible basis for holding [the individual defendant] personally liable for trademark infringement."<sup>1524</sup>

In a case in which the issue of personal liability was decided on the merits, the Fourth Circuit looked to Virginia law when asked to review a finding as a matter of law that a resident of the commonwealth was personally liable for violations under the ACPA.<sup>1525</sup> According to the court, personal liability was appropriate if an individual defendant was the alter ego of an accused corporation, a circumstance that depended on findings of "(i) a unity of interest and ownership between [the individual and the corporation], and (ii) that [the individual] used the corporation to evade a personal obligation, to perpetrate fraud or a crime, to commit an injustice, or to gain an unfair advantage."<sup>1526</sup> The court's application of these prerequisites focused primarily on the first, which it held was satisfied by evidence and testimony in the summary judgment record that the individual defendant was the sole employee and participating director of the corporate defendant, that the corporate defendant was operated from the individual defendant's house, and that the individual defendant alone was responsible for the corporate defendant's actions.<sup>1527</sup> In a conclusion devoid of analysis, the court then held the second requirement satisfied as well.<sup>1528</sup>

The principal of a law firm similarly failed to escape a finding of infringement after the evidence and testimony during a bench trial showed that he had personally participated in the development of predatory online tactics that misled potential clients into contacting the defendants', rather than the plaintiffs', law firm.<sup>1529</sup> As the court found:

[T]his evidence is more than sufficient to establish [the principal's] personal liability based on his direction of the infringement. "A corporate official may be held personally liable for tortious conduct committed by him, though committed

---

1523. *See id.*

1524. *Id.*

1525. *See* Newport News Holdings Corp. v. Virtual City Vision, Inc., 650 F.3d 423 (4th Cir.), cert. denied, 132 S. Ct. 575 (2011).

1526. *Id.* at 434 (alterations in original) (quoting V.F. Trust, Inc. v. First Flight Ltd. P'ship, 306 F.3d 126, 132 (4th Cir. 2002)) (internal quotation marks omitted).

1527. *See id.*

1528. *See id.*

1529. *See* Binder v. Disability Grp., 772 F. Supp. 2d 1172 (C.D. Cal. 2011).

primarily for the benefit of the corporation. This is true in trademark infringement and unfair trade practices cases.”<sup>1530</sup>

### *C. Defenses*

#### **1. Legal Defenses**

##### *a. Abandonment*

“Once a mark is abandoned, it enters the public domain and another party can appropriate it.”<sup>1531</sup> Section 45 of the Lanham Act recognizes two bases for a finding of abandonment: (1) use of the mark in question has been discontinued with an intent not to resume use; and (2) conduct by the mark’s owner, “including acts of omission as well as commission, [has] cause[d] the mark to become the generic name for the goods and services on or in connection with which it is used or otherwise to lose its significance as a mark.”<sup>1532</sup> Both theories—but especially the latter—came into play over the past two years.

##### **(1) Non-Use**

Under Section 45, abandonment for nonuse of a mark has two requirements, namely, nonuse coupled with an intent not to resume use.<sup>1533</sup> Both of these must be shown, which means that, if a challenged mark remains in use, the inquiry stops there.<sup>1534</sup> Among other courts making this point over the past year was the Eighth Circuit, which rejected the proposition that a finding of abandonment could lie as to some marks merely because their owner had adopted a new one.<sup>1535</sup> It therefore affirmed the rejection as a matter of law of an abandonment claim on the ground that “[a]lthough the record reflects that [the lead plaintiff] intends to move away from being identified by [the] marks [underlying its claims], it does not support [the defendants’] claim

---

1530. *Id.* at 1182 (quoting *Polo Fashions, Inc. v. Crafttex, Inc.*, 816 F.2d 145, 149 (4th Cir. 1987)).

1531. *Specht v. Google Inc.*, 758 F. Supp. 2d 570, 595 (N.D. Ill. 2010).

1532. 15 U.S.C. § 1127 (2006).

1533. *Zurco, Inc. v. Sloan Valve Co.*, 785 F. Supp. 2d 476, 491 (W.D. Pa. 2011).

1534. *See, e.g., Alliance Bank v. New Century Bank*, 742 F. Supp. 2d 532, 553 (E.D. Pa. 2010) (rejecting abandonment defense based on finding that plaintiff’s mark remained in use); *see also Brown & Brown, Inc. v. Cola*, 745 F. Supp. 2d 588, 612-13 (E.D. Pa. 2010) (holding that plaintiffs had adequately averred ongoing use of allegedly infringed mark to survive motion to dismiss).

1535. *See Cmty. of Christ Copyright Corp. v. Devon Park Restoration Branch of Jesus Christ’s Church*, 634 F.3d 1005 (8th Cir. 2011).



that the . . . marks have been abandoned through nonuse, *i.e.*, that the mark[s'] use was discontinued, not merely reduced.”<sup>1536</sup>

A Second Circuit district court took things one step further in a case in which the plaintiff had acquired the GORDON CARPET mark it sought to protect as part of the purchase of a retail carpet business.<sup>1537</sup> Upon the transaction’s completion, the plaintiff began operating the business under the LEADER CARPET mark, but its advertising contained the legend “formerly Gordon Carpet”; as part of the transition, the plaintiff also purchased advertising featuring its president “standing arm-in-arm with Gerald Gordon [the president of the plaintiff’s predecessor], with the statement ‘Another New Era Begins at Leader Carpet—Wishing Jerry Gordon All The Best With his New Ventures.’”<sup>1538</sup> Based on this evidence, the court concluded on the plaintiff’s motion for a preliminary injunction that:

In light of Plaintiff’s express use of the “Gordon Carpet” name, and its evident intent to exploit the good will in the name, the Court finds that Defendant has not met its burden to establish that Plaintiff has not discontinued use of the name (let alone that Plaintiff does not intend to resume such use).<sup>1539</sup>

In contrast, several related plaintiffs were found to have abandoned their rights as a matter of law in a different case.<sup>1540</sup> A company controlled by the individual lead plaintiff secured a federal registration of his ANDROID DATA mark for e-commerce software in 2002, but it laid off its only employee, filed its final tax return, and in the same year transferred its assets to another company he controlled. Although there were lingering uses of the mark as part of e-mail addresses and a domain name at which a passive website could be accessed, those also fell into desuetude by 2005. Nevertheless, the lead plaintiff allegedly used the mark in mailings and a business proposal in December 2007 and April 2009, respectively; he also claimed to have engaged in unsuccessful negotiations to sell the mark and the business associated with it.<sup>1541</sup> Then, having learned in April 2009 that the USPTO had

---

1536. *Id.* at 1011.

1537. *See Marks Org., Inc. v. Joles*, 784 F. Supp. 2d 322 (S.D.N.Y. 2011).

1538. *Quoted in id.* 329.

1539. *Id.*

1540. *See Specht v. Google Inc.*, 758 F. Supp. 2d 570 (N.D. Ill. 2010).

1541. *See id.* at 573-75. The lead plaintiffs adduced two additional showings of alleged ongoing use, but the court excluded them from consideration: (1) the distribution of business cards bearing the mark by the lead plaintiff, which the court held had been untimely disclosed; and (2) website pages putatively retrieved through use of the Internet Archive’s Wayback Machine, which the court found were inadmissible for the same reason and, additionally, because they had not been authenticated by an Internet Archive witness. *See id.* at 577-80.

rejected the defendant's application to register the ANDROID mark in connection with an open-development platform for mobile devices because of the prior-registered ANDROID DATA mark, the individual plaintiff resurrected his corporations, and he and they filed suit.

The court entered summary judgment in the defendant's favor on the ground that the plaintiffs had abandoned their mark. It first held that the mark's use had been discontinued for a three-year period and that the plaintiffs' proffered evidence to the contrary was unconvincing. That evidence included the attempted sale of the business previously conducted under the mark, of which the court found that "[t]he [proposed] sale of [the company] and the . . . mark were not done in conjunction with the sale or licensing of e-commerce software or the rendering of software programming or other computer-related services."<sup>1542</sup> The court was equally unpersuaded by the plaintiffs' short-lived maintenance of their domain name, concluding that "[w]hile a domain name can serve as [a] protectable mark in some circumstances, the domain name *androiddata.com* as Plaintiffs used it merely indicated the Internet location where the website appeared, and thus did not have its own trademark rights."<sup>1543</sup> Finally, on the issue of "whether a passive website that a business does not take down from the Internet after it ceases business operations constitutes a bona fide use in commerce of the mark on the site," the court concluded that "[a]llowing a mark owner to preserve trademark rights by posting the mark on a functional yet almost purposeless website, at . . . a nominal expense, is the type of token and residual use of a mark that the Lanham Act does not consider a bona fide use in commerce."<sup>1544</sup>

Having determined that there was no material dispute over the discontinuance of the plaintiffs' mark, the court turned to whether the plaintiffs had had a bona fide intent to resume the mark's use. Referring to Section 45,<sup>1545</sup> the court observed that:

While evidence of the initial nonuse prong may be easier to obtain by the party seeking an abandonment holding, proving the subjective intent of the mark owner not to resume use may prove burdensome. Intent not to resume use may be presumed, however, when a mark holder does not engage in a bona fide use of the mark for three consecutive years.

---

1542. *Id.* at 591.

1543. *Id.*

1544. *Id.* at 593.

1545. See 15 U.S.C. § 1127 (2006) ("Nonuse for 3 consecutive years shall be prima facie evidence of abandonment.").

Despite this presumption, the ... party [averring abandonment] still has the burden of persuasion to show the intent not to resume; the mark owner must only produce evidence that it had an intent to resume use in the reasonably foreseeable future to rebut the presumption. This evidence from the mark owner, however, must amount to more than [an] intent [to make] mere token use of the mark to reserve rights in it. It must be an intent [to make] a bona fide use in the ordinary course of the trade.<sup>1546</sup>

The court found that the plaintiffs' showing under this standard was wanting as a matter of law. To begin with, much of their argument on the issue was grounded in nothing more than the lead plaintiff's subjective intent to resume the mark's use at some indefinite time in the future.<sup>1547</sup> Worse, however, the only documentary evidence of the plaintiffs' putative intent to resume use consisted of "some undated, handwritten notes by [the lead plaintiff] concerning a programming idea; several programming questions [he] posted on Internet message boards in 2008; and a receipt from *Amazon.com* for a programming book sent to [his wife]. Moreover, the ANDROID DATA mark does not appear on any of these exhibits."<sup>1548</sup> Under these circumstances, the court held that "as Plaintiffs have not produced evidence showing that they had an intent to resume use within the three-year period of nonuse, no genuine issue of material fact exists that Plaintiffs abandoned [their] mark."<sup>1549</sup>

A less definitive finding of abandonment—but only because it came on a motion for a preliminary injunction and not as part of a final judgment—came in a case in which the defendant proffered compelling evidence that the plaintiff's claims of ongoing use were fraudulent.<sup>1550</sup> Although the plaintiff was the record owner of six federal registrations covering the marks it sought to protect, the defendant's response to the plaintiff's preliminary injunction motion demonstrated that the specimens used to procure or to maintain the registrations actually had been produced by independent third parties, often years before the plaintiff represented to the USPTO that the specimens were then in use by the plaintiff's licensees. After reviewing numerous, apparently inaccurate representations appearing in the file-wrapper histories of the plaintiff's registrations, the court observed that "[t]hese falsehoods infect all of [the plaintiff's principal's] assertions

---

1546. *Specht*, 758 F. Supp. 2d at 594 (citations omitted).

1547. *See id.* at 595.

1548. *Id.* (citation omitted).

1549. *Id.*

1550. *See Edge Games, Inc. v. Elec. Arts, Inc.*, 745 F. Supp. 2d 1101 (N.D. Cal. 2010).

regarding the bona fide and continuous use of the asserted marks in commerce and the purported ‘sales’ of his company’s [goods].”<sup>1551</sup> Invoking Section 45’s definition of abandonment, the court denied the “extraordinary relief” requested by the plaintiff on the ground that it had failed to demonstrate a likelihood of success in proving that it had valid marks.<sup>1552</sup>

## (2) “Naked” Licensing

The Ninth Circuit offered up the following explanation of how uncontrolled, or “naked,” licensing can lead to a finding of abandonment:

Naked licensing occurs when a licensor does not exercise adequate quality control over its licensee’s use of a licensed trademark such that the trademark may no longer represent the quality of the product or service the consumer has come to expect. By not enforcing the terms of the trademark’s use, the licensor may forfeit his rights to enforce the exclusive nature of the trademark. The key question is therefore whether [the licensor] . . . : (1) retained contractual rights to control the quality of the use of its trademark; (2) actually controlled the quality of the trademark’s use; or (3) reasonably relied on [the licensee] to maintain the quality.<sup>1553</sup>

This standard came into play in a declaratory judgment action in which the counterclaim defendant alleged that the counterclaim plaintiff had forfeited its rights to the FREecycle and THE FREecycle NETWORK word marks, as well as to a logo associated with those marks, by failing to monitor the use of those marks by third parties.<sup>1554</sup> As described by the Ninth Circuit, which entertained an appeal from the entry of summary judgment in favor of the counterclaim defendant, a former licensee of the marks:

The term “freecycling” combines the words “free” and “recycling” and refers to the practice giving an unwanted item to a stranger so that it can continue to be used for its intended purpose, rather than disposing of it. As practiced by [the counterclaim plaintiff], freecycling is primarily a local activity conducted by means of internet groups, which are created by

---

1551. *Id.* at 1115.

1552. *See id.*

1553. *FreesycleSunnyvale v. FreeCycle Network*, 626 F.3d 509, 512 n.1 (9th Cir. 2010) (citation omitted).

1554. *See id.* at 512-14.

volunteers through online service providers like Yahoo! Groups or Google Groups.<sup>1555</sup>

Unfortunately, because the flexibility offered by this business model did not include written licenses the court concluded that there was no justiciable question of fact as to whether the counterclaim plaintiff had maintained the required level of control over its claimed mark. The counterclaim plaintiff relied on an alleged “Freecycle Ethos” driven by surveys and discussions led by volunteer moderators, as well as on several sets of written standards, but the court rejected the claim that the combination of these constituted the exercise of actual control over the mark’s use, especially because users were not required to adhere to the standards.<sup>1556</sup> The court also declined to hold that the counterclaim plaintiff had been entitled to rely upon on its member groups’ quality control measures, noting the absence of any long-term relationship between the parties upon which the counterclaim plaintiff might reasonably have relied.<sup>1557</sup> Finally, the court refused the counterclaim plaintiff’s invitation to hold that its licensing practices should be held to a lower level of scrutiny because the services provided under them were not dangerous to the public: “[B]ecause [the counterclaim plaintiff] did not establish *any* quality control requirements for its member groups, we do not need to decide what efforts to oversee a licensee’s performance might meet a low standard of quality control.”<sup>1558</sup>

The Seventh Circuit also reached a finding of naked licensing as a matter of law in affirming the entry of summary judgment in a defendant’s favor.<sup>1559</sup> A license between the parties granted the defendants the right to use a mark established by the plaintiffs in connection with a bridal store in exchange for a \$75,000 per year royalty payment, but, when the license expired, the defendants continued to use the mark without making the required royalty. In the inevitable lawsuit that followed, the defendants argued that the plaintiffs had abandoned their rights by failing to monitor and police the defendants’ use of the licensed mark. The plaintiffs responded by arguing that they had never questioned the defendants’ high standards, and that they therefore had not had any reason to supervise how the defendants conducted their business. The court wasn’t buying:

This argument that licensors may relinquish all control of licensees that operate “high quality” businesses

---

1555. *Id.* at 512 (citation omitted).

1556. *See id.* at 516-18.

1557. *See id.* at 518-19.

1558. *Id.* at 519.

1559. *See Eva’s Bridal Ltd. v. Halanick Enters.*, 639 F.3d 788 (7th Cir. 2011).

misunderstands what judicial decisions and the *Restatement* mean when they speak about “quality.” There is no rule that trademark proprietors must ensure “high quality” goods—or that “high quality” permits unsupervised licensing. . . . The sort of supervision required for a trademark license is the sort that produces *consistent* quality.<sup>1560</sup>

Like the Ninth Circuit, the court declined to address the issue of the precise steps the plaintiffs might have taken to avoid the invalidation of their rights vis-à-vis the defendants. As it observed, “[i]t isn’t necessary to be more specific here, because plaintiffs did not retain *any* control—not via the license agreement, not via course of performance.”<sup>1561</sup>

The Second Circuit also got into the act, albeit in an opinion that merely affirmed a finding of a naked license after a trial on the merits,<sup>1562</sup> but its treatment of the issue addressed a recurring question: What is the scope of the licensor’s loss of rights once a finding of naked licensing has been reached? The case presenting this inquiry involved a complex set of dovetailing claims of priority to closely similar marks used in the restaurant, pizzeria, and sauce businesses. The licensor, one of many defendants in the action, enjoyed the earliest date of first use, and that led the district court to order the cancellation of two registrations owned by the plaintiffs. A jury determined that the licensor had failed to exercise adequate control over its licensees, however, which allowed the plaintiffs to argue on appeal that the licensor had forfeited all of its rights, except those accruing at a single unlicensed location.

The Second Circuit held that the district court had not erred in limiting the jury’s finding to one of abandonment as to two licensed locations at the heart of the parties’ dispute. As the appellate court explained the appropriate legal rule:

Although some forms of trademark abandonment may result in a loss of all rights in the mark, abandonment of a mark through naked licensing has different effects on the validity of the mark in different markets. For example, if a restaurant operates in both New York and California, but engages in naked licensing only in California, the restaurant’s registered mark may lose its significance in California while retaining its significance in New York. Thus, naked licensing will lead to an abandonment of a mark only where the mark loses its significance.

---

1560. *Id.* at 790.

1561. *Id.* at 790-91.

1562. *See Patsy’s Italian Rest., Inc. v. Banas*, 658 F.3d 254 (2d Cir. 2011).

As a result, we agree with the district court that a mark owner can abandon a mark through naked licensing in a particular geographic area without abandoning its rights throughout the entire United States.<sup>1563</sup>

Turning to the jury's findings of fact, it then held:

The jury was asked to determine whether there was abandonment but not the geographic scope of any such abandonment. [The plaintiffs] requested no instruction on whether the naked licensing was limited to certain entities or certain geographical areas. While the abandonment instructions never identified as their subject the specific licenses granted to the [two locations at issue], those are the entities that were the subject of the naked licensing claim at trial. Therefore, the district court properly resolved the scope of abandonment issue pursuant to Fed.R.Civ.P. 49(a)(3).<sup>1564</sup>

The licensor's retention of rights elsewhere therefore preserved its standing to pursue the cancellation of the plaintiffs' registrations.<sup>1565</sup>

Finally, the Eleventh Circuit also affirmed a jury finding of naked licensing but did not mention the doctrine by name in doing so.<sup>1566</sup> The license in question was between a musical performing group and its management, and the issue as far as the appellate court was concerned was which of the parties controlled the nature of the entertainment services provided by the group. In an opinion that skirted close to reading Section 5 of the Lanham Act<sup>1567</sup> out of existence, the appellate court observed that:

The district court . . . found that [the group] had been consistently portrayed to the public as [the defendant performers] since 1986; they were the product denoted by the [disputed] mark; they owned the goodwill associated with the mark; and a member of the public who purchased a ticket to [a] concert . . . would clearly expect to see [the defendants] perform. The record supports these findings that [the defendants] controlled the qualities and characteristics that the public associates with the . . . mark.<sup>1568</sup>

In reaching this conclusion, the Eleventh Circuit ignored its own precedent recognizing and applying the doctrine of licensee estoppel, which, provided that a license between the parties

---

1563. *Id.* at 264 (citations omitted).

1564. *Id.*

1565. *Id.* at 267.

1566. *See* *Crystal Entm't & Filmworks, Inc. v. Jurado*, 643 F.3d 1313 (11th Cir. 2011).

1567. 15 U.S.C. § 1065 (2006).

1568. *Crystal Entm't & Filmworks*, 643 F.3d at 1323.

actually exists,<sup>1569</sup> bars claims of naked licensing by the very licensees whose conduct allegedly was unsupervised.<sup>1570</sup> Not so the D.C. Circuit, however, which declined to accept a licensee's invitation to hold that the doctrine was more of a suggestion than a rule:

We need not determine whether licensee estoppel should be an automatic bar to all trademark licensee challenges of its licensor's ownership, or whether the court should engage in a totality-of-the-circumstances analysis, or whether some intermediate standard should apply, because in this case the result is the same. The theory underlying the licensee estoppel doctrine is that a licensee should not be permitted to enjoy the benefits afforded by the license agreement while simultaneously urging that the trademark which forms the basis of the agreement is void. [The licensor], which has benefitted from its license of the disputed marks for over two decades, now asks us to declare that the licensed trademarks have been void since 1993. The facts in this case convince us that the equities, no matter how balanced, weigh in favor of applying licensee estoppel here.<sup>1571</sup>

Those facts included the licensee's failure to assert ownership rights to the licensed mark when the mark had been sold years earlier in a bankruptcy auction, as well as the licensee's earlier acquiescence in the licensor's allegations of infringement when the licensee had exceeded the scope of its license.<sup>1572</sup>

### ***b. Descriptive Fair Use***

Descriptive fair use by a defendant of either the plaintiff's trademark or the words making up the plaintiff's trademark may be justified under any of three theories. First, Section 33(b)(4) of the Act recognizes as a defense to the conclusive evidentiary presumption attaching to an incontestably registered mark that a defendant is using a personal name "in his own business" or other

---

1569. For an example of a case rejecting the doctrine based on the lead plaintiff's failure to prove that a license with a third party affiliated with one of the defendants bound that defendant, see *Fair Isaac Corp. v. Experian Info. Solutions, Inc.*, 650 F.3d 1139, 1151 (8th Cir. 2011).

1570. According to the pre-October 1, 1981 Fifth Circuit, the decisions of which are binding in the Eleventh Circuit, see *Bonner v. City of Prichard*, 661 F.2d 1206, 1209-11 (11th Cir. 1981) (en banc), "a licensee is estopped to contest the validity of the licensor's title [to its mark] during the course of the licensing arrangement. The licensee has, by virtue of the agreement, recognized the holder's ownership." *Profl Golfers Ass'n of Am. v. Bankers Life & Cas. Co.*, 514 F.2d 665, 671 (5th Cir. 1975).

1571. *John C. Flood of Va., Inc. v. John C. Flood, Inc.*, 642 F.3d 1105, 1111 (D.C. Cir. 2011) (citations omitted).

1572. *Id.*



words “fairly and in good faith only to describe the [associated] goods or services . . . or their geographic origin.”<sup>1573</sup> Second, the common law preserves defendants’ ability to use personal names and descriptive terms in their primary descriptive sense; consequently, a defendant in an action to protect a registered mark who first satisfies Section 33(b)(4)’s requirements can then fall back on the common law to provide a defense on the merits. Finally, Section 43(c) excludes from liability in a likelihood-of-dilution action “[a]ny fair use, including a . . . descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person’s own goods or services.”<sup>1574</sup>

Whether a defendant qualifies for the protection of the descriptive fair use defense is a question of fact, and this led the Ninth Circuit to vacate entry of summary judgment in favor of a defendant that had triggered allegations of infringement by emblazoning the word “Delicious” across tank tops.<sup>1575</sup> The defendant’s first problem on appeal was the court’s conclusion that “there is evidence from which a reasonable jury could conclude that [the defendant] was using ‘Delicious’ as a trademark,”<sup>1576</sup> not the least of which was that “‘Delicious’ was written in large letters, with a capital ‘D,’ and in silver typescript across the chest, suggesting that [the defendant] used the word to attract public attention”;<sup>1577</sup> what’s more, the presentation of the word was substantively identical to the defendant’s presentation of other words that it undeniably used as trademarks.<sup>1578</sup> The court also concluded that there was a factual dispute on the issue of whether the defendant’s use actually was a descriptive one based on the plaintiff’s showings that the word might qualify as suggestive when applied to the defendant’s goods, that the defendant had failed to take any “precautionary measures” consistent with a descriptive use, and that the defendant “had at its disposal a number of alliterative words that could adequately capture its goal of providing a ‘playful self-descriptor’ on the front of its tank top.”<sup>1579</sup> Finally, despite characterizing the plaintiff’s evidence of the defendant’s bad faith as “thin”—among other things, the defendant had not conducted an availability search before

---

1573. 15 U.S.C. § 1115(b)(4) (2006).

1574. *Id.* § 1125(c)(3)(A).

1575. *See* *Fortune Dynamic, Inc. v. Victoria’s Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025 (9th Cir. 2010).

1576. *Id.* at 1040.

1577. *Id.*

1578. *See id.*

1579. *Id.* at 1042.

launching its use—the court nevertheless held that that evidence “provides support for a jury’s potential finding that [the defendant’s] carelessness in its use of the word ‘Delicious’ rendered its use of that word ‘objectively [un]fair.’”<sup>1580</sup>

An expansive application of the descriptive fair use defense came courtesy of competitors in the Chicago hot dog business.<sup>1581</sup> The plaintiff owned federal registrations of the MAKE ME ONE WITH EVERYTHING and DRAG IT THROUGH THE GARDEN mark, and there was no apparent dispute that the defendants were using those exact phrases in connection with their directly competitive enterprise. In denying the plaintiff’s bid for interlocutory relief, the court concluded that “the phrases are used in a descriptive manner as a customer ordering their hot dog with particular toppings and condiments.”<sup>1582</sup> The court did not, however, explain how the latter phrase in particular described, rather than suggested, the “particular toppings and condiments” that would be applied to the defendant’s goods when the phrase was used by consumers.

A final noteworthy opinion demonstrated there is a distinction between the descriptive fair use defense and its nominative fair use cousin, and also that that distinction can make a difference.<sup>1583</sup> The defendants were in the business of producing hard-copy and online information on the football program of the Ohio State University, which objected to the myriad uses of its marks, including its school colors, in the defendants’ publications. In their response to the university’s preliminary injunction motion, the defendants argued that they intended to make only descriptive fair uses of the plaintiff’s marks. Because they were using the university’s marks *as* marks to refer to the university’s goods and services, the defendants might have had a leg to stand on had they claimed the protection of the nominative fair use doctrine. They did not do so, however, and their assertion of the affirmative defense of fair descriptive use was doomed from the start:

The problem for [the] Defendants, and the reason why this defense is unavailable to them, is that the terms and logos they have chosen to use are not being used “otherwise than as a mark.” The fair use affirmative defense only permits others to use a protected mark to describe aspects of their own good, provided the use is in good faith and not as a mark.<sup>1584</sup>

---

1580. *Id.* at 1043 (alteration in original) (quoting *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 123 (2004)).

1581. *See Vienna Beef Ltd. v. Red Hot Chi. Inc.*, 100 U.S.P.Q.2d 1773 (N.D. Ill. 2011).

1582. *Id.* at 1776.

1583. *See Ohio State Univ. v. Thomas*, 738 F. Supp. 2d 743 (S.D. Ohio 2010).

1584. *Id.* at 754.

*c. Nominative Fair Use*

Whether nominative fair use is an affirmative defense or, alternatively, whether it is something that must be disproven as part of a plaintiff's prima facie case is a subject of judicial disagreement, but the distinction made little difference over the past year. For example, one court adhering to the former view applied the doctrine so aggressively that it dismissed the entirety of a complaint for failure to state a claim.<sup>1585</sup> The suit producing this outcome was brought by the owner of the OASIS JR. mark for mailboxes with security features against a competitor, which referred to the plaintiff's mark in its advertising. The plaintiff attached the offending advertisements to its complaint, and that allowed the court to apply the Ninth Circuit's tripartite test for nominative fair use at the pleadings stage: "In cases where a nominative fair use defense is raised, we ask whether (1) the product was readily identifiable without use of the mark; (2) defendant used more of the mark than necessary; (3) defendant falsely suggested he was sponsored or endorsed by the trademark holder."<sup>1586</sup>

The results of that application worked to the plaintiff's detriment:

[T]he exhibits attached to the Complaint lead to the . . . conclusion . . . that Plaintiff has failed to allege sufficient facts to demonstrate a likelihood of confusion. The excerpts from Defendant's website clearly identify Plaintiff as the manufacturer of the Oasis Jr. mailbox. The website even goes so far as to state, "Oasis® is a registered trademark of *Architectural Mailboxes*." Furthermore, as Defendant points out, "every statement about the Oasis Jr. made on the mailbox.net site is negative and a criticism of the product's lack of security." Under these circumstances, it is unclear why Defendant would attempt to create an "affiliation, connection or sponsorship" between itself and Plaintiff's products. On the contrary, Defendant is drawing a clear distinction between its products and those of Plaintiff. In light of this evidence, Plaintiff has not alleged facts sufficient to support its trademark infringement claim.<sup>1587</sup>

Invoking the nominative fair use "exclusion" memorialized in Section 43(c)(3)(A),<sup>1588</sup> the court then dismissed the plaintiff's

---

1585. See *Architectural Mailboxes LLC v. Epoch Design LLC*, 99 U.S.P.Q.2d 1799 (S.D. Cal. 2011).

1586. *Id.* at 1801 (quoting *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1175-76 (9th Cir. 2010) (internal quotation marks omitted).

1587. *Id.* at 1802 (citations omitted).

1588. 15 U.S.C. § 1125(c)(3)(A) (2006).

federal likelihood-of-dilution claim as well on the ground that “Defendant has shown the fair nominative use defense applies, and the facts set out in the Complaint and the exhibits attached thereto reflect that Defendant used Plaintiff’s trademark in connection with comparative advertising or to criticize Plaintiff’s goods.”<sup>1589</sup>

## 2. Equitable Defenses

### *a. Unclean Hands*

As always, some defendants charged with acts of unfair competition responded with arguments that the plaintiffs were ineligible for relief because of their own unclean hands. One court offered the following representative explanation of the defense:

The doctrine of unclean hands closes the doors of a court of equity to one tainted with inequity or bad faith relative to the matter in which he seeks relief. The fundamental principle that he who comes into equity must come with clean hands applies to Lanham Act claims. And it is well-settled in trademark law that the defense of unclean hands applies only with respect to the right in suit.<sup>1590</sup>

The occasion for this restatement was an assertion of unclean hands grounded in the plaintiff’s filing of the very lawsuit before the court. According to the court, which granted the plaintiff’s motion to dismiss the defense at the pleadings stage, there were two reasons why the defendant’s averments fell short. The first was that “any bad faith or inequitable conduct in filing the lawsuit is unrelated to the plaintiff’s acquisition or use of [its] trademark or trade dress rights.”<sup>1591</sup> The second was that “[the defendant’s] assertion is circular: if . . . [the accused] goods are not counterfeit, regardless of whether or not Plaintiffs knew this, then Plaintiffs would not be entitled to any equitable relief and the unclean hands defense would be superfluous.”<sup>1592</sup>

The focus of unclean hands inquiries is typically plaintiff’s alleged misconduct, but the doctrine can also, of course, bar the assertion of affirmative defenses. In that context as well, however, there must be some nexus between the complained-of conduct and the relief sought to be barred. Thus, for example, the Ninth Circuit declined to overturn the rejection of an unclean hands claim grounded in the counterclaim defendant’s violation of a stock

---

1589. *Architectural Mailboxes*, 99 U.S.P.Q.2d at 1803.

1590. *Coach, Inc. v. Kmart Corps.*, 756 F. Supp. 2d 421, 429 (S.D.N.Y. 2010) (citations omitted) (internal quotation marks omitted).

1591. *Id.* at 429.

1592. *Id.* at 430 n.4.

purchase and licensing agreement between the parties.<sup>1593</sup> According to the counterclaim plaintiffs, that violation should have prevented the counterclaim defendant from arguing that the counterclaim plaintiffs had acquiesced in the counterclaim defendant's carry-over use of the licensed marks after the termination of the license. The court disagreed:

“[U]nclean hands does not constitute ‘misconduct in the abstract, unrelated to the claim to which it is asserted as a defense.’”

....

... The district court did not abuse its discretion in concluding that [the counterclaim defendant's] earlier breach of the stock purchase agreement did not preclude [the counterclaim defendant] from claiming that [the counterclaim plaintiffs] acquiesced to its use of the [licensed] marks thereafter.<sup>1594</sup>

In contrast to the outcome in these cases, another invocation of the doctrine received a more favorable reception on a motion to dismiss.<sup>1595</sup> According to the defendant, the plaintiff had unclean hands as a result of its overaggressive efforts to protect a mark covered by a fraudulently procured registration. Although concluding that the defendant had failed properly to plead a fraud-based counterclaim for cancellation, the court nevertheless held with respect to the second proffered basis of the defense that “if . . . a plaintiff brings suit ‘to browbeat and coerce’ defendants allegedly using its mark, [the] action may . . . give rise to an affirmative defense of unclean hands.”<sup>1596</sup> Because the defendant had adequately averred that the plaintiff had brought its suit in bad faith, the defendant's allegation of unclean hands survived until the proof stage.<sup>1597</sup>

Litigation tactics also proved to be the basis of a second cognizable claim of unclean hands, at least as far as the motion for summary judgment of the plaintiff alleged to have them was concerned.<sup>1598</sup> According to the defendant, the primary mark underlying the litigation—THE PINT for high-efficiency urinals—

---

1593. See *Seller Agency Council, Inc. v. Kennedy Ctr. for Real Estate Educ., Inc.*, 621 F.3d 981 (9th Cir. 2010).

1594. *Id.* at 986-87 (quoting *Jarrow Formulas, Inc. v. Nutrition Now, Inc.*, 304 F.3d 829 (9th Cir. 2002) (quoting *Republic Molding Corp. v. B.W. Photo Utils.*, 319 F.2d 347, 349 (9th Cir. 1963))).

1595. See *Scooter Store, Inc. v. SpinLife.com, LLC*, 777 F. Supp. 2d 1102 (S.D. Ohio 2011).

1596. *Id.* at 1113 (quoting *Esquire, Inc. v. Esquire Slipper Mfg. Co.*, 243 F.2d 540, 545 (1st Cir. 1957)).

1597. *Id.*

1598. See *Zurco, Inc. v. Sloan Valve Co.*, 785 F. Supp. 2d 476 (W.D. Pa. 2011).

was known by the plaintiffs to be either generic or descriptive.<sup>1599</sup> Although purporting to own protectable rights to several marks either consisting of, or incorporating, these words, the plaintiffs nevertheless disclaimed any intent to challenge descriptive fair uses of them. That concession, however, was not enough to secure summary judgment in their favor. To the contrary, the court held, “the parties clearly disagree at to whether THE PINT represents a generic, descriptive, or inherently distinctive mark. The parties also dispute the extent to which [the plaintiffs] [have] sought to prevent competitors from using the term ‘pint’ in a descriptive sense.”<sup>1600</sup>

An additional case deferring resolution of the unclean-hands inquiry did so on a defense motion for summary judgment.<sup>1601</sup> The plaintiff was a producer of bottled pomegranate juice, which alleged that a competitor’s use of the “pomegranate” in connection with beverages containing juice from other fruits violated Section 43(a). In support of its motion, the defendant assembled a rather impressive showing that many of the labels used by the plaintiff featured information that did not accurately describe the composition of the juice sold under them.<sup>1602</sup> The court parsed the defendant’s proffered labels in great detail, concluding that some were not relevant to the plaintiff’s claims against the defendant and that others had not been properly pleaded in response to the plaintiff’s complaint.<sup>1603</sup> Moreover, even where the allegedly misleading labels not falling into these two categories were concerned, the court invoked a consideration that trumped the defendant’s reliance on them: “[W]hile [the defendant] has offered undisputed evidence of [the plaintiff’s] misleading label[s], [the defendant] has not demonstrated by clear and convincing evidence that [the plaintiff’s] conduct was egregious.”<sup>1604</sup> Summary judgment therefore was denied, although “[t]o the extent the evidence [the defendant] proffers in support of this motion is admissible and relevant to its defense (or any other issue at trial), [the defendant] will have the opportunity to present it then.”<sup>1605</sup>

The sole apparent example of an assertion of unclean hands succeeding on the merits arose from an action for reverse domain name hijacking.<sup>1606</sup> The defendant previously had prevailed in an

---

1599. *See id.* at 501.

1600. *Id.* at 502.

1601. *See Pom Wonderful LLC v. Welch Foods, Inc.*, 737 F. Supp. 2d 1105 (C.D. Cal. 2010).

1602. *See id.* at 1109.

1603. *See id.* at 1110-12.

1604. *Id.* at 1113 (internal quotation marks omitted); *see also id.* at 1114, 1116.

1605. *Id.* at 1116.

1606. *See Ricks v. BMEzine.com, LLC*, 727 F. Supp. 2d 936 (D. Nev. 2010).

arbitration proceeding under the UDRP, but, in the subsequent federal district court action brought by the plaintiff, the plaintiff adduced evidence and testimony that the defendant mark owner might not have been the actual owner of its mark. Weighing the defendant's motion for summary judgment, the court agreed that the plaintiff had demonstrated the existence of a material factual dispute as to the mark's ownership. Nevertheless, after reviewing the defendant's catalogue of the plaintiff's misconduct,<sup>1607</sup> the court also held that the plaintiff's unclean hands barred him from pursuing the equitable remedy of an order restoring the domain name to him.<sup>1608</sup>

### ***b. Statute of Limitations***

The Lanham Act does not contain a statute of limitations, but the Fourth Circuit was unable to resist the urge to import one into a false advertising counterclaim brought under Section 43(a) and Virginia law.<sup>1609</sup> The counterclaim plaintiff filed its counterclaims on May 18, 2009, asserting causes of action against advertising that had begun in 2003 and 2006. Referring to the two-year statute of limitations applicable to the counterclaim plaintiff's state-law claims,<sup>1610</sup> the court held that "it is proper to use the analogous state limitations period for Lanham Act suits because the Act provides no express statute of limitations."<sup>1611</sup> As a consequence, the advertising of the counterclaim defendant that had taken place before May 17, 2007 was time-barred as a matter of law.<sup>1612</sup>

### ***c. Laches***

"Estoppel by laches generally applies to preclude relief for a plaintiff who has unreasonably 'slept' on his rights."<sup>1613</sup> As one court explained en route to a conclusion that a plaintiff's knowing, thirty-year delay triggered this affirmative defense:

In the context of a trademark infringement defense, laches is comprised of three elements: (1) whether the owner of the

---

1607. The plaintiff, who had suffered a number of losses in prior unrelated UDRP proceedings, had initially used the domain name in question to redirect consumers to a legitimate business operated by the plaintiff. Eventually, however, he allowed a third-party defendant to populate a site accessible at the domain name with content and click-through advertising for goods and services falling within the subject matter of the defendant's electronic magazine. *See id.* at 964-65.

1608. *See id.* at 966.

1609. *See PBM Prods., LLC v. Mead Johnson & Co.*, 639 F.3d 111 (4th Cir. 2011).

1610. *See Va. Code Ann.* § 8.01-243(A) (West 2007).

1611. *PBM Prods.*, 639 F.3d at 121.

1612. *See id.*

1613. *Id.* at 127.

[allegedly infringed] mark knew of the [defendant's] use; (2) whether the owner's delay in challenging the infringement of the mark was inexcusable or unreasonable; and (3) whether the infringing user was unduly prejudiced by the owner's delay. Because the Lanham Act does not include a [statute of] limitations period, courts use the laches doctrine to address the inequities created by a trademark owner who, despite having a colorable infringement claim, allows a competitor to develop its products around the [challenged] mark and expand its business, only then to lower the litigation boom.<sup>1614</sup>

Some courts collapsed the first two of these factors into one;<sup>1615</sup> whatever the test, however, a defendant that fails to support a laches defense with factual allegations establishing each of these prerequisites runs the risk of a successful dismissal at the pleadings stage.<sup>1616</sup>

A failure to file suit within an applicable state-law statute of limitations creates a presumption of laches in many jurisdictions, and plaintiffs often attempt to escape this rule by arguing that trademark infringement is an ongoing tort or that the defendant's infringement has expanded over time.<sup>1617</sup> The viability of that theory in the Fourth Circuit, however, may be in doubt after that court affirmed a determination that a counterclaim plaintiff was barred from challenging allegedly false advertising that began before the corresponding statute of limitations had run but that continued in the marketplace as of the trial date.<sup>1618</sup> The court's holding on this point was driven by two considerations that might be case-specific: (1) at the time the challenged advertising was launched, the parties already were engaged in a trademark dispute concerning the same label on which the advertising appeared; and (2) the counterclaim plaintiff sought to recover for the counterclaim defendant's alleged unjust enrichment, which, the court believed, would permit the counterclaim plaintiff to benefit from its own delay.<sup>1619</sup>

---

1614. *Ray Commnc'ns, Inc. v. Clear Channel Commnc'ns*, 760 F. Supp. 2d 544, 546 (E.D.N.C. 2010) (citation omitted).

1615. *See, e.g., Coach, Inc. v. Kmart Corps.*, 756 F. Supp. 2d 421, 427 (S.D.N.Y. 2010).

1616. *See, e.g., id.* at 428 (granting plaintiffs' motion to dismiss laches defense on ground that "[t]here is no indication in the pleadings that Plaintiffs delayed in bringing this action or that Defendants suffered any prejudice as a result of any conduct by Plaintiffs").

1617. *See, e.g., Ray Commnc'ns*, 760 F. Supp. 2d at 550-53 (rejecting plaintiffs' argument that damage caused by defendant's infringement had increased over time).

1618. *See PBM Prods., LLC v. Mead Johnson & Co.*, 639 F.3d 111 (4th Cir. 2011).

1619. *See id.* at 121-22.



The Seventh Circuit held that laches did not bar a defendant's functionality-based attack on the validity of several registered trademarks being asserted against it.<sup>1620</sup> The court explained that:

According to [the plaintiff], [the defendant] knew about the utility patents for at least a decade, and therefore cannot now use functionality as an affirmative defense. [The defendant] claims, however, that it did not sleep on its rights because until [the plaintiff] sued, it had no obligation or reason to challenge the validity of [the plaintiff's] trademark registrations. Moreover, the Lanham Act does not permit the filing of a trademark cancellation claim in federal court absent an independent basis for federal jurisdiction, such as a claim of infringement of the registered mark. [The defendant] did not delay in raising functionality as an affirmative defense; it did so in response to [the plaintiff's] claims. Therefore, there was no inexcusable delay or prejudice, and laches does not apply.<sup>1621</sup>

#### *d. Acquiescence*

"Acquiescence may bar an infringement suit when 'the owner of the trademark, by conveying to the defendant through affirmative word or deed, expressly or impliedly consents to the infringement.'"<sup>1622</sup> According to the Ninth Circuit, which adopted a doctrinal test for acquiescence for the first time:

Acquiescence . . . limits a party's right to bring suit following an *affirmative* act by word or deed by the party that conveys implied consent to another.

. . . .

. . . The elements of a *prima face* case for acquiescence are as follows: (1) the senior user actively represented that it would not assert a right or claim; (2) the delay between the active representation and assertion of the right or claim was not excusable; and (3) the delay caused the defendant undue prejudice.<sup>1623</sup>

Other courts applied substantively identical tripartite tests, under which proof of each element was necessary; one court therefore

---

1620. See *Ga.-Pac. Consumer Prods. LP v. Kimberly-Clark Corp.*, 647 F.3d 723 (7th Cir. 2011).

1621. *Id.* at 732 (citations omitted).

1622. *Masters v. UHS of Del., Inc.*, 631 F.3d 464, 469 (8th Cir.) (quoting *3M Co. v. Intertape Polymer Grp.*, 423 F. Supp. 2d 958, 965 (D. Minn. 2006)), *cert. denied*, 131 S. Ct. 2920 (2011).

1623. *Seller Agency Council, Inc. v. Kennedy Ctr. for Real Estate Educ., Inc.*, 621 F.3d 981, 988, 989 (9th Cir. 2010).

granted a motion to dismiss on the ground that “[n]othing in the pleadings indicates that Plaintiffs made any representations (either orally or through their conduct) about their intellectual property rights to Defendants; that Plaintiffs delayed in bringing this action; or that Defendants suffered any prejudice as a result of any conduct by Plaintiffs.”<sup>1624</sup>

The Fourth Circuit took a hard-line approach to the defense in an action brought under the ACPA.<sup>1625</sup> The defendants operated a website accessible at the domain name “newportnews.com,” on which they initially provided information on the city of Newport News, Virginia; later on, however, they transitioned to fashion-related content, which precipitated a conflict with the plaintiff owner of the registered NEWPORT NEWS mark for clothing. At first glance, the defendants appeared to have a basis for their claim that the plaintiff had affirmatively consented to their new use, as the plaintiff had occasionally purchased advertising on the defendants’ site. Nevertheless, those purchases had occurred before the evolution of the defendants’ site, and the Fourth Circuit considered this circumstance to be dispositive of the defendants’ acquiescence argument. Accordingly, it affirmed the district court’s entry of summary judgment in the plaintiff’s favor.<sup>1626</sup>

The affirmative defense of acquiescence also arose in a dispute between competitors in the market for high-efficiency urinals.<sup>1627</sup> One of the federally registered marks to which the plaintiff claimed rights was THE PINT, but the plaintiff did not purport to challenge descriptive non-trademark uses of “pint” within the trade. Not surprisingly, this led the defendant to assert that the plaintiff’s acquiescence in this practice acted as a bar to its use of SLOAN 1 PINT URINAL SYSTEM and SLOAN PINT URINAL SYSTEM in connection with its goods. The plaintiff moved for summary judgment, but the court declined to enter it. As the court explained, “the disagreement between the parties as to acquiescence concerns the extent to which [the lead plaintiff] has agreed that [the defendant] is entitled to use the term ‘pint’ in a descriptive manner to quantify a volume of water, as opposed to use of the term in a trademark sense.”<sup>1628</sup> It went on to hold that “[t]his is a hotly contested issue between the parties involving disputed material facts and issues of intent, none of which are

---

1624. *Coach, Inc. v. Kmart Corp.*, 756 F. Supp. 2d 421, 427 (S.D.N.Y. 2010).

1625. *See Newport News Holdings Corp. v. Virtual City Vision, Inc.*, 650 F.3d 423 (4th Cir.), *cert. denied*, 132 S. Ct. 575 (2011).

1626. *See id.* at 438-39.

1627. *See Zurco, Inc. v. Sloan Valve Co.*, 785 F. Supp. 2d 476 (W.D. Pa. 2011).

1628. *Id.* at 501.

clearly determinable on the record. As such, [the plaintiffs'] motion is denied as to this affirmative defense."<sup>1629</sup>

### *e. Waiver*

"Waiver is the intentional relinquishment of a known right."<sup>1630</sup> Although waiver is a creature of state law, proof of it generally requires a showing that "the party charged with waiver relinquished a right with both knowledge of the existence of the right and an intention to relinquish it."<sup>1631</sup> Each of these elements must be pleaded and established: Thus, when a group of defendants failed to support their claim of waiver with allegations identifying an intentional relinquishment of rights by the plaintiffs, the court entertaining their response to the plaintiffs' complaint held that "there is no question of fact or law that might allow a waiver defense to succeed, and the defense is therefore insufficient as a matter of law."<sup>1632</sup>

### *f. Failure to Mitigate Damages*

As the Second Circuit has held, "New York's courts adhere to the universally accepted principle that a harmed plaintiff must mitigate damages."<sup>1633</sup> Nevertheless, this proposition will not constitute an affirmative defense to allegations of trademark infringement and unfair competition if it is not adequately supported by accompanying factual allegations. Thus, one court dismissed a claim of a failure to mitigate damages at the pleadings stage of the case before it after concluding that "[b]ased on even the most generous reading of the pleadings, there is no indication that Plaintiffs failed to take reasonable efforts to mitigate any of their alleged damages."<sup>1634</sup>

## *D. Remedies*

### **1. Injunctive Relief**

In recent years, the availability of injunctive relief under federal law has increasingly turned on the Supreme Court's decisions in *eBay Inc. v. MercExchange, L.L.C.*<sup>1635</sup> and *Winter v.*

---

1629. *Id.*

1630. *Coach, Inc. v. Kmart Corps.*, 756 F. Supp. 2d 421, 428 (S.D.N.Y. 2010).

1631. *Id.* at 428 (quoting *Voest-Alpine Int'l Corp. v. Chase Manhattan Bank, N.A.*, 707 F.2d 680, 685 (2d Cir. 1983)).

1632. *Id.*

1633. *Air et Chaleur, S.A. v. Janeway*, 757 F.2d 489, 494 (2d Cir. 1985).

1634. *Coach, Inc. v. Kmart Corps.*, 756 F. Supp. 2d 421, 431 (S.D.N.Y. 2010).

1635. 547 U.S. 388 (2006).

*Natural Resources Defense Council*.<sup>1636</sup> As the *eBay* Court held in the context of a request for a permanent injunction against a defendant found liable for utility patent infringement, injunctive relief may be available if the prevailing party can prove that: (1) it has suffered an irreparable injury; (2) the legal remedies available to it, e.g., an award of its actual damages, are inadequate; (3) the balance of hardships weighs in its favor; and (4) the public interest would not be disserved by an injunction.<sup>1637</sup> Courts hearing unfair competition causes of action paid varying degrees of attention to these factors over the past year.

### *a. Preliminary Injunctions*

#### **(1) Prevailing Parties' Entitlement to Preliminary Injunctive Relief**

Courts historically have held that movants for preliminary injunctions will suffer irreparable harm once those movants have demonstrated either a likelihood of confusion<sup>1638</sup> or actual or likely dilution.<sup>1639</sup> For example, the Eighth Circuit affirmed the entry of

1636. 555 U.S. 7 (2008).

1637. *eBay*, 547 U.S. at 391.

1638. See, e.g., *MarbleLife, Inc. v. Stone Res., Inc.*, 759 F. Supp. 2d 552, 562-63 (E.D. Pa. 2010) (“[O]nce the likelihood of confusion caused by trademark infringement has been established, the inescapable conclusion is that there [is] also irreparable injury.”); *Interplay Entm’t Corp. v. Topware Interactive, Inc.*, 751 F. Supp. 2d 1132, 1138 (C.D. Cal. 2010) (“Irreparable injury may be presumed in a trademark infringement claim from a showing of likelihood of success on the merits.”); *Irwin Indus. Tool Co. v. Worthington Cylinders Wis., LLC*, 747 F. Supp. 2d 568, 581 (W.D.N.C. 2010) (“[O]nce the plaintiff establishes a likelihood of confusion, it is ordinarily presumed that the plaintiff will suffer irreparable harm if injunctive relief is not granted.” (alteration in original) (internal quotation marks omitted)); *Alliance Bank v. New Century Bank*, 742 F. Supp. 2d 532, 566 (E.D. Pa. 2010) (“Since this Court has concluded that there is a likelihood of confusion between the [parties’] marks, . . . there likewise would be irreparable injury to Plaintiff if a preliminary injunction is not granted at this time.”); *Ohio State Univ. v. Thomas*, 738 F. Supp. 2d 743, 755 (S.D. Ohio 2010) (“Once a moving party has demonstrated a likelihood of confusion, a finding of irreparable injury ordinarily follows.”); *Doctor’s Assocs. v. Subway.SY LLC*, 733 F. Supp. 2d 1083, 1087 (D. Minn. 2010) (“Plaintiff is entitled to a presumption that defendant’s continued infringement causes irreparable harm.”). For examples of courts recognizing the presumption of irreparable harm but declining to apply it based on the failure by plaintiffs to prove a likelihood of success on the merits of their infringement claims, see *R.J. Ants, Inc. v. Marinelli Enters.*, 771 F. Supp. 2d 475, 501 (E.D. Pa. 2011) (“Trademark infringement amounts to irreparable injury as a matter of law.”); *Jagex Ltd. v. Impulse Software*, 750 F. Supp. 2d 228, 239 (D. Mass. 2010) (“Although a showing of likelihood of success on the merits of its infringement claims presumes irreparable harm, plaintiff has failed to make the requisite showing.” (citation omitted)); *People’s Fed. Sav. Bank v. Peoples United Bank*, 750 F. Supp. 2d 217, 227 (D. Mass. 2010) (“In the context of trademark litigation, irreparable harm is generally presumed if a plaintiff demonstrates a likelihood of consumer confusion.”).

1639. See *Cottonwood Fin. Ltd. v. Cash Store Fin. Servs., Inc.*, 778 F. Supp. 2d 726, 760 (N.D. Tex. 2011) (applying presumption of irreparable harm based on finding that plaintiff likely to succeed on merits of claim under Texas dilution statute).

a permanent injunction on the ground that “[the plaintiffs] face[] irreparable harm from [the defendants’] use of the [plaintiffs’] marks because in trademark law, injury is presumed once a likelihood of confusion has been established.”<sup>1640</sup> A different court similarly held that “[t]he court may presume irreparable injury where a plaintiff shows a likelihood of success on the merits of its trademark infringement claim.”<sup>1641</sup> Entering a preliminary injunction against terminated franchisees that continued to use their former franchisor’s marks, still another court observed that “[w]hen in the licensing context unlawful use and consumer confusion have been demonstrated, a finding of irreparable harm is *automatic*.”<sup>1642</sup>

Nevertheless, the trend continued of courts questioning the viability of this rule in the wake of *eBay* and *Winter*, both of which disapproved of categorical presumptions in the entry or denial of injunctive relief. These included the First Circuit, which, in vacating a preliminary injunction, observed that “[a]lthough eBay dealt with the Patent Act, in the context of a request for permanent injunctive relief, we see no principled reason why it should not apply in the present case.”<sup>1643</sup> Ultimately, however, that court declined to abandon its past applications of the presumption of irreparable harm, both because the parties had inadequately briefed the issue and because interlocutory relief was inappropriate for other reasons.<sup>1644</sup>

Other courts were not so reluctant to pull the trigger,<sup>1645</sup> especially Second Circuit district courts, which read the handwriting on the wall apparent in the Second Circuit’s copyright decision in *Salinger v. Colting*<sup>1646</sup> that “court[s] must not adopt a ‘categorical’ or ‘general’ rule or presume that the plaintiff will

1640. *Cnty. of Christ Copyright Corp. v. Devon Park Restoration Branch of Jesus Christ’s Church*, 634 F.3d 1005, 1012 (8th Cir. 2011).

1641. *Masters Software, Inc. v. Discovery Commc’ns, Inc.*, 725 F. Supp. 2d 1294, 1306 (W.D. Wash. 2010).

1642. *Krispy Kreme Doughnut Corp. v. Satellite Donuts, LLC*, 725 F. Supp. 2d 389, 397 (S.D.N.Y. 2010) (quoting *Church of Scientology Int’l v. Elmira Mission of Church of Scientology*, 794 F.2d 38, 58 (2d Cir. 1986)).

1643. *Voice of the Arab World Inc. v. MDTV Med. News Now, Inc.*, 645 F.3d 26, 33 (1st Cir. 2011).

1644. *See id.* at 34-35.

1645. *See, e.g., Edge Games, Inc. v. Elec. Arts, Inc.*, 745 F. Supp. 2d 1101, 1117 (N.D. Cal. 2010) (“Following the Supreme Court’s decision in *Winter*, irreparable harm cannot be presumed—even for trademark actions.”); *see also Mirina Corp. v. Marina Biotech*, 770 F. Supp. 2d 1153, 1162 (W.D. Wash. 2011) (finding that plaintiff had raised serious questions going to the merits of its infringement claim but nevertheless denying preliminary injunction on ground that “[p]laintiff has entirely failed to submit any proof [of irreparable harm] beyond speculation as to its reputation or goodwill in the relevant market, which leaves the court with no basis upon which to evaluate any intangible harm”).

1646. 607 F.3d 68 (2d Cir. 2010).

suffer irreparable harm (unless such a departure from the long tradition of equity practice was intended by Congress).<sup>1647</sup> One explained that “under the Second Circuit’s decision in *Salinger*, courts may not presume the existence of irreparable injury from a showing of likelihood of success on the merits.”<sup>1648</sup> Likewise, another held that “the Second Circuit has recently made clear that courts should not presume irreparable harm in intellectual-property cases . . . .”<sup>1649</sup> A third interpreted *Salinger* more narrowly, but reached the same result: “The Second Circuit has not yet spoken on this issue in the context of a trademark case; but the court agrees that there is no principled reason not to adopt the [*Salinger*] standard in the trademark context.”<sup>1650</sup> Finally, a fourth noted in the context of a false advertising action that “it may be that [the] presumption of irreparable harm is no longer permissible.”<sup>1651</sup>

Still, however, even those opinions dispensing with the presumption of irreparable harm often issued injunctive relief anyway,<sup>1652</sup> even if they sometimes conflated the technically separate issues of irreparable harm and the inadequacy of monetary relief.<sup>1653</sup> A leading example came from a court that concluded there was a likelihood of confusion between the thermometer packages used by the parties and then found as a factual matter that the plaintiff would be irreparably damaged in the absence of a preliminary injunction.<sup>1654</sup> This determination rested on proof by the plaintiff that, when coupled with the defendants’ confusingly similar trade dress, the lower price point of the defendants’ goods would result to unquantifiable lost sales and that the potential insolvency of the lead defendant might prevent it from satisfying any monetary judgment against it.<sup>1655</sup> Although the plaintiff failed to establish to the court’s satisfaction that its goodwill would suffer from the allegedly inferior nature of

---

1647. *Id.* at 80.

1648. *Marks Org., Inc. v. Joles*, 784 F. Supp. 2d 322, 332 (S.D.N.Y. 2011).

1649. *Blom ASA v. Pictometry Int’l Corp.*, 757 F. Supp. 2d 238, 245 (W.D.N.Y. 2010).

1650. *Pretty Girl, Inc. v. Pretty Girl Fashions, Inc.*, 778 F. Supp. 2d 261, 265 (E.D.N.Y. 2011).

1651. *Reckitt Benckiser Inc. v. Motomco Ltd.*, 760 F. Supp. 2d 446, 453 (S.D.N.Y. 2011).

1652. *See, e.g., Oriental Fin. Grp. v. Cooperativa de Ahorro y Crédito Oriental*, 750 F. Supp. 2d 396, 405 (D.P.R. 2010) (invoking *eBay* but nevertheless finding in cursory analysis that plaintiffs were suffering irreparable harm from actual confusion documented in preliminary injunction record).

1653. *See, e.g., Blom ASA v. Pictometry Int’l Corp.*, 757 F. Supp. 2d 238, 246 (W.D.N.Y. 2010) (“The unauthorized use, or failure to use [the counterclaim plaintiffs] trademark, in violation of the Licensing Agreement, . . . is sufficient to give rise to a showing of irreparable harm supporting preliminary injunctive relief.”).

1654. *See Tecnimed SRL v. Kidz-Med, Inc.*, 763 F. Supp. 2d 395 (S.D.N.Y. 2011).

1655. *See id.* at 410-12.

the defendants' goods, that failure did not detract from the probative value of its other showings.<sup>1656</sup>

The specter of unquantifiable lost sales helped produce another finding of irreparable harm, this one in a conventional dispute over identical word marks, GORDON CARPET and GORDON CARPET, both used in connection with retail carpet sales.<sup>1657</sup> The court concluded from the preliminary injunction record that there was no dispute between the parties that "customers tend to buy carpet every few years, and so it is thus likely that a not insignificant number of customers of the original Gordon Carpet will be confused when the time to purchase carpet arises and they attempt to find [the original] Gordon Carpet."<sup>1658</sup> From this premise, it found that "[i]t is impossible to accurately quantify precisely how much business Plaintiff has lost, and will continue to lose, as a result of Defendant's exploitation of the 'Gordon Carpet' name."<sup>1659</sup>

Other courts focused on the potential harm to plaintiffs' reputations in finding that preliminary injunctive relief was warranted.<sup>1660</sup> For example, one court went beyond the plaintiff's showing of unquantifiable lost sales<sup>1661</sup> to hold that "loss of control over one's reputation is neither calculable nor precisely compensable."<sup>1662</sup> Better yet for purposes of the plaintiff's motion, the defendants had failed to respond to the plaintiff's complaint and preliminary injunction papers, which led the court to apply the principle that "where a defendant provides no assurances that it will cease its infringing activity, this fact suggests that monetary damages are insufficient";<sup>1663</sup> indeed, "[t]his is especially so where a defendant has defaulted."<sup>1664</sup>

---

1656. *See id.* at 413.

1657. *See Marks Org., Inc. v. Joles*, 784 F. Supp. 2d 322 (S.D.N.Y. 2011).

1658. *Id.* at 335.

1659. *Id.*

1660. *See, e.g., Graphic Design Mktg., Inc. v. Xtreme Enters.*, 772 F. Supp. 2d 1029, 1034 (E.D. Wis. 2011) ("[The plaintiff] will suffer lost good will and reputation if Defendants are not enjoined as requested."); *Ohio State Univ. v. Thomas*, 738 F. Supp. 2d 743, 756 (S.D. Ohio 2010) (applying presumption of irreparable harm but also finding that "[the plaintiff] will suffer irreparable harm if Defendants continue to publish and disseminate their products because they improperly trade on the goodwill and reputation of [the plaintiff]"); *Sound Surgical Techs., LLC v. Leonard A. Rubenstein, M.D., P.A.*, 734 F. Supp. 2d 1262, 1277-78 (M.D. Fla. 2010) ("[E]ven if Plaintiff is not entitled to a presumption of irreparable harm, the Court finds that Plaintiff has shown a substantial threat of consumer confusion and resulting irreparable harm to its reputation and the goodwill represented by its marks.").

1661. *See Pretty Girl, Inc. v. Pretty Girl Fashions, Inc.*, 778 F. Supp. 2d 261 (E.D.N.Y. 2011).

1662. *Id.* at 269 (internal quotation marks omitted).

1663. *Id.* at 270.

1664. *Id.*

One opinion, however, proved that it was unnecessary for defendants to default to shoot themselves in the foot.<sup>1665</sup> Having unsuccessfully defended against the reverse confusion cause of action brought by a distributor of software used by professional bakers, the producers of a reality show about a bakery argued that the plaintiff, far from being irreparably harmed, was in fact benefiting from the confusion between the parties' marks. The court was unimpressed and held that a presumption of confusion was warranted: Not only was it true that "[t]he harm arising from reverse confusion is not likely to be tangible,"<sup>1666</sup> there was no guarantee that the defendants' show would enjoy a good reputation forever. And, if that reputation changed for the worse, "[the plaintiff's] forced association with [the defendants] might be like a set of lead galoshes, rather than a hot-air balloon."<sup>1667</sup>

The Eleventh Circuit, which was the first federal appellate court to question seriously the post-*eBay* validity of the presumption of irreparable harm in trademark litigation,<sup>1668</sup> dodged the issue in the context of a false advertising action brought under Section 43(a).<sup>1669</sup> It did so in affirming a preliminary injunction against the further dissemination of advertising found to suggest falsely that wood treated with a process used by the plaintiff was unsafe when used in the construction of buildings. Considering *eBay*'s possible significance, the appellate court held that "[e]ven in the absence [of irreparable harm], the district court's conclusion as to the likelihood of irreparable harm was not an abuse of discretion. The inference that the serious nature of the claims in the advertisements would irreparably harm [the plaintiff's] goodwill and market position is certainly reasonable."<sup>1670</sup> The court brushed aside the defendant's objection that harm was unlikely in light of sophisticated nature of the advertising's audience: Not only were at least some of the advertisements targeted toward non-industry professionals, they might well have influenced purchasing decisions by those professionals.<sup>1671</sup>

---

1665. See *Masters Software, Inc. v. Discovery Commc'ns, Inc.*, 725 F. Supp. 2d 1294 (W.D. Wash. 2010).

1666. *Id.* at 1307.

1667. *Id.* The court elaborated on this point based on the preliminary injunction record before it: "[O]ne email to [the plaintiff's principal] chides [the lead baker on the defendant's show] and his associates for not wearing gloves, washing their hands, or wearing hair nets. Another chides [the plaintiff's principal] for not responding to repeated requests for [the defendant's baker] to bake the writer a cake." *Id.* at 1307 n.8.

1668. See *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1227-28 (11th Cir. 2008).

1669. See *Osmose, Inc. v. Viance, LLC*, 612 F.3d 1298 (11th Cir. 2010).

1670. *Id.* at 1320.

1671. See *id.*



Of course, even if irreparable harm otherwise is likely, several courts recognized that a plaintiff's inexcusable delay in seeking judicial intervention may trump a request for interlocutory relief. The First Circuit led the way, not surprisingly vacating entry of a preliminary injunction entered on the motion of a mark owner that had inexplicably dragged its feet for a decade before asserting counterclaims in a declaratory judgment action filed by a junior user of a similar mark; although the mark owner averred that its inaction was excused by putatively recent changes to the junior user's website, the court held that those changes did not cure the mark owner's lack of urgency.<sup>1672</sup> A similar result held at the district court level, at which a two-year delay in filing suit and a further five-month delay in moving for a preliminary injunction was a sufficient basis to deny relief, notwithstanding the defendants' launch of a new website, which the court found "insufficiently different from the defendants' prior site to excuse the delay."<sup>1673</sup> A nearly three-year gap between the plaintiff's knowledge of the defendant's impending use and the filing of the plaintiff's lawsuit, followed by two more months before the plaintiff sought interlocutory relief precluded a finding of irreparable harm in another case.<sup>1674</sup> And, in a different dispute, even a more modest delay of three months was excused by neither stalled settlement discussions nor a contractual agreement between the parties recognizing that irreparable harm would result from infringement arising from the agreement's breach by the defendant.<sup>1675</sup>

Other courts were less receptive to claims of delay,<sup>1676</sup> with one district court in particular declining "to take the position that delay alone requires denial of a preliminary injunction motion."<sup>1677</sup> On the face of things, the plaintiff appeared to be pushing its luck with a claim of irreparable harm, for it filed suit four months after learning of the defendant's use and apparently sought a

---

1672. *See* *Voice of the Arab World Inc. v. MDTV Med. News Now, Inc.*, 645 F.3d 26, 36-37 (1st Cir. 2011).

1673. *See* *Jagex Ltd. v. Impulse Software*, 750 F. Supp. 2d 228, 239 (D. Mass. 2010).

1674. *See* *Edge Games, Inc. v. Elec. Arts, Inc.*, 745 F. Supp. 2d 1101, 1117-18 (N.D. Cal. 2010).

1675. *See* *Life Techs. Corp. v. AB Sciex Pte. Ltd.*, 99 U.S.P.Q.2d 1785, 1791-92 (S.D.N.Y. 2011). An additional consideration underlying the court's decision was the defendant's announced intention to adhere to the terms of a four-year non-compete provision in the parties' agreement, which, in the court's view, rendered the plaintiff's claimed immediate injury "remote and speculative." *Id.* at 1790.

1676. *See, e.g.,* *Masters Software, Inc. v. Discovery Commc'ns, Inc.*, 725 F. Supp. 2d 1294, 1307-08 (W.D. Wash. 2010) (holding that plaintiff's delay in filing suit for "about a year" did not foreclose preliminary injunctive relief based on plaintiff's earlier objection to defendants and decision "to see what effect [the defendants' conduct] would have on its business before making a substantial investment in pursuing litigation against a well-heeled opponent").

1677. *Marks Org., Inc. v. Joles*, 784 F. Supp. 2d 322, 333 (S.D.N.Y. 2011).

preliminary injunction some time after that. In granting the plaintiffs' motion, the court acknowledged that "Plaintiffs' delay may have permitted some irreparable harm to continue for an unusually long time . . . ." <sup>1678</sup> Nevertheless, it found that the delay "was caused by good faith efforts to investigate the facts and law, by . . . delays occasioned by the [defendant's] pursuit of a meritless personal jurisdiction motion to dismiss, by settlement discussions, and by delay from the transfer of the case [from one court to another]." <sup>1679</sup> Ultimately, however, the final result may have been influenced by the court's conclusion that the facts before it presented a "great" likelihood of confusion. <sup>1680</sup>

Even if the moving party can establish irreparable harm, a party opposing a preliminary injunction motion obviously can respond by proving that it would suffer even greater harm if enjoined. <sup>1681</sup> For example, although one bid for interlocutory relief suffered from other fatal infirmities, the court denying it ultimately found that the balance of the parties' hardships favored the defendants. <sup>1682</sup> It was undisputed that the defendants sold their products throughout the United States, which, according to the court, meant that:

The removal of Defendants' products from store shelves would be costly to Defendants, as would the storage or destruction of the allegedly infringing products. Further, Defendants' business associates—retail stores or manufacturers—would presumably be notified that the reason for the court-ordered removal was because Defendants' products are likely infringing the [plaintiffs' claimed] marks. This may adversely impact Defendants' relations with those entities. <sup>1683</sup>

There were several reasons why these showings outweighed the plaintiffs' claimed irreparable harm, not the least of which was the plaintiffs' inability to prove either "tangible harm such as lost sales or profits" or actual confusion. <sup>1684</sup> More significantly, they also

---

1678. *Id.* at 334.

1679. *Id.* at 333-34 (footnotes omitted).

1680. *See id.* at 334.

1681. *See, e.g.,* Martha Elizabeth Inc. v. Scripps Networks Interactive LLC, 100 U.S.P.Q.2d 1799, 1823 (W.D. Mich. 2011) (denying preliminary injunction against use of title for television program in part based on defendants' "persuasive argument that they will suffer substantial financial harm if [their television program] is required to take on a new name and therefore become[] less popular . . . or be replaced with a less-popular show outright"); *cf. Perfetti Van Melle USA v. Cadbury Adams USA LLC*, 732 F. Supp. 2d 712, 726 (E.D. Ky. 2010) (finding, independently of plaintiffs' failure to demonstrate likelihood of success on merits of infringement claim, that prospective harm to defendant from preliminary injunction outweighed prospective harm to plaintiffs).

1682. *See CLT Logistics v. River W. Brands*, 777 F. Supp. 2d 1052 (E.D. Mich. 2011).

1683. *Id.* at 1073.

1684. *See id.* at 1072.

included the plaintiffs' purchase of the disputed marks with full knowledge that the defendants had filed a prior action in which they claimed to own the marks. The court remarked of the last of these circumstances that "Plaintiffs can be seen to have assumed some risk that they would not be awarded a preliminary injunction when they acquired the marks. This fact mitigates some of the harshness of denying an injunction."<sup>1685</sup>

Such an argument did not succeed in every case in which it raised, however, as the experience of one defendant in the banking industry demonstrated.<sup>1686</sup> Faced with findings of likely confusion and irreparable harm, the defendant argued that it would lose hundreds of thousands of dollars if forced to revise its name, and, additionally, that a change would negatively affect its reputation and goodwill. Its exertions failed for two reasons, the first of which was the court's holding that "District Courts should consider financial damages when establishing and setting the bond for an injunction, not when deciding whether to grant it."<sup>1687</sup> The second was the court's finding that the defendant had not fully transitioned to the enjoined name and therefore presumably would not suffer irreparable harm from remaining with its original one.<sup>1688</sup>

A defense claim of threatened irreparable harm from a preliminary injunction was particularly unsuccessful in a case in which the plaintiff had demonstrated a likelihood of reverse confusion.<sup>1689</sup> The defendants' mark was used in connection with a highly successful reality show about a dessert bakery, while the plaintiff used its mark for software used by professional bakers. The relative obscurity of the plaintiff's mark led the defendants to advise the court that it would be cheaper for the plaintiff to undertake a wholesale rebranding than it would for them to do the same. The court rejected this argument, holding instead that "[the defendants'] comparison of the parties' relative rebranding costs is probably accurate, but if that were sufficient to avoid an injunction, an injunction would never be available in a reverse confusion case."<sup>1690</sup> Interlocutory relief therefore was warranted because the plaintiff's injury "is no less a harm to [the plaintiff]

---

1685. *Id.* at 1073.

1686. *See Alliance Bank v. New Century Bank*, 742 F. Supp. 2d 532 (E.D. Pa. 2010).

1687. *Id.* at 566 (quoting *Kos Pharm., Inc. v. Andrx Corp.*, 369 F.3d 700, 728 (3d Cir. 2004)).

1688. *See id.* at 566-67.

1689. *See Masters Software, Inc. v. Discovery Commc'ns, Inc.*, 725 F. Supp. 2d 1294 (W.D. Wash. 2010).

1690. *Id.* at 1307.

merely because it has invested less in its trademark than [the defendants].”<sup>1691</sup>

## (2) Terms of Preliminary Injunctive Relief

Having proven its entitlement to a preliminary injunction, a plaintiff obviously must then justify the terms of the relief it has requested. One plaintiff successfully did so in spectacular fashion in a trade dress action to protect the packaging of its thermometers: Not only did the court order the defendants to change packaging they had adopted following the filing of the suit, it required them to recall goods shipped in the packaging that had led to the parties’ dispute.<sup>1692</sup> En route to this outcome, the court held that “[i]n deciding whether to order a recall, a court should consider ‘the defendant’s good faith or bad faith, the likelihood of diversion of customers from plaintiff to defendant, the extent of the burden entailed in a recall including the breadth of distribution and the shipping costs, and the probability that the plaintiff would benefit from such an order.’”<sup>1693</sup> It might be true, as the court noted, that “[t]he fact that a defendant has acted in bad faith is not sufficient, standing alone, to establish that a recall order is appropriate.”<sup>1694</sup> Nevertheless, the existence of bad faith in the form of the defendants’ intentional copying of the plaintiff’s packaging and their continued use of their own accused packaging in the face of the plaintiff’s repeated objections and the lawsuit itself, together with the court’s finding that “there is no suggestion that [the lead] defendant’s distribution arrangements are complex,”<sup>1695</sup> left the defendants without a leg to stand on. With the benefit to the plaintiff of its requested remedy not reasonably in doubt, the court found that “the balance of [the] hardships favors a recall.”<sup>1696</sup>

The plaintiff in a different case did not enjoy comparable success.<sup>1697</sup> Having convinced the court that the conduct of the defendant, a Canadian domiciliary, was likely to dilute its CASH STORE mark under Texas law, the plaintiff received only the “limited relief” of a preliminary injunction aimed at reducing “the possibility of the general public misassociating” the parties’

---

1691. *Id.*

1692. *See* Tecnimed SRL v. Kidz-Med, Inc., 763 F. Supp. 2d 395 (S.D.N.Y. 2011).

1693. *Id.* at 414 (quoting Cherry River Music Co. v. Simitar Entm’t, Inc., 38 F. Supp. 2d 310, 322 (S.D.N.Y. 1999)).

1694. *Id.* at 415.

1695. *Id.* at 416.

1696. *Id.*

1697. *See* Cottonwood Fin. Ltd. v. Cash Store Fin. Servs., Inc., 778 F. Supp. 2d 726 (N.D. Tex. 2011).

marks.<sup>1698</sup> The terms of that remedy prohibited the defendant from referring to itself as “Cash Store” or “The Cash Store” but allowed it to use “Cash Store Financial,” “Cash Store Financial Services,” “CSF,” and “CSFS”; the injunction also required the defendant to use a “conspicuous disclaimer” of affiliation with the plaintiff and to advise the public that it did not provide its payday lending services in the United States.<sup>1699</sup>

### *b. Permanent Injunctions*

#### **(1) Prevailing Parties’ Entitlement to Permanent Injunctive Relief**

Just as it is in the preliminary injunction context, a showing of irreparable harm sufficient to support a request for permanent injunctive relief can be easily made, at least in front of some courts.<sup>1700</sup> Thus, for example, the Eighth Circuit affirmed the entry of a permanent injunction with the observation that “[the plaintiffs] face[] irreparable harm from [the defendants’] use of the [plaintiffs’] marks because in trademark law, injury is presumed once a likelihood of confusion has been established.”<sup>1701</sup> Anticipating this holding from its reviewing court, a Minnesota district court similarly held that “[p]laintiff is entitled to a presumption that defendant’s continued infringement causes irreparable harm.”<sup>1702</sup> And a Florida district court held in entering a permanent injunction as part of a default judgment that the defendant’s failure to respond to the plaintiff’s well-pleaded allegations of infringement created a presumption of irreparable harm.<sup>1703</sup>

A different Eighth Circuit district court displayed a better understanding of *eBay*’s possible significance to a battle between

1698. *Id.* at 761.

1699. *See id.*

1700. *See, e.g.,* Flowserve Corp. v. Hallmark Pump Co., 98 U.S.P.Q.2d 1979, 1988 (S.D. Tex. 2011) (“Irreparable injury has . . . been found where the defendant’s actions caused a likelihood of confusion among consumers.” (internal quotation marks omitted)); Nat’l Prods., Inc. v. Gamber-Johnson LLC, 734 F. Supp. 2d 1160, 1171 (W.D. Wash. 2010) (“In Lanham Act [false advertising] cases, . . . this test is satisfied and injunctive relief may be granted upon proof that a false statement of fact in a commercial advertisement is material and has a tendency to deceive the relevant purchasing public.”), *aff’d*, No. 10-35826, 2011 WL 3915603 (9th Cir. Sept. 7, 2011).

1701. Cmty. of Christ Copyright Corp. v. Devon Park Restoration Branch of Jesus Christ’s Church, 634 F.3d 1005, 1012 (8th Cir. 2011).

1702. Doctor’s Assocs. v. Subway.SY LLC, 733 F. Supp. 2d 1083, 1087 (D. Minn. 2010).

1703. *See* Tiramisu Int’l LLC v. Clever Imps. LLC, 741 F. Supp. 2d 1279, 1286-87 (S.D. Fla. 2010).

producers of sparkling wine.<sup>1704</sup> Notwithstanding the plaintiff's success in proving a likelihood of confusion between the parties' marks, the court did not apply a presumption of irreparable harm when weighing the propriety of a permanent injunction. At the same time, however, it did not exactly require much from the plaintiff, finding that:

The reputation of [the plaintiff's] champagne as a high-quality product is unquestionable, and [the plaintiff] has developed and protected that reputation and the goodwill associated with it since at least the 1950's. [The plaintiff's] inability to control the quality of [sparkling wine sold under the defendant's infringing mark] constitutes irreparable injury regardless of its quality."<sup>1705</sup>

This in turn led to a finding that "[m]onetary damages are inadequate to compensate [the plaintiff] for the harm to its goodwill and reputation."<sup>1706</sup>

Faced with numerous violations of a prior settlement agreement between the parties, one court weighing the propriety of a permanent injunction opened its analysis with the observation that "[w]hen a settlement agreement not to use a trademark is breached, the injury is irreparable and the legal remedy of damages is inadequate due to the continuing injury to the goodwill of the mark."<sup>1707</sup> Nevertheless, and without reference to *eBay*, the court went on to find as a factual matter that the plaintiff "was irreparably damaged by Defendants' continued . . . use, and the corresponding dilution, of [the plaintiff's] trademarks."<sup>1708</sup> As described by the court, the basis for this conclusion was that "Defendants are not in [the plaintiff's] business. [One of the defendants] frequently blogs and takes public positions to which [the plaintiff] apparently does not subscribe. [The plaintiff's] public image should not be conflated or overlap with Defendants'."<sup>1709</sup> A permanent injunction enforcing the terms of the settlement agreement therefore was appropriate.<sup>1710</sup>

Finally, two courts addressed the perennial issue of whether a defendant's voluntary discontinuance of challenged conduct precludes the finding of irreparable harm necessary to support

---

1704. See *Champagne Louis Roederer v. J. Garcia Carrión, S.A.*, 732 F. Supp. 2d 836 (D. Minn. 2010).

1705. *Id.* at 881.

1706. *Id.*

1707. *Helix Infusion Therapy, Inc. v. Helix Health, LLC*, 747 F. Supp. 2d 730, 740 (S.D. Tex. 2010).

1708. *Id.*

1709. *Id.*

1710. See *id.*

permanent injunctive relief. In a post-trial opinion affirming jury findings of trade dress infringement and false advertising, the first court answered this question in the negative:

Although [the lead defendant] has used a noninfringing trade dress . . . since early 2008, [the lead defendant] could revert to the use of its infringing packaging at any time. Moreover, [the lead defendant] continues to sell to the retailers to whom it targeted its false advertising and could redistribute its false advertising to these retailers at any time, thereby causing further irreparable injury to [the plaintiff's] reputation and goodwill. Having been found by a jury to have committed willful trade dress infringement and false advertising, [the lead defendant] has failed to meet its heavy burden of showing that there is "no reasonable expectation" that it will not repeat these wrongs in the future.<sup>1711</sup>

The second court, which had before it a defendant previously found liable for false advertising, reached the same conclusion.<sup>1712</sup> The false advertising in question appeared in a promotional video produced by the defendant, and the court was unimpressed with the defendant's representations that the plaintiff's request for a permanent injunction was moot because the defendant already had ceased distributing the video. As it explained, the defendant's argument was "disingenuous" because "[the defendant] admitted that it never attempted to retract any of the copies it sent to distributors and still encouraged its distributors to use the video. Accordingly, it does not appear that [the defendant] has irrefutably demonstrated that it will not use the video."<sup>1713</sup>

## (2) Terms of Permanent Injunctive Relief

Trial courts enjoy wide latitude when drafting the terms of permanent injunctions. For example, although finding that the defendants' CRISTALINO mark was likely to be confused with the plaintiff's CRISTAL mark, one court declined to enjoin all uses of the former, holding instead that "[a]n injunction completely barring use of the word 'CRISTALINO' is unnecessary to prevent consumer confusion."<sup>1714</sup> Rather, after they had exhausted their existing inventory, the defendants were required to use their mark

---

1711. *Irwin Indus. Tool Co. v. Worthington Cylinder Wis., LLC*, 747 F. Supp. 2d 568, 582 (W.D.N.C. 2010) (quoting *Lyons P'ship, L.P. v. Morris Costumes, Inc., Inc.*, 243 F.3d 789, 800 (4th Cir. 2001)).

1712. *See Nat'l Prods., Inc. v. Gamber-Johnson LLC*, 734 F. Supp. 2d 1160 (W.D. Wash. 2010), *aff'd*, No. 10-35826, 2011 WL 3915603 (9th Cir. Sept. 7, 2011).

1713. *Id.* at 1171.

1714. *Champagne Louis Roederer v. J. Garcia Carrión, S.A.*, 732 F. Supp. 2d 836, 882 (D. Minn. 2010).

in conjunction with a house mark and a disclaimer of affiliation with the plaintiff; the injunction entered by the court also barred them from adopting labels with the same appearance as those of the plaintiff.<sup>1715</sup>

A Second Circuit decision declined to disturb a similarly qualified permanent injunction entered after a jury finding that the defendants' use of PATSY'S in connection with restaurant services infringed the plaintiffs' use of the same mark for the same services.<sup>1716</sup> In no small part because the plaintiffs had coexisted peacefully for decades with the defendants' licensor (which, as between the parties, enjoyed absolute priority of use) so long as the licensor and its licensees operated pizzerias, the injunction merely required the defendants to use "pizzeria" with PATSY'S, to remove a sign reading "Trattoria Impazzire" from one of their locations,<sup>1717</sup> and to use a disclaimer of affiliation with the lead plaintiff for three years from the date of judgment. Notwithstanding their application to the senior user, these terms did not concern the Second Circuit, which held that the district court had not abused its discretion by ordering them.<sup>1718</sup>

Two additional examples of judicial baby-splitting at the trial court level appeared in permanent injunctions barring conduct the defendants claimed to have discontinued but at the same time denying the full measure of relief sought by plaintiffs. The first case presented a request for a recall of the defendants' goods.<sup>1719</sup> The primary reason identified by the court for its refusal to order the recall was the low likelihood that that remedy would result in the recovery of goods featuring the defendants' infringing trade dress: Not only had the defendants sold "comparatively few" units, their retailers had "turned over their inventories at least seven to fifteen times."<sup>1720</sup> Under these circumstances, "[a] mandatory recall would impose an undue burden upon [the lead defendant's] mass market retail customers to make what is likely to be a futile search of every store and distribution center."<sup>1721</sup> Particularly because "the hardship placed on [the lead defendant] and its customers

---

1715. *See id.*

1716. *See Patsy's Italian Rest., Inc. v. Banas*, 658 F.3d 254 (2d Cir. 2011).

1717. As the Second Circuit explained of this aspect of the injunction, "'trattoria' means 'restaurant' in Italian, and allowing [the defendants] to use the words 'Trattoria Impazzire' on the facade of the . . . location [in question] would add to the consumer confusion caused by the use of [the plaintiffs'] mark and name in connection with restaurant services." *Id.* at 261 n.2.

1718. *See id.* at 267.

1719. *See Irwin Indus. Tool Co. v. Worthington Cylinders Wis., LLC*, 747 F. Supp. 2d 568 (W.D.N.C. 2010).

1720. *Id.* at 582-83.

1721. *Id.* at 583.



outweighs any harm that [the defendants] may suffer in the absence of a recall,” that extraordinary relief was unwarranted.<sup>1722</sup> For much the same reasons, the court also declined to order the defendants to join the plaintiffs in purchasing corrective advertising.<sup>1723</sup>

In the second case, in which a jury finding of false advertising resulted from statements contained in a promotional video distributed by the defendant, the plaintiff sought to require the defendant to send a corrective letter to each of the video’s recipients.<sup>1724</sup> Although not granting the plaintiff’s request for that particular relief, the court professed to be “concerned that [the defendant] continues to assert that the statements in the video were not false and thus [the defendant] [is] not going to publicize the jury’s findings.”<sup>1725</sup> In addition to enjoining the further distribution of the video, the court therefore ordered the defendant “to send by first class mail a copy of the jury’s findings in this case to each of the vendors or distributors that received the video.”<sup>1726</sup>

Finally, two plaintiffs pursuing a permanent injunction as part of a default judgment wound up hoisted by their own petard.<sup>1727</sup> Throughout the litigation, the plaintiffs consistently described the trade dress they sought to protect as the appearance of a pen consisting of a combination of four elements. The federal magistrate judge tasked with drafting the permanent injunction accepted the plaintiffs’ proffered description but recommended that the district court enter an injunction that did not reach a particular model pen sold by the defendants because that model featured only one of the plaintiffs’ claimed elements. The plaintiffs objected to the recommended injunction because, as they represented to the district court, the model in question was the only one that infringed the plaintiffs’ trade dress. This was a surprise to the district court, which noted that the plaintiffs’ papers not only referred to “pens” sold by the defendants but also failed to mention the particular model at issue.<sup>1728</sup> Because the plaintiffs had not sought relief against the objectionable model until it was too late, and because their arguments against the magistrate’s report and recommendations precluded a finding that

---

1722. *Id.*

1723. On this issue, the court found that the defendants’ promotion of their goods had: (1) not generated any actual confusion; (2) been limited in duration; and (3) already been addressed by the plaintiffs’ unilateral advertising. *See id.* at 583-84.

1724. *See Nat’l Prods., Inc. v. Gamber-Johnson LLC*, 734 F. Supp. 2d 1160 (W.D. Wash. 2010), *aff’d*, No. 10-35826, 2011 WL 3915603 (9th Cir. Sept. 7, 2011).

1725. *Id.* at 1172.

1726. *Id.*

1727. *See Montblanc-Simplo GmbH v. Colibri Corp.*, 739 F. Supp. 2d 143 (E.D.N.Y. 2010).

1728. *See id.* at 150-51.

any other model sold by the defendants violated their trade dress, the court held that they were not entitled to any injunctive relief against the infringement of that trade dress.<sup>1729</sup>

### *c. Constructive Trusts*

“A constructive trust is an equitable remedy that compels the transfer of wrongfully held property to its rightful owner.”<sup>1730</sup> Although there are no apparent examples of this remedy being entered under the auspices of the Lanham Act, a constructive trust was incorporated into an injunction following the successful prosecution in a California district court of a variety of state-law causes of action by the plaintiff, the owner of the BARBIE mark for dolls. The scope of the trust was broad: Its corpus consisted of the lead defendant’s entire trademark portfolio. The basis for this relief was a holding that a former employee of the plaintiff had violated his contract by pitching to the lead defendant the “idea” for what became the wildly successful BRATZ line of dolls.<sup>1731</sup>

The Ninth Circuit vacated the imposition of this relief as abuse of discretion. To begin with, the contract between the plaintiff and its former employee did not necessarily restrict the employee’s ability to peddle his “ideas”; rather, because the agreement’s focus was on the former employee’s “inventions,” the district court improperly refused to consider extrinsic evidence when evaluating the ambiguous scope of the agreement.<sup>1732</sup> Of greater importance, however, the “ideas” marketed by the former employee included only two marks out of a much larger number—most of which were developed after the plaintiff and its former employee parted ways—that had been ordered transferred to the trust. After identifying this discrepancy, the court remarked that “[w]hen the value of the property held in trust increases significantly because of a defendant’s efforts, a constructive trust that passes on the profit of the defendant’s labor to the plaintiff usually goes too far.”<sup>1733</sup> Such was the case in the appeal before the court: “It is not equitable to transfer this billion dollar brand—the value of which is overwhelmingly the result of [the lead defendant’s] legitimate efforts—because it may have started with two misappropriated names.”<sup>1734</sup>

---

1729. *See id.* at 152.

1730. *Mattel, Inc. v. MGA Entm’t, Inc.*, 616 F.3d 904, 908-09 (9th Cir. 2010).

1731. *See id.* at 907-08.

1732. *See id.* at 909-10.

1733. *Id.* at 911.

1734. *Id.*

### *d. Contempt*

Reported opinions addressing allegations of contempt produced a mixed bag of results over the past year. In the most notable such opinion, which arose from the latest installment of a long-running dispute between claimants to the stewardship of the Baha'i Faith, the proper reach of a permanent injunction took center stage.<sup>1735</sup> Over four decades earlier, the plaintiff had secured permanent injunctive relief against a corporate defendant, as well as that defendant's "officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them."<sup>1736</sup> When "five religious organizations and individuals—all remnants of the [corporate defendant] but nonparties to the original litigation"<sup>1737</sup> —allegedly violated the terms of the injunction, the plaintiff sought to have them held in contempt.

Reviewing a finding that the injunction did not bind the alleged contemnors, the Seventh Circuit framed the issue as turning on the intersection of the "principle of general application in Anglo-American jurisprudence that one is not bound by a judgment *in personam* in a litigation in which he is not designated as a party or to which he has not been made a party by service of process,"<sup>1738</sup> on the one hand, and the exceptions to that general principle found in Rule 65(d) of the Federal Rules of Civil Procedure, on the other.<sup>1739</sup> According to the court:

Broadly speaking, both the rule and the common-law doctrine contemplate two categories of nonparties potentially bound by an injunction. One includes nonparties acting in concert with a bound party; many cases hold that a nonparty may be held in contempt if he aids or abets an enjoined party in violating an injunction.

The other category is captured under the general rubric of "privity." It is generally accepted that an injunction may be enforced against a nonparty in "privity" with an enjoined party. . . .<sup>1740</sup>

. . . .

. . . When privity is invoked as a basis for binding a nonparty to an injunction, it is "restricted to persons so

1735. See Nat'l Spiritual Assembly of the Bahá'ís of the United States of Am. Under the Hereditary Guardianship, Inc. v. Nat'l Spiritual Assembly of the Bahá'ís of the United States of Am., Inc., 628 F.3d 837, 846 (7th Cir. 2010).

1736. Quoted in *id.* at 843.

1737. *Id.*

1738. *Id.* at 847 (internal quotation marks omitted).

1739. See *id.*

1740. *Id.* at 848-49 (citations omitted).

identified in interest with those named in the decree that it would be reasonable to conclude that their rights and interests have been represented and adjudicated in the original injunction proceeding.”<sup>1741</sup>

From these principles, the court held that “[a] key officer, employee, or shareholder or an enjoined corporation may be personally bound by the injunction after the corporation dissolves *if* he is so closely identified in interest and had a controlling role in the corporation and in the underlying litigation that it is fair to conclude that he had his day in court when the injunction was issued.”<sup>1742</sup> Although the district court had not applied this standard, its findings otherwise were “sufficiently detailed and supported by the record”<sup>1743</sup> that the Seventh Circuit felt comfortable concluding on appeal that none of the alleged contemnors had been in sufficient privity with the original defendant as to warrant a finding of contempt.<sup>1744</sup>

The court in a second case was far less forgiving.<sup>1745</sup> Faced with a motion to have them held in contempt of an injunction entered as part of an earlier consent judgment, the defendants argued, *inter alia*, that the plaintiff had abandoned the use of the mark the injunction purported to protect. The court was unmoved, holding that “[t]o the extent that the defendants attempt to collaterally attack the judgment, their arguments collide directly with a long line of cases holding that a party is obligated to comply with the terms of a court order, including a consent judgment, even if such order is not valid, until the order has been set aside.”<sup>1746</sup> Reviewing the consent injunction in its entirety, the court then concluded that:

The parties intended that the plaintiff would continue to enjoy its right to the mark, *and* that the defendant[s] would not use or try to use it in the future. The defendants’ attempt to engraft a requirement that the plaintiff’s right to the mark has not been abandoned as a condition of enforcing the injunction is not supported by a plausible reading of the consent injunction. The parties intended that in exchange for dismissing the lawsuit and the plaintiff’s forbearance on [its]

---

1741. *Id.* at 849 (quoting 11A Charles A. Wright, Arthur R. Miller & Mary K. Kane § 2956, 340-41 (2d ed. 1995)).

1742. *Id.* at 854.

1743. *Id.*

1744. *See id.* at 854-57.

1745. *See Belfor USA Grp. v. Ins. Reconstruction, LLC*, 755 F. Supp. 2d 812 (E.D. Mich. 2010).

1746. *Id.* at 816.

damages claim, the defendants would not use the mark or try to register it in the future.<sup>1747</sup>

Because the record otherwise demonstrated by clear and convincing evidence that the defendants had violated the definite and specific terms of the consent judgment, they were found in contempt.<sup>1748</sup>

One court went further still, both reaching a finding that the plaintiff was in contempt and threatening that party with the terminating sanction of a dismissal of its case.<sup>1749</sup> A previous order from the court required the plaintiff to reimburse the defendant for the attorneys' fees and costs associated with a series of depositions. On the deadline for payment, the plaintiff's counsel delivered a personal check covering less than one-third of the amount due but managed to secure the court's approval for a payment plan covering the remainder. When the plaintiff failed to comply with the payment plan, the court lost patience and granted the defendant's motion to have the plaintiff held in contempt without affording the plaintiff the opportunity for another installment plan. The court ordered the plaintiff to pay the outstanding balance within thirty days and advised the plaintiff of its intent to dismiss the plaintiff's case if the new deadline was not met. It might be true, the court acknowledged, "dismissal is a sanction of last resort . . ."<sup>1750</sup> Nevertheless, the record was "clear that less onerous sanctions are futile and that plaintiff's misconduct cannot be rectified by a sanction short of dismissal."<sup>1751</sup>

### ***e. Actual Damages***

#### **(1) Plaintiffs' Entitlement to Actual Damages**

Most courts addressing the issue of actual damages did so in the context of claims by plaintiffs that the defendants' conduct had resulted in lost sales by the plaintiffs. Those doing so generally dismissed plaintiffs' claims for actual damages in light of the plaintiffs' inability to demonstrate that the defendants' infringing conduct had resulted in actual consumer confusion.<sup>1752</sup>

---

1747. *Id.* at 817.

1748. *Id.* at 818.

1749. *See* Guantanamera Cigar Co. v. Corporacion Habanos, S.A., 750 F. Supp. 2d 31 (D.D.C. 2010).

1750. *Id.* at 35.

1751. *Id.*

1752. *See* Zurco, Inc. v. Sloan Valve Co., 785 F. Supp. 2d 476, 50-01 (W.D. Pa. 2011) (granting defense motion for summary judgment); GMA Accessories, Inc. v. BOP, LLC, 765 F. Supp. 2d 457, 471 (S.D.N.Y. 2011) (same).

## (2) Calculation of Actual Damages

The mechanics of calculating actual damages for infringement are relatively well-established, but do they extend to actions under the ACPA? The Ninth Circuit answered this question affirmatively in a suit in which the defendant, a former employee of the plaintiff, had registered in his own name the domain name at which the plaintiff's website was accessible. When the parties had a falling out over sales commissions allegedly owed to the defendant, he responded by bringing down the content on the site during the plaintiff's peak selling season.<sup>1753</sup> Having affirmed a finding of liability under the ACPA, the Ninth Circuit also found no reversible error in a jury award of \$152,000 in actual damages, despite the absence of supporting expert witness testimony. As the appellate court explained, "[i]n the circumstances of this case, precision in the calculation of damages is neither necessary nor possible. [The defendant's] wrong made it impossible to know with any precision what [the plaintiff's] sales would have been had he not committed his wrong."<sup>1754</sup> It then held that "[g]iven the impossibility of precise measurements, the jury had sufficient tools for estimating [the plaintiff's] actual damages . . . ."<sup>1755</sup> Those tools included documentation of the \$31,572.72 the plaintiff had spent rebuilding its website, as well as financial statements showing the plaintiff had suffered a precipitous loss of revenue during a time of increased sales in the relevant market.<sup>1756</sup>

In a conventional infringement suit brought by a group of affiliated law firms against a competitive firm and its principal, the plaintiffs successfully demonstrated in a bench trial that 18.78 percent of potential clients submitting information through the plaintiffs' website became actual clients and that each case the plaintiffs handled yielded \$3,576.93 in fees.<sup>1757</sup> The plaintiffs also proved to the court's satisfaction that, by purchasing the plaintiffs' mark through Google's AdWords program, the defendants had diverted 188 potential clients searching for the plaintiffs' site to one of two sites operated by the defendants.<sup>1758</sup> Although the defendants represented that they had not converted the diverted contacts into paying matters with the same efficiency as the plaintiffs, the court held them to the plaintiffs' retention rate, finding that "a 18.78% retention rate would have translated into 35 additional cases" and that "[t]hirty-five cases with a revenue of

---

1753. *See* DSPT Int'l, Inc. v. Nahum, 624 F.3d 1213 (9th Cir 2010).

1754. *Id.* at 1223.

1755. *Id.*

1756. *See id.* at 1223-24.

1757. *See* Binder v. Disability Grp., 772 F. Supp. 2d 1172, 1178-79 (C.D. Cal. 2011).

1758. *See id.* at 1179.

\$3,576.93 would have translated into \$125,192.55 in additional revenue for Plaintiffs.”<sup>1759</sup> The court applied the same methodology to conclude that a second site operated by the defendants had cost the plaintiffs an additional eight cases, yielding a further \$28,615.44 in revenue lost by the plaintiffs.<sup>1760</sup> Based on expert testimony that the plaintiffs would have incurred a 5 percent increase in incremental costs had they actually handled the cases in question, the court discounted the lost revenues by the figure to find that the plaintiffs had suffered actual damages in the amount of \$146,117.60.<sup>1761</sup>

Although lost profits were the most commonly awarded form of actual damages,<sup>1762</sup> some plaintiffs augmented their claims for monetary relief by averring actual damage to their reputations. These included a non-profit organization proceeding under the Nebraska Deceptive Trade Practices Act<sup>1763</sup> and Consumer Protection Act<sup>1764</sup> and which averred that its reputation and goodwill had suffered as a result of the defendant’s unlawful conduct.<sup>1765</sup> That strategy proved to be a successful one, as the jury hearing the case concluded that the plaintiff was entitled to an award of \$425,000. In affirming the jury’s finding, the Eighth

---

1759. *Id.*

1760. *See id.* at 1180.

1761. *See id.*

Having arrived at these numbers, the court rejected the defendants’ argument that the plaintiffs had failed to mitigate their damages in two respects. The first was that the plaintiffs had not displayed the registration symbol with their registered mark, which the court found inapplicable under 15 U.S.C. § 1111 (2006) because the principal of the defendant law firm, who also was named as an individual defendant, had had actual knowledge of the plaintiffs’ registration before the defendants undertook their infringement. *See id.* at 1184. The second was that the plaintiffs had failed to avail themselves of Google’s takedown procedures, which the court rejected because the trial record did not contain “sufficient evidence about how and under what circumstances a preemptive block may be obtained.” *Id.* at 1185.

Despite therefore resolving every factual dispute in the plaintiffs’ favor where the plaintiffs’ lost revenues were concerned, the court nevertheless declined to grant their request for an award of 25 percent of the defendants’ advertising for corrective advertising:

Plaintiffs have presented no evidence of any expenditures actually made to restore the value of their marks. . . . Although precision is not required, we think an award specifically for corrective advertising in this case would go beyond imprecision . . . . Any award based on an arbitrary percentage of Defendants’ advertising budget is not sufficiently tethered to correcting the nature of the harm suffered in this case.

*Id.* at 1181.

1762. For an additional example of an award of actual damages in the form of lost profits, see *Bosem v. Musa Holdings, Inc.*, 46 So. 3d 42, 45-46 (Fla. 2010) (holding prevailing plaintiffs entitled to award of prejudgment interest on lost profits).

1763. Neb. Rev. Stat. § 87-302 (2007).

1764. *Id.* § 59-1602 *et seq.*

1765. *See WWP, Inc. v. Wounded Warriors Family Support, Inc.*, 628 F.3d 1032 (8th Cir. 2011).

Circuit was clearly influenced by the plaintiff's status as a nonprofit charity:

Source, reputation and good will are as important to eleemosynary institutions as they are to business organizations. Anything which tends to divert membership or gifts of members from them injures them with respect to their financial condition in the same way that a business corporation is injured by diversion of trade or custom.<sup>1766</sup>

Whether it was influenced by the record, however, is another thing, for it identified only a single incident—the plaintiff's perceived failure to acknowledge a donation misdirected to, and kept by, the defendant—as support for the jury's finding.<sup>1767</sup>

Invocations of Florida law in the pursuit of this theory of damages also bore fruit. Having discovered the unauthorized use of her self-portrait—taken when she was fourteen years old—on the cover sleeve of a pornographic movie, one plaintiff successfully established at trial her entitlement to \$25,000 as reimbursement for the harm to her reputation.<sup>1768</sup> As a threshold matter, the court explained that “[h]arm to reputation caused by the misappropriation of a plaintiff's likeness is . . . compensable damage.”<sup>1769</sup> It then credited the plaintiff's testimony that she had had to explain her appearance on the sleeve to potential clients and, indeed, that at least one potential client had declined to hire her pending the resolution of her suit. “Under the totality of these circumstances,” the court concluded, “\$25,000 compensation for harm to the plaintiff's reputation is reasonable. Although the plaintiff has not established \$25,000 in lost jobs due to this circumstance, it is well-established that proof of actual harm need not be of pecuniary loss.”<sup>1770</sup>

Florida law proved to be somewhat less fertile ground for a plaintiff seeking to recover for what a jury found was the unauthorized use of her image on packaging for the lead defendant's home entertainment system and related items.<sup>1771</sup> Despite concluding that the defendants had violated the plaintiff's rights of publicity and privacy, the jury awarded the plaintiff only \$10,000 in actual damages, rather than the \$2 million she had requested. On appeal, the plaintiff argued that she had been

---

1766. *Id.* at 1043 (quoting *Am. Gold Star Mothers, Inc. v. Nat'l Gold Star Mothers, Inc.*, 191 F.2d 488, 489-90 (D.C. Cir. 1951)).

1767. *See id.* at 1044.

1768. *See Coton v. Televised Visual X-Ography, Inc.*, 740 F. Supp. 2d 1299 (M.D. Fla. 2010).

1769. *Id.* at 1311.

1770. *Id.* (internal quotation marks omitted).

1771. *See Ji v. Bose Corp.*, 626 F.3d 116 (1st Cir. 2010).



prejudiced by the district court's refusal to allow her to discover the lead defendant's sales, as opposed to information on its use of her image. The basis of this argument was that the district court had misunderstood the measure of damages under the relevant Florida statute as compensatory rather than royalty based.<sup>1772</sup> Because "[the plaintiff] has failed to submit reliable indicia that the Florida Supreme Court would consider sales data as necessary components of a reasonable royalty under [the statute]," the district court had not abused its discretion,<sup>1773</sup> and the jury's award withstood appellate scrutiny at the hands of the First Circuit.

Finally, allegations of reputational damage also carried the day in the Western District of Missouri, at least at the summary judgment stage of a case lodged in that forum.<sup>1774</sup> The transaction underlying the plaintiffs' false advertising claim was the defendant's alleged reproduction in its catalogue of photographs of the plaintiffs' goods. Declining to hold that the defendant was entitled to judgment as a matter of law on the plaintiffs' pursuit of actual damages, the court held that "Plaintiffs have made a 'submissible case' for reputational damages."<sup>1775</sup> In particular, "[e]vidence of Plaintiffs' reputational damage includes commentary on internet blogs that there might exist a relationship between [the parties]. That this commentary is evidence of reputational damage is rooted in Plaintiffs' assertion that [the defendant's] products are inferior to [their] own, which [the defendant] does not specifically contest."<sup>1776</sup> Moreover, "Plaintiffs' basis of their loss calculation on a company rule of thumb—that conservatively accounts for public response—also creates a submissible case to a jury."<sup>1777</sup>

### (3) Adjustments of Awards of Actual Damages

Section 35(a) of the Lanham Act authorizes the augmentation of awards of actual damages, even to the point of trebling them, but only if the resulting figure would constitute compensation and a penalty.<sup>1778</sup> Having reached a finding of infringement in a bench

---

1772. That statute provides that "[t]he person whose likeness is used . . . may bring an action . . . to recover damages for any loss or injury sustained by reason thereof, including an amount which would have been a reasonable royalty . . ." Fla. Stat. § 540.08 (2009).

1773. *Ji*, 626 F.3d at 123.

1774. *See* *Osment Models Inc. v. Mike's Train House Inc.*, 97 U.S.P.Q.2d 1395 (W.D. Mo. 2010).

1775. *Id.* at 1403 (quoting *Marvin Lumber & Cedar Co. v. PPG Indus.*, 401 F.3d 901, 914 (8th Cir. 2005)).

1776. *Id.* (citations omitted).

1777. *Id.*

1778. *See* 15 U.S.C. § 1117(a) (2006).

trial, one court exercised its discretion under Section 35(a) to double an award of the plaintiffs' actual damages.<sup>1779</sup> The court linked this result to the compensatory function of enhanced damages, finding that "there is a potential harm from lingering misimpressions that is unlikely to be fully captured by the [plaintiffs'] lost profits."<sup>1780</sup> Based on this determination and the willful nature of the defendants' infringement, the court held that "we exercise our discretion to award enhanced damages in the amount of double the Plaintiffs' lost profits. Such an award is consistent with the compensatory goals of the Lanham Act but is not so great as to be punitive."<sup>1781</sup>

### *f. Statutory Damages*

There are two bases for awards of statutory damages in federal unfair competition cases. First, Section 35(c) provides that, in cases involving the trafficking of goods bearing counterfeit marks, the plaintiff may elect to receive "not less than \$1,000 or more than \$200,000 per counterfeit mark per type of goods or services sold"; moreover, an award of up to \$2,000,000 is possible "if the court finds that the use of the counterfeit mark was willful."<sup>1782</sup> Second, in cases involving violations of the ACPA, Section 35(d) allows a prevailing plaintiff to elect an award of statutory damages "in the amount of not less than \$1,000 and not more than \$100,000 per domain name, as the court considers just," provided that registration of the domain name in question occurred after the effective date of the ACPA.<sup>1783</sup>

The lack of congressional guidance on the proper application of these mechanisms in the latter context has often led courts to look to the standards governing awards of statutory damages in copyright actions. The Fourth Circuit took such an approach in a case in which the defendants' post-registration misuse of single domain name had led to an \$80,000 award of statutory damages.<sup>1784</sup> That award, the court acknowledged, was "at the high end of the statutory range."<sup>1785</sup> Nevertheless, it was one justified by the defendants' use of the challenged domain name for a website that, although initially unobjectionable, evolved until goods could be purchased through it that were directly competitive

---

1779. *See Binder v. Disability Grp.*, 772 F. Supp. 2d 1172, 1182-83 (C.D. Cal. 2011).

1780. *Id.* at 1183.

1781. *Id.*

1782. 15 U.S.C. § 1117(c)(1)-(2) (Supp. IV 2010).

1783. 15 U.S.C. § 1117(d) (2006).

1784. *See Newport News Holdings Corp. v. Virtual City Vision, Inc.*, 650 F.3d 423 (4th Cir.), *cert. denied*, 132 S. Ct. 575 (2011).

1785. *Id.* at 442.

with those sold by the plaintiff. As far as the Fourth Circuit was concerned, it was the defendants' changes to the site that justified the award; "[the defendants'] arguments about why [their] conduct may not have been egregious prior to [the site's evolution] are irrelevant."<sup>1786</sup>

While evaluating a request for an award of statutory damages against defendants whose default established that they had trafficked in goods bearing counterfeit marks, a Second Circuit district court similarly looked to copyright doctrine to identify the following factors for consideration:

(1) the expenses saved and the profits reaped; (2) the revenues lost by the plaintiff; (3) the value of the [trademark]; (4) the deterrent effect on others besides the defendant; (5) whether the defendant's conduct was innocent or willful; (6) whether [the] defendant has cooperated in providing particular records from which to assess the value of the infringing material produced; and (7) the potential for discouraging the defendant.<sup>1787</sup>

Somewhat unusually, the court parsed the defendants' misappropriation of the particular registered marks at issue, awarding \$50,000 in statutory damages with respect to five of the marks, but only \$25,000 with respect to two others; the basis for the court's hard line toward the defendants' violations of the plaintiff's rights to the marks falling into the first category was that those violations had been undertaken intentionally and therefore created the need for greater deterrence.<sup>1788</sup>

An additional Second Circuit district court entertaining a request for the imposition of statutory damages against a group of defaulting defendants held that "[i]n determining the amount of statutory damages, the Court considers several factors, including, *inter alia*: the defendant's profits, the plaintiff's lost profits, the defendant's willfulness, the size of [the] defendant's counterfeiting operation, the defendant's efforts to mislead and conceal, and the need to deter the defendant and others."<sup>1789</sup> The plaintiff did not request an express finding of willfulness, but the court found that:

[T]he undisputed evidence indicates that defendants obtained the counterfeit [goods] . . . from a woman . . . whose full name, address, and business affiliation they did not know. They also

---

1786. *Id.*

1787. *All-Star Mktg. Grp. v. Media Brands Co.*, 775 F. Supp. 2d 613, 622 (S.D.N.Y. 2011) (first alteration in original) (quoting *Kenneth Jay Lane, Inc. v. Heavenly Apparel, Inc.*, No. 03 Civ. 2132, 2006 WL 728407, at \*6 (S.D.N.Y. Mar. 21, 2006)).

1788. *See id.* at 624-25.

1789. *Philip Morris USA Inc. v. Tammy's Smoke Shop, Inc.*, 726 F. Supp. 2d 223, 224 (E.D.N.Y. 2010).

did not know her source for the [goods]. Under these circumstances, defendants knew or should have known that the source for the [goods] was suspicious, a strong indication of willfulness. This factor favors a substantial amount of statutory damages.<sup>1790</sup>

Based on record evidence of other defendants engaged in identical misconduct, the court additionally found that “there appears to be a real need to deter others from such insidious conduct.”<sup>1791</sup> And, although the plaintiff had not proven with certainty the defendants’ profits or the size of their operations, the defendants bore the burden of any uncertainty on those issues caused by their lack of records.<sup>1792</sup> An award of statutory damages in the amount of \$50,000 per mark at issue was therefore appropriate.<sup>1793</sup>

One Eighth Circuit district court similarly targeted the willful misconduct of the defendants before it, who took a number of steps to create the impression that they were franchisees in the plaintiff’s restaurant system.<sup>1794</sup> The plaintiff established to the court’s satisfaction that the defendants’ online use of the plaintiff’s mark constituted both counterfeiting and cybersquatting as a matter of law, and the court imposed statutory damages for both torts. As to the former, the court declined to grant the plaintiff’s request for the maximum \$2,000,000 authorized by Section 35(c), but, in light of the defendants’ failure to heed the court’s repeated warnings of likely liability, tagged the defendants with an award of \$325,000.<sup>1795</sup> And, as to the latter, the defendants’ continued use of the plaintiff’s mark as part of their domain name apparently even as late as the date of the opinion justified an award of \$25,000.<sup>1796</sup>

### ***g. Punitive Damages***

The Lanham Act does not authorize awards of punitive damages, but they may be available for trademark infringement and unfair competition under applicable state law. At least where cases producing reported opinions on the issue were concerned, however, plaintiffs seeking punitive damages over the past year did not fare well.<sup>1797</sup> Thus, for example, one court held in

---

1790. *Id.* at 225.

1791. *Id.*

1792. *See id.* at 224-25.

1793. *See id.* at 225.

1794. *See Doctor’s Assocs. v. Subway.SY LLC*, 733 F. Supp. 2d 1083 (D. Minn. 2010).

1795. *See id.* at 1088.

1796. *See id.*

1797. *See, e.g., L & L Wings, Inc. v. Marco-Destin Inc.*, 756 F. Supp. 2d 359, 367-68 (S.D.N.Y. 2010) (recognizing potential availability of punitive damages under New York law

application of California law that, despite an earlier finding that the plaintiffs were eligible for awards of enhanced damages and attorneys' fees as a result of the defendants' willful infringement, "we are not convinced that Plaintiffs have shown malice, oppression, or fraud with clear and convincing evidence."<sup>1798</sup> Moreover, even if the plaintiffs *had* established these prerequisites, "the double damages award is sufficient and reasonable to account for Plaintiffs' losses and Defendants' conduct."<sup>1799</sup>

Another plaintiff struck out in her request for punitive damages under Florida law arising from the unauthorized use of her photograph on the DVD cover sleeve of a movie.<sup>1800</sup> The photograph was taken when the plaintiff was a minor, and the movie was a pornographic in nature, but these facts did not convince the court to find that the defendants' misconduct met the "high standard" necessary for the imposition of liquidated damages.<sup>1801</sup> On the contrary, "[t]he absence of malicious intent is underscored by [the] attempts [of the individual defendant and principal of the corporate defendant] to remediate the situation when he learned of the infringement."<sup>1802</sup> Those attempts included: (1) the transition to a new photograph; (2) a recall of DVDs distributed with the offending sleeve; and (3) the destruction of all the DVDs of the film and offending cover sleeves within his possession.<sup>1803</sup> An award of punitive damages was inappropriate because "[a]t most, the defendants' conduct constitutes negligence for failing to confirm that the photograph was in the public domain for free use."<sup>1804</sup>

### *h. Liquidated Damages*

Somewhat unusually, two opinions addressed the enforceability of liquidated damages provisions in trademark-related agreements, both doing so in applications of New York law. The court in the first case affirmatively upheld the imposition of liquidated damages provided for in a license between the plaintiff

---

but concluding that factual disputes precluded grant of plaintiff's motion for summary judgment on issue).

1798. *Binder v. Disability Grp.*, 772 F. Supp. 2d 1172, 1184 (C.D. Cal. 2011).

1799. *Id.*

1800. *See Coton v. Televised Visual X-Ography, Inc.*, 740 F. Supp. 2d 1299 (M.D. Fla. 2010).

1801. *Id.* at 1312 (quoting *Weinstein Design Grp. v. Fielder*, 884 So. 2d 990, 1001 (Fla. Dis. Ct. App. 2004)).

1802. *Id.*

1803. *See id.*

1804. *Id.* at 1313.

and the defendants.<sup>1805</sup> Under the parties' agreement, the plaintiff was entitled to an award of \$200.00 for each day the defendants engaged in unauthorized uses of the plaintiff's mark; moreover, that figure was to be multiplied by the number of the defendants' stores operating in breach of the license. The defendants argued that this remedy was impermissibly punitive, especially because of an additional non-compete provision in the license, which, the defendants argued, precluded the plaintiff from claiming any actual damages in the form of future lost sales. In rejecting this argument, the court offered the following explanation of the governing doctrine:

The reasonableness of the liquidated damages and the certainty of actual damages must be measured as of the time the parties enter the contract, not as of the time of the breach. As such, a liquidated damages provision will be upheld "if the amount liquidated bears a reasonable proportion to the probable loss and the amount of actual loss is incapable or difficult of precise estimation. . . . If, however, the amount fixed is plainly or grossly disproportionate to the probable loss, the provision calls for a penalty and will not be enforced."<sup>1806</sup>

Reviewing the summary judgment record, the court held that the defendants had failed to demonstrate either that the plaintiff's actual damages flowing from a prospective breach of the license were readily ascertainable at the time the parties executed their agreement or that the liquidated damages themselves were conspicuously disproportionate to the plaintiff's foreseeable losses. Instead, the court noted, it already had found that the defendants' unauthorized uses of the plaintiff's mark threatened the plaintiff's control over its reputation, and "it is that loss of control which is the very thing that constitutes irreparable harm in the licensing context."<sup>1807</sup> Thus, "[t]his potential harm to Plaintiff's reputation and goodwill caused by post-termination use of the Mark would be nearly impossible to quantify at the time the Agreement was signed. . . ."<sup>1808</sup> Having upheld the enforceability of the parties' agreement as a matter of law, however, the court then concluded that there were factual disputes over the quantum of the liquidated damages to which the plaintiff was entitled.<sup>1809</sup>

---

1805. See *L & L Wings, Inc. v. Marco-Destin Inc.*, 756 F. Supp. 2d 359 (S.D.N.Y. 2010).

1806. *Id.* at 363-64 (alteration in original) (quoting *Kingsbridge Med. Ctr., P.C. v. Hill*, 357 F. Supp. 2d 754, 758 (S.D.N.Y. 2005)).

1807. *Id.* at 364 (alteration omitted) (quoting *Church of Scientology Int'l v. Elmira Mission of Church of Scientology*, 794 F.2d 38, 44 (2d Cir. 1986)).

1808. *Id.*

1809. See *id.* at 365-66.

The defendants in the second case had taken a license from the plaintiff, which, in the event that the defendants sold goods bearing the plaintiffs' mark outside the scope of the license, entitled the plaintiffs to recover the defendants' net sales as a royalty, as well as three dollars per unit sold as liquidated damages.<sup>1810</sup> The defendants sought summary judgment on the theory that the liquidated damages clause was unenforceable, but the court declined to grant their motion. Under New York law, it noted, "[t]he enforceability of a liquidated damages provision is a question of law, but the party seeking to avoid a liquidated damages provision bears the burden of proving that the provision is in fact a penalty."<sup>1811</sup> Applying this standard to the facts before it, the court then held that:

[The defendants have] not met that burden. [The defendants] argue[] that at worst, [the lead plaintiff's] damages from unlicensed sales are equal to the amount it would have earned from another licensee in royalties, or the amount of profit [the lead plaintiff] itself would have earned had it exploited the relevant market on its own. Nevertheless, [the defendants] provide[] no evidence that liquidated damages . . . would not approximate such lost royalties or profits. Another licensee, by way of example, may have much higher sales than [the defendants], such that the lost royalties from that licensee would approximate [the defendants'] sales.

Furthermore, [the defendants] [have] not provided evidence that damages were capable of estimation at the time the parties entered into the License Agreement. Where a manufacturer produces products bearing another's trademark without a license, courts have recognized routinely that damages are difficult or impossible to estimate.<sup>1812</sup>

Accordingly, summary judgment in the defendants' favor was inappropriate.<sup>1813</sup>

### ***i. Accountings of Profits***

#### **(1) Plaintiffs' Entitlement to Accountings**

The issue of when a prevailing plaintiff properly should be entitled to an accounting of the defendant's profits historically has divided courts, but the past year produced two consistent treatments of it. In the first, the Eighth Circuit rejected a defendant's invitation to overturn an accounting because the

---

1810. *See* Marvel Entm't, Inc. v. KellyToy, Inc., 769 F. Supp. 2d 520 (S.D.N.Y. 2011).

1811. *Id.* at 527.

1812. *Id.* (citation omitted).

1813. *See id.*

plaintiff had failed to demonstrate to the jury's satisfaction any actual confusion flowing from the defendant's infringement.<sup>1814</sup> For purposes of the appeal, the court recognized willful infringement as a prerequisite for disgorgement of the defendant's profits,<sup>1815</sup> but such was not the case when it came to actual confusion. Noting that Section 35 reflected no such requirement, the court observed that:

Section [35] makes an award of the infringing party's profits subject only to the principles of equity. Disgorgement exists to deter would-be infringers and to safeguard against unjust enrichment. Where the jury disgorges profits to remedy a willful infringement that was likely to cause confusion, to cause mistake, or to deceive as to the relationship between the parties' services, equity does not require adherence to the putative judge-made rule requiring actual confusion.<sup>1816</sup>

The court then moved on to a second argument advanced by the defendant, which was that the jury's finding that the plaintiff had suffered no actual damages either precluded an accounting or required a new trial on the plaintiff's bid for a disgorgement. The court's treatment of this issue was less extensive, but the result was the same. Noting that the jury's finding of infringement was grounded in the defendant's having exceeded the scope of a license it had received from the plaintiff, the court noted that "[t]he theory of the case [the plaintiff] presented to the jury focused on the ways in which [the defendant] used the [licensed] mark to its advantage in marketing an array of [unlicensed services]."<sup>1817</sup> An accounting was therefore appropriate because "[t]hat use was not part of the agreement the parties struck, and any profits earned from unauthorized use exceeds the benefit for which [the defendant] bargained."<sup>1818</sup>

An Eleventh Circuit district court similarly held, albeit on an unopposed motion for entry of a default judgment, that a showing of actual damages was not a prerequisite for an accounting of profits: "[T]he law in this Circuit is well settled that a plaintiff need not demonstrate actual damage to obtain an award reflecting an infringer's profits under § 35 of the Lanham Act."<sup>1819</sup> Rather,

---

1814. *See Masters v. UHS of Del., Inc.*, 631 F.3d 464 (8th Cir.), *cert. denied*, 131 S. Ct. 2920 (2011).

1815. *See id.* at 472 n.2.

1816. *Id.* at 473-74.

1817. *Id.* at 474.

1818. *Id.*

1819. *Tiramisu Int'l LLC v. Clever Imps. LLC*, 741 F. Supp. 2d 1279, 1288 (S.D. Fla. 2010) (alteration in original) (quoting *Burger King Corp. v. Mason*, 855 F.2d 779, 781 (11th Cir. 1988)).



“[a] plaintiff shall be entitled to a defendant’s profits if any of three circumstances exist: ‘(1) the defendant’s conduct was willful and deliberate, (2) the defendant was unjustly enriched, or (3) it is necessary to deter future conduct.’”<sup>1820</sup> Focusing on the first of these three alternative scenarios, the court concluded that an accounting was appropriate because the defendant continued to sell goods bearing its infringing mark after receiving the plaintiff’s objections and, indeed, even after representing in its discovery responses that it had stopped doing so.<sup>1821</sup>

## (2) The Accounting Process

Section 35(a) governs the mechanics of an accounting of an infringing defendant’s profits by codifying the common-law rules governing that process. It provides in relevant part that “[i]n assessing profits the plaintiff shall be required to prove defendant’s sales only; defendant must prove all elements of cost or deduction claimed.”<sup>1822</sup> Although these rules are simply stated, their application can be problematic, especially in light of the frequent failure by courts to distinguish clearly between the *legal* remedy of an award of the *plaintiff’s* actual damages and the *equitable* remedy of an accounting of the *defendant’s* profits. Indeed, even when courts appear to recognize the distinction between the two in cases in which plaintiffs seek accountings, the resulting opinions all too often mistakenly refer to that relief by using the word “damages.”

This was apparent in an appeal to the Federal Circuit, in which the district court had barred a counterclaim plaintiff from presenting evidence of its “damages” because the counterclaim plaintiff had failed to disclose that evidence pursuant to Federal Rule of Civil Procedure 26(a).<sup>1823</sup> Reversing this holding in an application of Eighth Circuit law, the appellate court noted that the counterclaim plaintiff “had enumerated certain categories of damages [sic] in its amended counterclaim, *viz.*, [the lead counterclaim defendant’s] profits . . . .”<sup>1824</sup> Moreover, the parties “had agreed upon a calculation of [the lead counterclaim defendant’s] sales,” which meant the burden properly should have shifted to the lead counterclaim defendant to prove permissible deductions from those sales.<sup>1825</sup> Under these circumstances,

---

1820. *Id.* (quoting *Optimum Techs., Inc. v. Home Depot U.S.A., Inc.*, 217 Fed. App’x 899, 902 (11th Cir. 2007)).

1821. *See id.* at 1289.

1822. 15 U.S.C. § 1117(a) (2006).

1823. *See Green Edge Enters. v. Rubber Mulch Etc., LLC*, 620 F.3d 1287 (Fed. Cir. 2010).

1824. *Id.* at 1304.

1825. *Id.*

“[b]ecause [the counterclaim plaintiff] provided a stipulated calculation of [the lead counterclaim defendant’s] sales, the [district] court clearly erred in excluding all evidence of damages [sic].”<sup>1826</sup>

A Florida district court displayed a slightly better grasp of the proper terminology.<sup>1827</sup> Recognizing that the plaintiff was pursuing an accounting of the defendant’s profits rather than an award of its own actual damages, the court observed that “[i]n order to establish the amount of profits to be disgorged, a plaintiff must establish the infringer’s gross sales of the product; it is then up to the defendant to refute that amount, and/or to proffer costs that should be deducted from the gross sales.”<sup>1828</sup> In the case before it, the plaintiff successfully demonstrated through the defendant’s written discovery responses and document production that the defendant had enjoyed \$53,375.00 in gross sales of the challenged goods. When the defendant failed to make a responsive showing, the court ordered the disgorgement of the entirety of this figure, explaining that “[n]umerous courts have held that ‘when a trademark plaintiff offers evidence of infringing sales and the infringer fails to carry its statutory burden to offer evidence of deductions, the plaintiff’s entitlement to profits under the Lanham Act is equal to the infringer’s gross sales.’”<sup>1829</sup>

As another district court recognized, the burden-shifting effect of Section 35 applies to more than just the deductions claimed by a defendants: It also obligates the defendants to apportion their sales between infringing and noninfringing sources.<sup>1830</sup> That holding came in the context of a post-trial challenge to a jury’s award of “damages” in the form of the disgorgement of the defendants’ profits. Applying both Section 35 and Section 504(b) of the Copyright Act<sup>1831</sup> to affirm the jury’s verdict, the court held that “in proving the proper amount for disgorgement, plaintiffs were only required to establish defendants’ gross revenues from the infringing [goods]. Once this was done, the burden then shifted to defendants to show deductible expenses *and profits attributable to factors other than infringement*.”<sup>1832</sup> As a consequence, the jury had been properly instructed that “[U]nless you find that a portion of the profit from the sale of the [defendant’s goods] using

---

1826. *Id.*

1827. *See Tiramisu Int’l LLC v. Clever Imps. LLC*, 741 F. Supp. 2d 1279 (S.D. Fla. 2010).

1828. *Id.* (citation omitted).

1829. *Id.* at 1291 (quoting *WMS Gaming, Inc. v. WPC Prods. Ltd.*, 542 F.3d 601, 609 (7th Cir. 2008)).

1830. *See In re Outsidewall Tire Litig.*, 748 F. Supp. 2d 543 (E.D. Va. 2010).

1831. 17 U.S.C. § 504(b) (2006).

1832. *Outsidewall Tire Litig.*, 748 F. Supp. 2d at 551 (emphasis added).

trademarks s attributable to factors other than the use of the trademark[s], you shall find that the total profit is attributable to the infringement.”<sup>1833</sup>

In contrast, a Washington federal district court misinterpreted both Section 35 and Ninth Circuit authority alike in holding that it is the plaintiff’s burden to apportion a defendant’s gross sales between infringing and noninfringing sources.<sup>1834</sup> The plaintiff successfully convinced a jury both that the defendant had engaged in false advertising and that the plaintiff was entitled to an award of \$10,000,000. Weighing the parties’ post-trial submissions on the propriety of this figure, the court took a hostile view of the plaintiff’s theory that the defendant’s false advertising had generated a “pool of money” to which the plaintiff was entitled in the absence of an apportionment by the defendant. In particular, the court focused on the Ninth Circuit’s observation in *Lindy Pen Co. v. Bic Pen Corp.*<sup>1835</sup> that “an accounting is intended to award profits only on sales that are attributable to the infringing conduct”<sup>1836</sup> and held that the plaintiff, and not the defendant, had the burden of apportioning the defendant’s gross revenues between those attributable to the defendant’s false advertising and those attributable to other causes.<sup>1837</sup>

The court erred in doing so. Not only does the quoted language from *Lindy Pen* have no bearing on the allocation of the parties’ respective burdens,<sup>1838</sup> it appears in a section of the Ninth Circuit’s opinion styled as “AWARD OF DAMAGES.”<sup>1839</sup> Moreover, that section of the opinion makes clear that the remedy being discussed was actual damages in the form of the *plaintiff’s* lost profits, not the profits enjoyed by the *defendant*. The actual holding in *Lindy Pen* was therefore that the plaintiff had failed to segregate *its own profits* by market segment and not to segregate the profits of the *defendant*:

1833. *Quoted in id.* (first and third alterations in original).

1834. *See Nat’l Prods., Inc. v. Gamber-Johnson LLC*, 734 F. Supp. 2d 1160 (W.D. Wash. 2010), *aff’d*, No. 10-35826, 2011 WL 3915603 (9th Cir. Sept. 7, 2011).

1835. 982 F.2d 1400 (9th Cir. 1993).

1836. *Id.* at 1408.

1837. *See Nat’l Prods.*, 734 F. Supp. 2d at 1170.

1838. It may be true that, as the district court interpreted *Lindy Pen*, the goal of an accounting is to target profits attributable to unlawful conduct, but that platitude in and of itself does not mean that the plaintiff bears the burden of apportionment any more than it means that the defendant does. Rather, the parties’ burdens are allocated by Section 35, which expressly requires the plaintiff to prove the defendant’s “sales only,” rather than the defendant’s “infringing sales.” That this statutory language means what it says is reflected in the contrasting treatment of the same issue under Section 504(b) of the Copyright Act, which provides that, in cases of infringement, “[t]he copyright owner is entitled to recover . . . any profits . . . that are attributable to the infringement and are not taken into account in computing the actual damages.” 17 U.S.C. § 504(b) (2006) (emphasis added).

1839. *See Lindy Pen*, 982 F.2d at 1407-09.

[The plaintiff] produced evidence of its total pen sales, as available, for the designated time period. Although it divided its sales into total sales and specific sales [under the plaintiff's mark] . . . , it failed to further subdivide its data into the category of telephone order sales. [The plaintiff] was in the best position to identify *its own sales*, but declined to provide the court with any evidence of its loss caused by [the defendant's] wrong doing. Although [the plaintiff] offers excuses for this deficiency, its explanations do not negate the fact that [the plaintiff] never furnished the court any reasonable estimate of *its own sales*. It would have been error for the district court to select an arbitrary percentage of total sales to represent the more narrow submarket of telephone sales. The court was correct, therefore, in finding that [the plaintiff] failed to sustain its burden of proving reasonably forecast profits.<sup>1840</sup>

Indeed, to the extent that the Ninth Circuit in *Lindy Pen* addressed the subject of recovery of the defendants' profits *as profits*, it applied the same rule urged upon it by the plaintiff in the later Washington district court action: Once a prevailing plaintiff has demonstrated an infringing defendant's sales, "[t]he defendant thereafter bears the burden of showing which, if any, of its total sales are not attributable to the infringing activity, and, additionally, any permissible deductions for overhead."<sup>1841</sup>

The Eighth Circuit review an accounting of profits without clearly describing the methodology it was applying.<sup>1842</sup> In doing so, that court affirmed a jury finding that the defendant should be required to disgorge \$2.4 million based on testimony by the plaintiff's expert that the defendant's revenues during the period of infringement exceeded \$300 million and the admission by the defendant's expert that the defendant had enjoyed over \$6 million profit on those revenues.<sup>1843</sup>

### (3) Adjustments of Accountings

In addition to language governing the accounting inquiry in the first instance, Section 35 also provides that "[i]f the court shall find that the amount of the recovery based on profits is either

1840. *Id.* at 1408 (emphasis added) (footnotes omitted).

1841. *Id.* The primary reason that the *Lindy Pen* plaintiff's claims fell short under this standard was that the defendant in that case had not engaged in willful infringement. *See id.* at 1406. In the action before the Washington district court, however, "the jury found that [the defendant] deliberately engaged in false advertising." *Nat'l Prods.*, 734 F. Supp. 2d at 1170 n.4.

1842. *See Masters v. UHS of Del., Inc.*, 631 F.3d 464 (8th Cir.), *cert. denied*, 131 S. Ct. 2920 (2011).

1843. *See id.* at 474-75.

inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case.”<sup>1844</sup> This equitable power, however, is subject to the qualification that “[s]uch sum . . . shall constitute compensation and not a penalty.”<sup>1845</sup>

That restriction led a Florida district court to deny an equitable trebling of an accounting of one defendant’s profits, despite the plaintiff’s success in demonstrating that the defendant had infringed the plaintiff’s mark in bad faith.<sup>1846</sup> Reviewing Eleventh Circuit authority—and, following the lead of that court, confusing the separate remedies of awards of actual damages and accountings of profits—the court held that “[a]dditional extraordinary relief such as treble damages . . . [is] available under the statute *if* the district court believes that such an assessment would be just.”<sup>1847</sup> The court did not hold such a belief: The plaintiff already was receiving a “windfall” through an accounting of the entirety of the defendant’s profits; moreover, “although [the plaintiff] states in its moving papers that it has suffered no harm, it has made no showing of this.”<sup>1848</sup> Under these circumstances, “treble damages [sic] in this case would go beyond compensation, and would constitute punitive damages, which is not permitted.”<sup>1849</sup>

### *j. Attorneys’ Fees*

Awards of attorneys’ fees to prevailing parties in trademark and unfair competition litigation are left to the discretion of trial courts, and there are a number of mechanisms authorizing the exercise of that discretion.<sup>1850</sup> It is possible in some jurisdictions for prevailing parties to secure awards of fees under state law,<sup>1851</sup> but, as always, most cases awarding fees over the past year did so

---

1844. 15 U.S.C. § 1117(a) (2006).

1845. *Id.*

1846. *See Tiramisu Int’l LLC v. Clever Imps. LLC*, 741 F. Supp. 2d 1279 (S.D. Fla. 2010).

1847. *Id.* at 1291 (quoting *Burger King Corp. v. Mason*, 710 F.2d 1480, 1495 (11th Cir. 1983)).

1848. *Id.* at 1292.

1849. *Id.*

1850. Nonprevailing parties are in a uniquely poor position to seek recovery of their fees. *See, e.g., Patsy’s Italian Rest., Inc. v. Banas*, 658 F.3d 254, 268-69 (2d Cir. 2011) (declining to disturb district court’s determination, in context of refusal to award fees, that petitioning plaintiffs were not prevailing parties).

1851. *See, e.g., Irwin Indus. Tool Co. v. Worthington Cylinders Wis., LLC*, 747 F. Supp. 2d 568, 589-90 (W.D.N.C. 2010) (awarding fees under North Carolina law based on defendants’ willful misconduct and refusal to settle on reasonable terms); *Hot-Hed, Inc. v. Safehouse Habitats (Scotland), Ltd.*, 333 S.W.3d 719, 733 (Tex. Ct. App. 2011) (affirming award of fees to prevailing defendant under Texas law).

under federal law, which recognizes a number of bases for fee petitions. For example, the Federal Rules of Appellate Procedure authorize awards of fees to reimburse the expenses of frivolous appeals.<sup>1852</sup> As in any federal court action, a court hearing a trademark case also may award fees if a litigant has “unreasonably and vexatiously” multiplied the proceedings in a case.<sup>1853</sup> Similarly, courts may impose awards of fees in the form of sanctions under Rule 11 of the Federal Rules of Civil Procedure,<sup>1854</sup> or, in the case of discovery violations, under Rule 37(a)(5)(C).<sup>1855</sup> Federal courts likewise have the inherent power to award fees if bad-faith litigation practices by the parties justify them.<sup>1856</sup> Finally, and of greatest significance to fee petitions under federal law, Section 35(a) authorizes the imposition of fees upon the losing party in “exceptional cases,”<sup>1857</sup> while Section 35(b) makes such an award virtually mandatory in cases in which a defendant has been found liable for trafficking in goods or services associated with counterfeit marks.<sup>1858</sup>

### (1) Awards in Favor of Prevailing Plaintiffs

If the doctrine governing awards of attorneys’ fees to prevailing plaintiffs is confused, it is not for want of effort by the Seventh Circuit, which set out to clarify things in an action in which the plaintiff, in fact, did not prevail.<sup>1859</sup> Although adopting an abuse of process standard for evaluating fee requests submitted by prevailing defendants, the court went in a different direction where prevailing plaintiffs were concerned:

If a defendant’s trademark infringement or false advertising is blatant, his insistence on mounting a costly defense is the same misconduct as a plaintiff’s bringing a case (frivolous or not) not in order to obtain a favorable judgment but instead to burden the defendant with costs likely to drive it out of the market. Predatory initiation of suit is mirrored in predatory resistance to valid claims.

. . . [A] case under the Lanham Act is “exceptional,” in the sense of warranting an award of reasonable attorneys’ fees to

1852. Fed. R. App. P. 38.

1853. 28 U.S.C. § 1927 (2006).

1854. Fed. R. Civ. P. 11.

1855. *See* R.F.M.A.S., Inc. v. So, 271 F.R.D. 13, 52-53 (S.D.N.Y. 2010).

1856. *See, e.g.*, San Juan Prods., Inc. v. San Juan Pools, Inc., 849 F.2d 468, 476 (10th Cir. 1988).

1857. 15 U.S.C. § 1117(a) (2006).

1858. *Id.* § 1117(b).

1859. *See* Nightingale Home Healthcare, Inc. v. Anodyne Therapy, LLC, 626 F.3d 958 (7th Cir. 2010).

the winning party, . . . if the losing party was the defendant and had no defense yet persisted in the trademark infringement or false advertising for which he was being sued, in order to impose costs on his opponent.<sup>1860</sup>

In contrast, the Eighth Circuit affirmed an award of fees without reference to any “predatory” litigation tactics by the defendants; rather, its focus was on the conduct that had led to the suit in the first place.<sup>1861</sup> Referring to its past case law on the issue, the court noted that “[w]e have held that when a defendant’s unlawful conduct ‘was willful and deliberate, the court may well determine that this is the type of “exceptional” case for which an award of attorneys’ fees is appropriate,’”<sup>1862</sup> moreover, it held, *bad-faith* willful and deliberate conduct was not required.<sup>1863</sup> As a consequence, because the defendants had adopted the challenged marks knowing full well that they belonged to the plaintiffs, and because they had responded to a demand letter by announcing their intent to continue using the marks, the district court’s fee award had not been an abuse of discretion.<sup>1864</sup>

In the Ninth Circuit, exceptional cases include those in which “the acts of infringement can be characterized as malicious, fraudulent, deliberate, or willful,”<sup>1865</sup> and the Ninth Circuit itself used this standard to affirm an award of fees to a prevailing counterclaim plaintiff.<sup>1866</sup> The district court had found the counterclaim defendant liable for both infringement and cybersquatting, and, as characterized by the court of appeals, its subsequent finding of an exceptional case was based on:

[the counterclaim defendant’s] willful registration and use of [his] domain name, his attempt to extort thousands of dollars from [the counterclaim plaintiff], his disregard for [the counterclaim plaintiff’s] trademark rights, his pattern and practice of cybersquatting, including a pattern and practice of

---

1860. *Id.* at 963-64.

1861. *See* Cmty. of Christ Copyright Corp. v. Devon Park Restoration Branch of Jesus Christ’s Church, 634 F.3d 1005 (8th Cir. 2011).

1862. *Id.* at 1013 (citations omitted) (quoting Metric & Multistandard Components Corp. v. Metric’s Inc., 635 F.2d 710, 716 (8th Cir. 1980)).

1863. *See id.*

1864. *See id.* at 1013-14.

1865. *Binder v. Disability Grp.*, 772 F. Supp. 2d 1172, 1183 (C.D. Cal. 2011) (quoting *Rio Props., Inc. v. Rio Int’l Interlink*, 284 F.3d 1007, 1023 (9th Cir. 2002)); *see also* *Zynga Game Network Inc. v. Williams*, 100 U.S.P.Q.2d 1550, 1551 (N.D. Cal. 2011) (awarding fees to prevailing plaintiff based on defaulting defendants’ failure to contest allegation in complaint that infringement was malicious and willful).

1866. *See* *Lahoti v. Vericheck, Inc.*, 636 F.3d 501, 510 (9th Cir. 2011) (“Exceptional cases include cases in which the infringing party acted maliciously, fraudulently, deliberately or willfully.”).

abusive litigation practices, and his disregard for the submission of inaccurate answers to interrogatories.<sup>1867</sup>

Not surprisingly, the appellate court went on to hold that “[b]ased on [the counterclaim defendant’s] bad faith and the other factors cited by the district court, this was indeed an ‘exceptional’ case”;<sup>1868</sup> nevertheless, it also held that the counterclaim plaintiff was not entitled to reimbursement of its fees on appeal, both because the counterclaim plaintiff had raised the issue belatedly and because the counterclaim defendant’s appellate arguments were not “wholly without merit.”<sup>1869</sup>

The Fourth Circuit’s standard for evaluating the propriety of an award of fees to prevailing plaintiffs was more easily stated: “We have noted that the legislative history of the Lanham Act shows that fees were intended to be provided in cases involving ‘[d]eliberate and flagrant infringement.’”<sup>1870</sup> In the ACPA action that produced this observation, the defendants had initially operated a website with content that led a panel hearing a UDRP proceeding brought by the plaintiff to conclude that they had not registered their domain name in bad faith. Over time, however, the site’s content evolved until it focused on, and promoted the sale of, women’s clothing directly competitive to that sold by the plaintiff. The lack of an explanation for that evolution was enough for the court to hold that the district court’s award of fees had not been an abuse of discretion:

Significantly, [the lead defendant] advances no factual basis for finding to the contrary. Neither during the proceedings below nor in response to repeated questioning at oral argument on appeal was [the lead defendant] able to provide a legitimate justification for its decision to shift its website’s focus to women’s clothing, particularly in the face of the ICANN panel’s implicit suggestion that to do so courted the risk of a finding of bad faith.<sup>1871</sup>

In an opinion predating this holding from its reviewing court, a North Carolina federal district court held that “[a]n ‘exceptional case’ warranting attorneys’ fees is one in which the defendant’s conduct was malicious, fraudulent, willful or deliberate in nature. In the Fourth Circuit, a prevailing plaintiff additionally must show that the defendant acted in bad faith before attorneys’ fees can be

---

1867. *Id.* at 510-11 (internal quotation marks omitted).

1868. *Id.* at 511.

1869. *Id.* (quoting *McConnell v. Critchlow*, 661 F.2d 116, 118 (9th Cir. 1981)).

1870. *Newport News Holdings Corp. v. Virtual City Vision, Inc.*, 650 F.3d 423, 441 (4th Cir.) (alteration in original) (quoting *Scotch Whisky Ass’n v. Majestic Distilling Co.*, 958 F.2d 594, 599 (4th Cir. 1992)), *cert. denied*, 132 S. Ct. 575 (2011).

1871. *Id.*



awarded.”<sup>1872</sup> The court then concluded that the plaintiffs were entitled to reimbursement of their fees based on jury findings that the defendants had engaged in willful trade dress infringement and false advertising.<sup>1873</sup> Like the Fourth Circuit, the court was impressed with the plaintiffs’ showing that the defendants had modified their trade dress to adopt one “virtually identical” to that of the plaintiffs;<sup>1874</sup> it also faulted the defendants for an advertising campaign that so misleadingly suggested a connection between the parties that even the lead defendant’s marketing manager wrote in an e-mail that the campaign was “not accurate.”<sup>1875</sup> An award of fees followed.<sup>1876</sup>

Given the opportunity to apply the Eleventh Circuit’s definition of an “exceptional case,” namely, one in which the defendant’s infringement is “malicious, fraudulent, deliberate and willful, or one in which evidence of fraud or bad faith exists,”<sup>1877</sup> a Florida federal district court did so and granted the fee petition of a prevailing plaintiff as part of a default judgment.<sup>1878</sup> Based on the record assembled by the plaintiff, the court concluded that the defendant had ignored pre-litigation correspondence from the plaintiff, had forced the plaintiff to pursue motions to compel discovery responses, and had “continued to distribute the infringing product even after the initiation of the lawsuit, [and] even after it had stated in discovery responses that it had ceased such behavior.”<sup>1879</sup> On these facts, the court not surprisingly found that “[g]iven the willfulness of [the defendant’s] conduct, it is appropriate to award attorneys’ fees and costs to [the plaintiff].”<sup>1880</sup>

Finally, a particularly brazen example of infringement and cybersquatting led to an award of fees in a case against a pair of defendants who adopted marks identical to those of the plaintiff, a restaurant franchisor, and operated a website featuring photographs of goods “directly copied and misappropriated from [the] plaintiff’s website” and accessible at a domain name that

---

1872. *Irwin Indus. Tool Co. v. Worthington Cylinders Wis., LLC*, 747 F. Supp. 2d 568, 588 (W.D.N.C. 2010) (citations omitted) (internal quotation marks omitted).

1873. *See id.*

1874. *See id.* at 588-89, 590.

1875. *Quoted in id.* at 589.

1876. *See id.*

1877. *Tire Kingdom, Inc. v. Morgan Tire & Auto, Inc.*, 253 F.3d 1332, 1335 (11th Cir. 2001) (citation omitted).

1878. *Tiramisu Int’l LLC v. Clever Imps. LLC*, 741 F. Supp. 2d 1279, 1294 (S.D. Fla. 2010) (quoting *Welding Servs. v. Forman*, 301 Fed. App’x 862 (11th Cir. 2008)).

1879. *Id.* at 1295.

1880. *Id.*

incorporated the plaintiff's flagship mark.<sup>1881</sup> Beyond this, the defendants' promotional materials touted the alleged longevity of their (recently formed) business as well as its success as a franchisor. Particularly in light of the defendants' failure to heed the court's repeated warnings of impending liability, the court found that they "intended to deceive the public" and that, as a consequence, "[t]hese facts constitute an exceptional case . . . ." <sup>1882</sup>

These holdings notwithstanding, some opinions addressing fee petitions by prevailing plaintiffs denied them. Holding that "[a] case is exceptional if the infringer's actions were malicious, fraudulent, deliberate, or willful," one Eighth Circuit district court determined that a motion for an award of fees before it failed to pass muster.<sup>1883</sup> The plaintiff's failure to prove bad-faith conduct by the defendants did not prevent it from prevailing on the merits of its infringement claims, but that failure did weigh against a finding that the case was an exceptional one. Moreover, the court found, "[n]othing indicates that Defendants' defense against [the plaintiff's] claims of trademark infringement, unfair competition, and trademark dilution was not in good faith . . . ." <sup>1884</sup> The plaintiff's motion therefore was denied on the ground that "[i]n such a case, attorney fees are not warranted." <sup>1885</sup>

## (2) Awards in Favor of Prevailing Defendants

Prevailing defendants can find it either more difficult or less difficult to secure reimbursement of their fees than do their prevailing plaintiff counterparts, but whether this should be the case was addressed by the Seventh Circuit in *Nightingale Home Healthcare, Inc. v. Anodyne Therapy, LLC*,<sup>1886</sup> an opinion that undertook a survey of Section 35 jurisprudence before getting to the heart of the matter. The court initially tied the defendant's eligibility for fees to a showing that the plaintiff had engaged in abuse of process:

When the plaintiff is the oppressor, the concept of abuse of process provides a helpful characterization of his conduct. Unlike malicious prosecution, which involves filing a baseless suit to harass or intimidate an antagonist, abuse of process is

---

1881. See *Doctor's Assocs. v. Subway.SY LLC*, 733 F. Supp. 2d 1083, 1085-86 (D. Minn. 2010).

1882. *Id.* at 1089.

1883. *Champagne Louis Roederer v. J. Garcia Carrión, S.A.*, 732 F. Supp. 2d 836, 880 (D. Minn. 2010).

1884. *Id.*

1885. *Id.*

1886. 626 F.3d 958 (7th Cir. 2010).

the use of the litigation process for an improper purpose, *whether or not the claim is colorable*.

....

We conclude that a case under the Lanham Act is “exceptional,” in the sense of warranting an award of reasonable attorneys’ fees to the winning party, if the losing party was the plaintiff and was guilty of abuse of process in suing . . . .<sup>1887</sup>

As the italicized language suggests, this test departed from the usual doctrinal treatment of “exceptional case” claims by defendants, which historically has taken into account the merits (or lack thereof) of plaintiffs’ cases; indeed, the Seventh Circuit itself previously had taken such an approach.<sup>1888</sup> The court made clear that this departure was deliberate:

The gist of the abuse of process tort is said to be misuse of legal process primarily to accomplish a purpose for which it was not designed, usually to compel the victim to yield on some matter not involved in the suit. . . . If the plaintiff can show instigation of a suit for an improper purpose without probable cause and with a termination favorable to the now plaintiff, she has a malicious prosecution or a wrongful litigation claim, not a claim for abuse of process. . . . [T]he abuse of process claim permits the plaintiff to recover without showing the traditional want of probable cause for the original suit and without showing termination of that suit.<sup>1889</sup>

Having apparently thus excluded consideration of the merits from the relevant analysis, however, the court then immediately reintroduced the concept as a substitute for a showing by the defendant that the plaintiff had been motivated by an improper purpose:

It should be enough to justify the award if the party seeking it can show that his opponent’s claim . . . was objectively unreasonable—was a claim . . . that a rational litigant would pursue only because it would impose disproportionate costs on his opponent—in other words only because it was extortionate

---

1887. *Id.* at 963-64 (emphasis added).

1888. *See, e.g.,* Cent. Mfg., Inc. v. Brett, 492 F.3d 876, 884 (7th Cir. 2007) (affirming award of fees based both on plaintiff’s failure to adduce evidence supporting its claims and on its obstructionist litigation tactics); S. Indus. v. Centra 2000, Inc., 249 F.3d 625, 627 (7th Cir. 2001) (“A suit is oppressive if it lacked merit, had elements of an abuse of process claim, and plaintiff’s conduct unreasonably increased the cost of defending against the suit.”); Fin. Inv. Co. (Bermuda) Ltd. v. Geberit AG, 165 F.3d 526, 533 (7th Cir. 1998) (awarding fees based on plaintiff’s inability to prove standing).

1889. *Nightingale Home Healthcare*, 626 F.3d at 964 (alterations in original) (quoting 2 Dan B. Dobbs, *The Law of Torts* § 438 (2001)).

in character if not necessarily in provable intention. That should be enough to make a case “exceptional.”<sup>1890</sup>

Seeing no reason to disturb the district court’s finding that the plaintiff had advanced its nonmeritorious case for an improper purpose, the court affirmed the grant of the defendant’s fee request with the explanation that “[t]o bring a frivolous claim in order to obtain an advantage unrelated to obtaining a favorable judgment is to commit an abuse of process.”<sup>1891</sup>

Precisely why the Seventh Circuit undertook the uncoupling of fee awards from the merits of plaintiffs’ cases is an open question, particularly because the court had gone down that road before, only to have the Supreme Court declare it a dead end. In 1982, the Seventh Circuit concluded in *Grip-Pak, Inc. v. Illinois Tool Works, Inc.*<sup>1892</sup> that antitrust liability could lie if the conduct of a plaintiff’s prosecution of a lawsuit constituted abuse of process, which, as in *Nightingale Home Healthcare*, the court defined in a manner that dismissed any consideration of the merits of the plaintiff’s claims.<sup>1893</sup> Eleven years later, however, the Supreme Court expressly singled *Grip-Pak* out for apparent criticism in *Professional Real Estate Investors, Inc. v. Columbia Pictures Industries*,<sup>1894</sup> in which the Court held that the *Noerr-Pennington* doctrine<sup>1895</sup> protected the pursuit of lawsuits to protect intellectual property rights, provided that: (1) the plaintiff’s claims are not so objectively baseless that no reasonable litigant could expect success on the merits; and (2) the plaintiff has not acted with a subjective intent to harm the defendant.<sup>1896</sup> Indeed, under *Professional Real Estate Investors*, “economic motivations in bringing suit [are] rendered irrelevant by the objective legal reasonableness of the [underlying] litigation.”<sup>1897</sup> If, as is commonly accepted, the *Noerr-Pennington* doctrine is a proposition of First Amendment law,<sup>1898</sup> its strictures presumably are as applicable to suits brought under the Lanham Act as they are in other contexts.

1890. *Id.* at 965.

1891. *Id.* at 966.

1892. 694 F.2d 466 (7th Cir. 1982).

1893. *See id.* at 472.

1894. 508 U.S. 49 (1993).

1895. *See* *United Mine Workers v. Pennington*, 381 U.S. 657 (1965); *E.R.R. Presidents Conference v. Noerr Motor Freight, Inc.*, 365 U.S. 875 (1961).

1896. *See Prof'l Real Estate Investors*, 508 U.S. at 65.

1897. *Id.* at 66.

1898. Even according to the Seventh Circuit, “*Noerr-Pennington* was crafted to protect the freedom to petition guaranteed under the First Amendment.” *Mercatus Grp. v. Lake Forest Hosp.*, 641 F.3d 834, 846 (7th Cir. 2011).

Other courts did hold that the merits of plaintiff's cases properly should come into play in evaluating fee petitions by prevailing defendants.<sup>1899</sup> One was the Ninth Circuit in a case in which former Beach Boy Mike Love alleged that the distribution of a promotional CD in the United Kingdom violated his rights under the Lanham Act and California right of publicity law.<sup>1900</sup> His case fell short for a number of reasons, including defense showings that his claim to be a California resident was false and that a declaration from an allegedly confused consumer was instead a fabricated statement from an acquaintance of Love's counsel, as well as his failure to demonstrate that the allegedly tortious conduct had had any effect on him in the United States. After affirming the district court's dismissal of Love's attempted extraterritorial application of federal and California law, the Ninth Circuit did the same with respect to the imposition below of the defendants' attorneys' fees on Love, concluding that the district court properly had relied on "the unreasonableness of [Love's] [t]rademark claims and his continued pursuit of the claims in bad faith."<sup>1901</sup> In the process, it rejected Love's argument that he had merely relied upon the advice of his counsel: "If plaintiffs could evade attorney's fees awards by showing that the litigation was conducted based on the advice of counsel, attorney's fees would never be awarded to defendants under the Lanham Act."<sup>1902</sup>

Another case adopting much the same methodology to produce a fee award to a prevailing defendant came in a case in which the plaintiff's ACPA-based challenge to an Internet gripe site had failed to survive the defendants' motion for summary judgment.<sup>1903</sup> Referring to controlling authority from its jurisdiction protecting the operators of a similar site,<sup>1904</sup> the Sixth Circuit district court hearing the action invoked a four-part test en route to a finding that the case was an exceptional one under Section 35:

In applying [Section 35(a)] to a prevailing defendant, a case is exceptional where a plaintiff brings an "oppressive" suit. The test for whether a Lanham Act suit is oppressive "requires an objective inquiry into whether the suit was unfounded when it was brought and a subjective inquiry into the plaintiff's conduct during litigation." "No one factor is determinative, and

---

1899. See, e.g., *Fair Isaac Corp. v. Experian Info. Solutions, Inc.*, 650 F.3d 1139, 1152 (8th Cir. 2011) (affirming refusal to award fees based on district court's conclusion that "it could not find that [the plaintiffs] claims were 'wholly without merit'").

1900. See *Love v. Assoc. Newspapers, Ltd.*, 611 F.3d 601 (9th Cir. 2010).

1901. *Id.* at 616.

1902. *Id.*

1903. See *Career Agents Network, Inc. v. careeragentsnetwork.biz*, 722 F. Supp. 2d 814 (E.D. Mich. 2010).

1904. See *Lucas Nursery & Landscaping, Inc. v. Grosse*, 359 F.3d 806 (6th Cir. 2004).

an infringement suit could be ‘exceptional’ for a prevailing defendant because of (1) its lack of any foundation, (2) the plaintiff’s bad faith in bringing the suit, (3) the unusually vexatious and oppressive manner in which it is prosecuted, or (4) perhaps for other reasons as well.”<sup>1905</sup>

Because the plaintiff’s ACPA claim was “objectively unfounded” and “plainly meritless” under Sixth Circuit law,<sup>1906</sup> because its challenge to the same conduct under Section 43(a) was “colorable but weak,”<sup>1907</sup> because its “principal motivation” for bringing the suit was to silence criticism of the plaintiff,<sup>1908</sup> because communications from the plaintiff’s Chief Operating Officer to one of the defendants “approach[ed] the boundary between the ordinary rough and tumble of settlement negotiations and harassment,”<sup>1909</sup> and because “[t]he suit . . . attempted to extract a price for the exercise of . . . First Amendment rights,”<sup>1910</sup> an award of fees was appropriate.<sup>1911</sup>

A suit brought in violation of a prior agreement between the parties was the occasion for an award of fees in a different case, one between former members of a defunct alternative rock band.<sup>1912</sup> According to the court, “[the plaintiff’s] suit . . . satisfies the requirements of [Section 35] because . . . it is oppressive and was litigated by [the plaintiff] with excessive lawyering.”<sup>1913</sup> In particular:

[The plaintiff] directly contradicted an agreement between the parties which provided that they own the [disputed] trademark jointly by claiming in his complaint that he is the sole and exclusive owner. He wrongfully registered the trademark under his name on several occasions, and he continuously contested ownership of the trademark for almost ten years total.<sup>1914</sup>

---

1905. *Career Agents Network*, 722 F. Supp. 2d at 817-18 (citations omitted) (quoting *Eagles, Ltd. v. Am. Eagle Found.*, 356 F.3d 724, 728-29 (6th Cir. 2004)).

1906. *See id.* at 819, 822-23.

1907. *See id.*

1908. *See id.* at 820.

1909. *Id.* at 821.

1910. *Id.* at 822.

1911. *See id.* at 823.

1912. The defunct group was The Violent Femmes. (Say it ain’t so, Gano!) *See Ritchie v. Gano*, 754 F. Supp. 2d 605 (S.D.N.Y. 2010).

1913. *Id.* at 609.

1914. *Id.*

Because the plaintiff's voluntary dismissal of his claims with prejudice rendered the defendant a prevailing party within the meaning of Section 35,<sup>1915</sup> an award of fees was appropriate.

Needless to say, not all prevailing defendants were as fortunate,<sup>1916</sup> and, indeed, the Tenth Circuit reversed as an abuse of discretion an award of fees to a defendant who had defeated a preliminary injunction motion and then successfully defended its victory through the plaintiff's appeal and subsequent petition for a writ of certiorari.<sup>1917</sup> The plaintiff voluntarily dismissed its action following the denial of its petition, leading the defendant to claim the status of prevailing party and to request reimbursement of its fees under Section 35 and Colorado law.<sup>1918</sup> The district court granted the petition as to the defendant's appellate fees, but the Tenth Circuit reversed even under a deferential abuse of discretion standard. The appellate court pointed out that the plaintiff had lost its bid for interlocutory relief because of an absence of irreparable harm, rather than a failure to prove liability on the merits, and, in any case, "[a] party's claim to have succeeded at the preliminary injunction stage does not necessarily transform [that] party into a prevailing party" for purposes of Section 35.<sup>1919</sup> Moreover, with respect to the defendant's argument that the plaintiff's positions on appeal had been frivolous, the court noted that those positions "were more than adequately supported by legal and factual authority. For example, [the plaintiff] relied on decisions from eight separate circuits rejecting the district court's bases for denying preliminary injunctive relief and holding that the damage inflicted on a trademark owner from infringement is by its very nature irreparable."<sup>1920</sup> Because an award of fees under these circumstances could have a chilling effect on litigants' behavior, the district court had erred in making one.<sup>1921</sup>

In another case producing the same result, the First Circuit declined to hold that the dismissal of a Section 43(a) false

---

1915. *See id.* at 608 ("A voluntary dismissal with prejudice is tantamount to a judgment on the merits, and, therefore, a district court may in its discretion award attorneys' fees following such a dismissal." (internal quotation marks omitted)).

1916. *See, e.g., Ricks v. BMEzine.com, LLC*, 727 F. Supp. 2d 936, 967 (D. Nev. 2010) (denying, without extended analysis, fee petition of prevailing defendant on ground that "[d]efendant has not established [the plaintiffs'] conduct was malicious, fraudulent, deliberate, or willful . . . with respect to the claims upon which [the defendant] has prevailed at this stage of the proceedings"); *cf. Cain v. Strachan*, 68 So. 3d 854, 858 (Ala. 2011) (holding that trial court lacked jurisdiction to grant defendant's untimely request for attorneys' fees under Alabama law).

1917. *See Lorillard Tobacco Co. v. Engida*, 213 F. App'x 654 (10th Cir. 2007).

1918. *See Lorillard Tobacco Co. v. Engida*, 611 F.3d 1209 (10th Cir. 2010).

1919. *See id.* at 1217-18.

1920. *Id.* at 1221.

1921. *See id.* at 1222.

endorsement claim on summary judgment necessarily placed the plaintiff's prosecution of that claim into "exceptional" territory for purposes of Section 35.<sup>1922</sup> As the court explained, "[the plaintiff] met her summary judgment burden of showing both similarity of likeness and similarity of marketing channels, two of the factors used to assess the likelihood of consumer confusion under the Lanham Act."<sup>1923</sup> The court was equally unswayed by what it described as the plaintiff's "motion practice concerning her routine discovery requests," holding instead that "[t]here is nothing particularly oppressive about attempting to discover financial information in connection with an intellectual property dispute."<sup>1924</sup> Then, rejecting a final grievance of the defendants, the court concluded that "[t]he inaccuracies in [the plaintiff's] verified complaint, much touted by [the lead defendant] as evidence of perfidiousness, are unfortunate—even sloppy—but they do not rise to the level of improper conduct necessary to show that this case is exceptional."<sup>1925</sup>

### (3) Calculation of Attorneys' Fees

Most courts calculating the proper quantum of awards of attorneys' fees did so by undertaking a two-step process. The first step was to determine the "lodestar," or, in other words, the product of multiplying the number of hours reasonably expended on the matter by the reasonable hourly rate for similar work. The second step was to determine whether the lodestar should be adjusted upward or downward.<sup>1926</sup>

Some prevailing parties emerged from this process having received everything for which they had asked.<sup>1927</sup> For example, reviewing a fee award it considered "generous," the Eighth Circuit nevertheless declined to reduce it merely because the defendants against whom it was imposed were a church and its volunteer

---

1922. See *Ji v. Bose Corp.*, 626 F.3d 116 (1st Cir. 2010).

1923. *Id.* at 129.

1924. *Id.*

1925. *Id.* For the same reason, the court rejected the defendants' argument that fees were awardable under 28 U.S.C. § 1127 (2006): "Here, because [the lead defendant's] argument is based solely on the failure of [the plaintiff's] counsel to vet the representations in her verified complaint, fees under § 1927 are foreclosed." *Ji*, 626 F.3d at 130.

1926. See generally *Zynga Game Network Inc. v. Williams*, 100 U.S.P.Q.2d 1550, 1551 (N.D. Cal. 2011); *Flowserve Corp. v. Hallmark Pump Co.*, 98 U.S.P.Q.2d 1979, 1990 (S.D. Tex. 2011).

1927. See, e.g., *Zynga Game Network*, 100 U.S.P.Q.2d at 1551-52 (awarding full amount sought by plaintiffs' fee petition in absence of objections by defendant); *Flowserve*, 98 U.S.P.Q.2d at 1990 (same); see also *Doctor's Assocs. v. Subway.SY LLC*, 733 F. Supp. 2d 1083, 1088-89 (D. Minn. 2010) (granting fee petition without modification on ground that "[w]here the record establishes defendant's bad faith, the Court grants plaintiff's entire fee request").



pastor.<sup>1928</sup> As the court observed, “while it may be questioned why [the plaintiffs’] counsel found it necessary to spend the time it claimed in preparing and presenting [the plaintiffs’] case, [the defendants] [have] not specifically challenged the time spent, the rates charged, or the scope of the work performed.”<sup>1929</sup> Under the circumstances, it held, “we cannot say that the district court abused its discretion in determining the amount of the award.”<sup>1930</sup>

Not all prevailing litigants were as fortunate, and, indeed, a number of courts took issue with the rates charged by counsel for prevailing parties when applying the second step of the lodestar process.<sup>1931</sup> Chief among them was a North Carolina federal district court presented with conflicting declarations from two local attorneys otherwise not involved in the litigation, which the parties had submitted on the reasonableness of the billing rates charged by the prevailing plaintiffs’ counsel.<sup>1932</sup> The plaintiffs’ outside witness testified in detail about the basis of his knowledge of prevailing rates in the market, which included his service as a senior member of his firm’s litigation team and as the leader for another firm’s business litigation and intellectual property practice groups. The defendants responded with testimony from a former state bar president that the rates in question were “significantly above the rates many fine lawyers in North Carolina would be happy to be paid for federal trial work.”<sup>1933</sup> The court found the plaintiffs’ showing more convincing: Not only did the defendants’ witness and their counsel fail to disclose their own regular billing rates, “[the defense witness’s] opinion as to what ‘many fine lawyers . . . would be happy to be paid’ begs the question of what the prevailing market rate is for attorneys having experience and expertise comparable to that of [the plaintiffs’] attorneys.”<sup>1934</sup> At the same time, however, the court also found that “the hourly rates claimed by [the plaintiffs’] attorneys are in excess of the prevailing market rates in the Charlotte community for this type of litigation.”<sup>1935</sup> The court therefore lowered the rates to levels it

---

1928. *See* Cmty. of Christ Copyright Corp. v. Devon Park Restoration Branch of Jesus Christ’s Church, 634 F.3d 1005, 1014 (8th Cir. 2011).

1929. *Id.*

1930. *Id.*

1931. *See, e.g.*, Tiramisu Int’l LLC v. Clever Imps. LLC, 741 F. Supp. 2d 1279, 1295-96 (S.D. Fla. 2010) (adjusting rates charged by certain counsel downward but leaving those of other counsel unchanged).

1932. *See* Irwin Indus. Tool Co. v. Worthington Cylinders Wis., LLC, 747 F. Supp. 2d 568 (W.D.N.C. 2010).

1933. *Quoted in id.* at 594.

1934. *Id.* at 595-95.

1935. *Id.* at 595.

found acceptable based on its own “knowledge and experience of the relevant market.”<sup>1936</sup>

The court then turned to the second step of the relevant analysis, namely, whether it was appropriate to adjust the lodestar amount resulting from a straightforward multiplication of approved billing rates to hours billed. Applying Fourth Circuit case law, it held this issue to turn on:

(1) the time and labor expended; (2) the novelty and difficulty of the questions raised; (3) the skill required to properly perform the legal services rendered; (4) the attorney’s opportunity costs in pressing the instant litigation; (5) the customary fee for like work; (6) the attorney’s expectations at the outset of the litigation; (7) the time limitations imposed by the client or the circumstances; (8) the amount in controversy and the results obtained; (9) the experience, reputation and ability of the attorney; (10) the undesirability of the case within the legal community in which the suit arose; (11) the nature and length of the professional relationship between the attorney and the client; and (12) attorneys’ fees awards in similar cases.<sup>1937</sup>

Although finding that the time limitations and undesirability of the case factors were inapplicable, and noting its previous decision to reduce the billing rates charged by the plaintiffs’ counsel, the court otherwise concluded that all the other factors from this list weighed in favor of making no adjustments to the lodestar figure.<sup>1938</sup>

Downward adjustments of hours worked also can be a part of the second step of the lodestar analysis. For example, in a dispute between former members of the alternative rock band The Violent Femmes, the court granted the defendant’s fee petition, but declined to order the full amount of reimbursement sought because of a lack of explanatory documentation.<sup>1939</sup> Weighing a subsequent supplemental submission by the plaintiff, the court did not fault the billing rates charged by the defendant’s counsel—“\$475 to \$525 per hour for two partners with over twenty years of experience”—but it did find that “the parties engaged in an unnecessarily prolonged litigation” and that the defendant’s showing failed to

---

1936. *Id.* The court’s cuts included reductions of hourly rates: (1) to \$400 for the plaintiffs’ lead trial counsel; (2) to \$340 for the plaintiffs’ local counsel; (3) to \$325 for a partner at the plaintiffs’ primary firm; (3) to \$280 for a senior associate at the plaintiffs’ primary firm; (4) to \$225 for three associates at the plaintiffs’ at the plaintiffs’ primary firm; and (5) to \$75 for three paralegals at the plaintiffs’ primary firm. *See id.* at 595.

1937. *Id.* at 595 (quoting *Grissom v. Mills Corp.*, 549 F.3d 313, 321 (4th Cir. 2008) (quoting *Spell v. McDaniel*, 824 F.2d 1380, 402 n.18 (4th Cir. 1987))).

1938. *See id.* at 597.

1939. *See Ritchie v. Gano*, 756 F. Supp. 2d 581 (S.D.N.Y. 2010).

distinguish between time spent defending against the plaintiff's trademark claims and that spent defending against other causes of action advanced by the plaintiff.<sup>1940</sup> The court therefore reduced the requested award for the defense of the action on the merits by 40 percent. Moreover, although it held that the plaintiff was entitled to an award of the fees incurred in the preparation of its motion, those were reduced by 15 percent because of the unnecessary briefing occasioned by the deficiencies in its original papers.<sup>1941</sup>

A different court entertaining a fee petition in the context of a prevailing plaintiff's request for a default judgment had similar "reservations as to the reasonableness of some of the hours expended."<sup>1942</sup> It observed that:

The firm handling this case is a large, international law firm, employing numerous attorneys with varying degrees of experience and expertise. Regardless of that fact, lead counsel appears to have spent an inordinate amount of time engaged in legal work that could have been handled by a junior associate at a lower hourly rate.<sup>1943</sup>

After identifying a number of tasks documented in the plaintiff's moving papers that did not require "senior legal talent,"<sup>1944</sup> the court ordered deductions from the hours spent on those tasks on the ground that "top-salaried counsel performed hours of legal work that could have been done by a senior associate."<sup>1945</sup> It then ordered additional deductions to account for time billed by the plaintiff's counsel to intermingled legal work and clerical jobs "such as document 'preparation,' scanning, converting to PDF, attaching to emails, preparing file jackets, and filing."<sup>1946</sup>

Finally, one court took issue with the number of hours billed in connection with "two short depositions" that lasted a total of three hours.<sup>1947</sup> Counsel for the plaintiff conducted the depositions in question, which had been occasioned by the defendant's eve-of-trial disclosure that it intended to argue that the plaintiff's claimed mark was generic. Having postponed the trial to allow the

---

1940. *Id.* at 583-84.

1941. *See id.* at 584-85.

1942. *Tiramisu Int'l LLC v. Clever Imps. LLC*, 741 F. Supp. 2d 1279, 1296 (S.D. Fla. 2010).

1943. *Id.*

1944. These included the preparation of a scheduling order, a "routine motion to compel," a motion for contempt, and responses to the defendant's motions to vacate a default judgment and for reconsideration. *See id.*

1945. *Id.* at 1297.

1946. *Id.*

1947. *See Honestech, Inc. v. Sonic Solutions*, 725 F. Supp. 2d 573, 587 (W.D. Tex 2010).

depositions, the court nevertheless found the ten hours the plaintiffs counsel had spent preparing for them to be “wildly excessive.”<sup>1948</sup> As it pointed out, much of the investment into that preparation consisted of “hours which would have been expended regardless of when [the defendant] had notified [the plaintiff] it intended to argue genericness.”<sup>1949</sup> The claimed ten hours were reduced to four on the ground that “[t]he only way in which [the plaintiff] was prejudiced by the late notice was in having to recall already-deposed witnesses for separate depositions on the genericness issue, and thus the Court will compensate only for the time spent in, and reasonably spent preparing for, those depositions.”<sup>1950</sup>

### *k. Taxation of Costs*

In addition to authorizing awards of actual damages and statutory damages, as well as accountings of profits, Section 35 permits the taxation of costs against the losing party in litigation under the Lanham Act. What constitutes a taxable cost is governed by 28 U.S.C. § 1920.<sup>1951</sup> The intersection of these statutes produced several reported opinions of note over the past year.

In the case producing the most significant opinion on the subject, the defendant had prevailed in a jury trial and then presented the court with a lengthy bill of costs, which triggered numerous objections by the plaintiff.<sup>1952</sup> The court took a hard line toward the defendant’s request, holding that:

Pursuant to 28 U.S.C. § 1920, a judge or federal clerk of any court of the United States may tax as costs the following: (1) fees of the clerk and marshal; (2) fees for printed or electronically recorded transcripts necessarily obtained for use in the case; (3) fees and disbursements for printing and witnesses; (4) fees for exemplification and the costs of making copies of any materials where the copies are necessarily obtained for use in the case; (5) docket fees under 28 U.S.C. § 1923; and (6) compensation of court-appointed experts and interpreters, and salaries, fees, expenses, and costs of special interpretation services under 28 U.S.C. § 1828. Courts may decline to award costs permitted by § 1920, but they may not award costs which are not specifically listed in the statute.<sup>1953</sup>

---

1948. *Id.*

1949. *Id.*

1950. *Id.*

1951. 28 U.S.C. § 1920 (2006).

1952. *See* Honestech, Inc. v. Sonic Solutions, 725 F. Supp. 2d 573 (W.D. Tex. 2010).

1953. *Id.* at 581.

Applying the literal text of the statute, the court swiftly disallowed the defendant's request for the taxation of: (1) costs related to computerized research conducted by its counsel;<sup>1954</sup> (2) the cost of eight deposition transcripts not used at trial and the need for which the defendant otherwise did not explain;<sup>1955</sup> (3) fees associated with the expedited delivery of certain other transcripts, which were either used by the defendant at trial or were from depositions of the plaintiff's potential trial witnesses;<sup>1956</sup> (4) the room and board of a corporate witness testifying for the defendant, to the extent that those costs exceeded the statutory attendance fee (\$40.00) and per diem subsistence allowance (\$115.00) provided for by 28 U.S.C. § 1821;<sup>1957</sup> (5) photocopying expenses that the defendant had failed to demonstrate were necessary for trial;<sup>1958</sup> and (6) the fees of private process servers.<sup>1959</sup>

The second opinion also held that recoverable costs are limited to those listed in 28 U.S.C. § 1920.<sup>1960</sup> After reviewing the prevailing plaintiff's moving papers, it concluded that "[the plaintiff] has submitted a detailed list of costs that includes numerous items not permitted by section 1920... , including telephone calls, courier service charges, postage, computer research charges, and even parking."<sup>1961</sup> Indeed, it held, "[o]f all the items listed, the only items approved by section 1920 are costs for photocopying, the *pro hac vice* filing fee for [the plaintiff's lead counsel], and a service of summons."<sup>1962</sup> Moreover, although taxing the latter two items to the defendant, the court rejected the plaintiff's bid for reimbursement of its photocopying expenses with the explanation that "[the plaintiff] has made no showing that the photocopies charged to this case were necessarily obtained for use in the case, and the Court has no way of knowing what percentage, if any, of the photocopying charges are allowable under section 1920."<sup>1963</sup>

A different court took issue with a request for taxation of the expenses associated with the electronic research of the prevailing plaintiffs' counsel.<sup>1964</sup> The court initially addressed the request

---

1954. *See id.* at 581-82.

1955. *See id.* at 583.

1956. *See id.*

1957. *See id.* at 583-84.

1958. *See id.* at 584-85.

1959. *See id.* at 585.

1960. *Tiramisu Int'l LLC v. Clever Imps. LLC*, 741 F. Supp. 2d 1279 (S.D. Fla. 2010).

1961. *Id.* at 1298.

1962. *Id.*

1963. *Id.*

1964. *See Irwin Indus. Tool Co. v. Worthington Cylinders Wis., LLC*, 747 F. Supp. 2d 568 (W.D.N.C. 2010).

under the rubric of the plaintiffs' fee petition but eventually treated it as a taxation issue under the applicable local rules. Those rules established that "it is the practice in this District not to award costs for computer-aided legal research";<sup>1965</sup> that the trend toward flat-fee billing by the electronic search services "causes the Court to question whether such expenses can properly be allocated to a particular client as a separate disbursement" was an additional reason to deny the plaintiffs' request.<sup>1966</sup>

### ***E. The Relationship Between Courts and the United States Patent and Trademark Office***

#### **1. Court Review of, and Deference to, United States Patent and Trademark Office Decisions**

Courts are most commonly invited to defer to actions by the USPTO in three scenarios. The first occurs if the Trademark Trial and Appeal Board previously has produced findings and holdings bearing on one or more marks at issue. A court may have an additional opportunity to defer to the USPTO if the parties are engaged in ongoing litigation before the Board, and one moves the court to stay its proceedings in favor of allowing the Board to take the first bite at the apple. Finally, litigants often invite courts to defer to actions taken by examining attorneys in processing applications filed by one of the parties, or, less commonly, filed by third parties.

One court hearing an appeal by a dissatisfied Board litigant under Section 21(b)(1) of the Act<sup>1967</sup> found the doctrine governing cases falling within the first scenario easy to summarize, at least where Board findings of fact were concerned:

The Court reviews the TTAB's findings of fact under the Administrative Procedure Act's ("APA") "substantial evidence" standard, which requires the Court to defer to the factual findings made by the TTAB unless new evidence carries thorough conviction. The "substantial evidence" standard is considered less deferential than the "arbitrary, capricious approach." "Substantial evidence" is more than a mere scintilla.<sup>1968</sup>

The particular finding at issue was that the plaintiffs' GUANTANAMERA mark was primarily geographically

---

1965. *Id.* at 598.

1966. *Id.*

1967. 15 U.S.C. § 1071(b)(1) (2006).

1968. *Guantanamo Cigar Co. v. Corporacion Habanos, S.A.*, 729 F. Supp. 2d 246, 251 (D.D.C. 2010) (citations omitted).

deceptively misdescriptive in violation of Section 2(e)(3)<sup>1969</sup> when used in connection with cigars. The court found that “[t]here is significant evidence in the record to find that Cuba or Guantanamo, Cuba is the primary significance of GUANTANAMERA” and that “[t]here is sufficient evidence to find that the consuming public is likely to believe that the Plaintiff’s cigars originate from Cuba,” thereby satisfying two of the three requirements for a primarily geographically deceptively misdescriptiveness rejection.<sup>1970</sup> The court differed with the Board, however, on the issue of whether the information conveyed by the plaintiff’s mark was a material consideration in consumers’ decisions to purchase the cigars sold under the mark. Because it had rendered its decision prior to the issuance of the Federal Circuit’s opinion in *In re Spirits International N.V.*,<sup>1971</sup> the Board had not required the challenger to the mark’s registration to prove that a substantial portion of relevant consumers was likely to be deceived, as mandated by *Spirits International*.<sup>1972</sup> In the absence of evidence supporting the challenger’s position on this point, the court granted the mark owner’s motion for summary judgment.<sup>1973</sup>

Intervening case law was unnecessary to the rejection of prior Board findings by an Arkansas federal district court, which declined to allow those findings even to be cited to the jury hearing a later installment of the parties’ litigation.<sup>1974</sup> Having prevailed before the Board only to lose before the jury, the plaintiff not surprisingly argued in a motion for a new trial that the court had erroneously refused to admit the Board’s opinions into evidence. The court rejected this contention for several reasons, the first of which was that the Board’s findings did not have preclusive effect because they had not been made by an Article III court.<sup>1975</sup> Moreover, even if the findings should be accepted in a *bench* trial unless the contrary was established by a showing carrying thorough conviction, that standard was inapplicable in *jury* trials; in any case, the court concluded, “the evidence at trial, in character and amount, established the contrary of the TTAB’s finding of likelihood of confusion with thorough conviction.”<sup>1976</sup> Finally, the court focused on the differing tests for likely confusion applied by the Board and by its reviewing court to hold that:

---

1969. 15 U.S.C. § 1052(e)(3).

1970. *Guantanamera Cigar*, 729 F. Supp. 2d at 252-53.

1971. 563 F.3d 1347 (Fed. Cir. 2009).

1972. *See id.* at 1353.

1973. *See Guantanamera Cigar*, 729 F. Supp. 2d at 254.

1974. *See B & B Hardware, Inc. v. Hargis Indus.*, 736 F. Supp. 2d 1212 (E.D. Ark. 2010).

1975. *See id.* at 1217.

1976. *Id.*

[I]t would be highly confusing and misleading to the jury, and prejudicial to [the parties], to admit the TTAB opinions into evidence. The TTAB and the Eighth Circuit use a multi-factor test in the likelihood of confusion analysis, but not all the factors are the same, and in a registration proceeding, the TTAB applies its factors and analyzes the evidence in a manner significantly different than the jury is required to do in an infringement action. Further, the TTAB resolved all doubts in favor of [the plaintiff] over [the defendant].<sup>1977</sup>

In a further dispute bearing on judicial deference to USPTO determinations, one falling into the second category of cases described above, a New Hampshire federal district court was presented with a motion to dismiss the declaratory judgment action complaint before it pending the Trademark Trial and Appeal Board's disposition of an opposition proceeding between the same parties and involving the same marks.<sup>1978</sup> In denying the motion, the court rejected the defendants' suggestion that the Board had exclusive jurisdiction over registrability decisions. Instead, the court held, the proper rubric was the primary jurisdiction doctrine, under which "the real issue is whether a court should, in its discretion, exercise its jurisdiction in particular circumstances."<sup>1979</sup> After surveying reported opinions from courts exercising jurisdiction over registrability decisions under similar circumstances, the court concluded that it should do the same.<sup>1980</sup>

Some courts addressed facts presenting the third scenario,<sup>1981</sup> with the Ninth Circuit in particular taking deference to classifications of marks on the spectrum of distinctiveness by USPTO examining attorneys to a level unique to that court.<sup>1982</sup> The issue at stake was whether a finding that the counterclaim plaintiff's VERICHECK mark was suggestive for check verification services was clearly erroneous. Answering this question in the negative, the court not only relied on the USPTO's publication for opposition of an application to register the counterclaim plaintiff's mark, it found record support for the district court's conclusion in the form of the USPTO's issuance of registrations to third-party users of the same mark.<sup>1983</sup> This methodology was all the more

---

1977. *Id.* at 1217-18.

1978. *See* Blue Athletic Inc. v. Nordstrom Inc., 97 U.S.P.Q.2d 1706 (D.N.H. 2010).

1979. *Id.* at 1711.

1980. *See id.*

1981. *See, e.g.,* Intertape Polymer Corp. v. Inspired Techs., Inc., 725 F. Supp. 2d 1319, 1331 (M.D. Fla. 2010) (granting counterclaim defendant's motion for summary judgment in part because, "while by no means dispositive," the USPTO had registered the counterclaim defendant's mark despite the prior registration of the counterclaim plaintiff's mark).

1982. *See* Lahoti v. Vericheck, Inc., 636 F.3d 501 (9th Cir. 2011).

1983. *See id.* at 506-07.



unusual in light of the court's approval later in its opinion of the district court's finding that there was "no credible evidence" that the third-party registrants were competitors of the counterclaim plaintiff;<sup>1984</sup> if this actually was the case, the distinctiveness of those marks in their own fields of use should have been irrelevant.

One court proved unwilling to accord significant weight to a prior action by an examining attorney.<sup>1985</sup> The defendant in the case before it had filed multiple applications to register its mark, only to have the USPTO initially reject each one on the ground that the applied-for mark was likely to be confused with a prior-registered mark owned by the plaintiff.<sup>1986</sup> The court granted the plaintiff's motion for a preliminary injunction but did so without relying on the USPTO's refusal to register the defendant's mark:

It . . . appears that the USPTO's examination was not a "low-level preliminary decision" [as argued by the defendant] because the analysis of the trademark examining attorney was thorough and resulted in a response submitted by [the defendant]. It is unclear, however, to what extent the trademark examining attorney had access to the plethora of evidence presented in this case. Consequently, the Court finds the examining attorney's determination relevant but entitled to little weight.<sup>1987</sup>

## 2. Judicial Authority Over Federal Registrations and Applications

Section 37 of the Lanham Act provides that in any action involving a registered mark, the court "may determine the right to registration, order the cancellation of registrations, in whole or in part, restore cancelled registrations, and otherwise rectify the register with respect to the registrations of any party to the action."<sup>1988</sup> Section 37 is most typically used by district courts to order the cancellation of registrations of marks confusingly similar

---

1984. *Quoted in id.* at 508.

1985. *See, e.g.,* Mattel, Inc. v. MGA Entm't, Inc., 782 F. Supp. 2d 911, 1003 (C.D. Cal. 2011) (holding that, because evidentiary record contradicted counterclaim plaintiff's representations to the USPTO that its claimed packaging trade dress was unique, "[the] registrations are not entitled to the Court's deference"); Edge Games, Inc. v. Elec. Arts, Inc., 745 F. Supp. 2d 1101, 1117 n.9 (N.D. Cal. 2010) ("This order is not bound by, and declines to defer to, determinations by the USPTO as to whether the asserted and accused marks are confusingly similar.").

1986. *See* Alliance Bank v. New Century Bank, 742 F. Supp. 2d 532 (E.D. Pa. 2010).

1987. *Id.* at 558 (citation omitted).

1988. 15 U.S.C. § 1119 (2006). Similar provisions appear in the trademark acts of most states. *See, e.g.,* Hot-Hed, Inc. v. Safehouse Habitats (Scotland), Ltd., 333 S.W.3d 719, 732 (Tex. Ct. App. 2011) (ordering cancellation of Texas registration covering claimed mark found by jury to be generic).

to those of prior users<sup>1989</sup> or that have been abandoned,<sup>1990</sup> although courts in recent years have increasingly been invited to opine on whether owners of federal registrations and applications have committed fraud on the USPTO.<sup>1991</sup>

In that context, the patent law concept of inequitable conduct rarely is applied by name in trademark litigation, but it made a cameo appearance in an Eighth Circuit opinion in a suit brought by two affiliated credit score developers against three credit bureaus challenging, among other things, the defendants' use of the lead plaintiff's registered 300-850 service mark.<sup>1992</sup> The defendants responded to the plaintiffs' trademark causes of action by seeking the invalidation of the lead plaintiff's mark and the cancellation of the registration covering it. A jury agreed with the defendants that the lead plaintiff had fraudulently procured its registration, and, based on that finding, the district court ordered the USPTO to cancel the lead plaintiff's registration.

The Eighth Circuit affirmed. The USPTO initially rejected the lead plaintiff's application on the ground that the applied-for mark was merely descriptive of the associated services. In response to the rejection, the lead plaintiff twice represented, once through a witness and once through its counsel, that it was unaware of any other parties using the applied-for mark "as a unique identifier for credit bureau risk scores."<sup>1993</sup> Whether in reliance on these statements or for other reasons, the examining attorney assigned to the application withdrew the initial refusal to register the mark, and the application subsequently matured into the registration at issue in the litigation.

In declining to overturn the jury's finding of fraud, the Eighth Circuit adopted a methodology at odds with the one usually applied in evaluations of statements made to the USPTO. Specifically, the court upheld the jury's finding of fraud in part because of the defendants' use at trial of "a PTO expert, who testified that a reasonable examiner would consider it important in deciding whether to allow the registration to know whether others were using 300 to 850 as a score range for credit scoring services" and in part because the registration did not issue until after the

---

1989. *See, e.g., Patsy's Italian Rest., Inc. v. Banas*, 658 F.3d 254, 266-67 (2d Cir. 2011) (affirming order cancelling registrations owned by lead plaintiff based on prior use of confusingly similar marks by defendant).

1990. *See, e.g., Specht v. Google Inc.*, 758 F. Supp. 2d 570, 596 (N.D. Ill. 2010) (ordering cancellation of registration covering mark found to have been abandoned as a matter of law).

1991. *See, e.g., Innovation Ventures, LLC v. N.V.E., Inc.*, 747 F. Supp. 2d 853, 858-59 (E.D. Mich. 2010) (holding that counterclaim defendant had failed to demonstrate standing to challenge allegedly fraudulently procured registration on Supplemental Register).

1992. *See Fair Isaac Corp. v. Experian Info. Solutions, Inc.*, 650 F.3d 1139 (8th Cir. 2011).

1993. *Quoted in id.*

lead plaintiff had made the statements in question.<sup>1994</sup> According to the court, “there was sufficient evidence for a reasonable jury to determine that the PTO relied on a false representation in deciding whether to issue the registration.”<sup>1995</sup>

To be found fraudulent, however, a misstatement in the application process must be “material,” and courts and the Trademark Trial and Appeal Board alike have long held that materiality in the trademark prosecution context requires a showing that the registration in question would not have issued had the statement in question not been made.<sup>1996</sup> The test for materiality used by the Eighth Circuit—whether an examiner would have considered an applicant’s statement important—is a departure from this “but-for” standard and, indeed, is largely indistinguishable from the standard for materiality historically used in patent infringement cases in which claims of inequitable conduct have been raised.<sup>1997</sup> And, of equal importance, that standard had been rejected even in the patent context nearly three months earlier by the Federal Circuit’s holding in *Therasense, Inc. v. Becton, Dickinson & Co.*<sup>1998</sup> that “as a general matter, the materiality required to establish inequitable conduct is but-for materiality.”<sup>1999</sup>

The Second Circuit took a better-reasoned approach to materiality in a case in which there also was a jury finding of fraudulent procurement.<sup>2000</sup> The registration in question covered restaurant services, but the evidence and testimony at trial demonstrated that the registrant and its predecessors had provided only pizzeria services in connection with the underlying mark. In addressing the registrant’s attack on the jury’s finding, the court noted generally that:

---

1994. *See id.* at 1149-50.

1995. *Id.* at 1150.

1996. *See, e.g.,* Modern Fence Techs., Inc. v. Qualipac Home Improvement Corp., 726 F. Supp. 2d 975, 991 (E.D. Wis. 2010) (denying defense motion for summary judgment on ground that “it is not clear . . . that, but for the misrepresentation regarding advertising, the federal registrations would not or should not have issued”); Miyano Mach. USA, Inc. v. Miyanohtec Mach., Inc., 576 F. Supp. 2d 868, 880 (N.D. Ill. 2008) (holding that recitation of inaccurate date of first use in use-based application did not rise to the level of fraud if actual date of first use predated application’s filing date); Hiraga v. Arena, 90 U.S.P.Q.2d 1102, 1107-08 (T.T.A.B. 2009) (same).

1997. *See, e.g.,* Halliburton Co. v. Schlumberger Tech. Corp., 925 F.2d 1435, 1440 (Fed. Cir. 1991) (“Information is material [for inequitable conduct purposes] if there is ‘substantial likelihood that a reasonable examiner would consider it important in deciding whether to allow the application to issue as a patent.’” (quoting 37 C.F.R. § 1.56 (1989)).

1998. 649 F.3d 1276 (Fed. Cir. 2011).

1999. *Id.* at 1291.

2000. *See* Patsy’s Italian Rest., Inc. v. Banas, 658 F.3d 254 (2d Cir. 2011).

[A] party alleging that a registration was fraudulently obtained must prove the following elements by clear and convincing evidence:

1. A false representation regarding a material fact.
2. The person making the representation knew or should have known that the representation was false (“scienter”).
3. An intention to induce the listener to act or refrain from acting in reliance on the misrepresentation.
4. Reasonable reliance on the representation.
5. Damage proximately resulting from such reliance.<sup>2001</sup>

Although the challengers to the registration had advanced a number of theories at trial why fraud had occurred, the Second Circuit’s focus on appeal was limited to the distinction between pizzerias, on the one hand, and restaurants generally, on the other hand:

There was evidence of fraud in [the registrant’s] statement that it had continuously used the mark for restaurant services since 1933. It follows that [the registrant] specified the services in connection with which the mark was used more broadly than it was actually used, a fact [the registrant] had to have known.

“[S]ince a registration is prima facie evidence that the registrant is using the registered mark on the goods and services specified in the registration,” [the registrant’s] misrepresentation resulted in a registered mark that was broader in scope than it should have been.<sup>2002</sup>

Thus, and in contrast to the approach taken by the Eighth Circuit, the misrepresentation at issue directly resulted in the USPTO’s issuance of the particular registration.

These opinions notwithstanding, the most compelling allegations of fraud on the USPTO over the past year were advanced not as bases for claims or counterclaims for cancellation but instead in response to a preliminary injunction motion.<sup>2003</sup> The plaintiff prosecuting the motion was the record owner of six federal registrations covering marks the plaintiff claimed were used under license by various third parties. Unfortunately for the plaintiff, the defendant’s research disclosed that each of the six registrations had been either secured or maintained using specimens generated

---

2001. *Id.* at 270-71 (footnote omitted) (quoting 6 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 31:61 (4th ed. 2008)).

2002. *Id.* at 271-72 (quoting 3 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 19:48 (4th ed. 2008)).

2003. *See* Edge Games, Inc. v. Elec. Arts, Inc., 745 F. Supp. 2d 1101 (N.D. Cal. 2010).

years earlier by third parties who were *not* the plaintiff's licensees; indeed, many of those specimens had been altered to include affirmative notices of mark ownership by the plaintiff.<sup>2004</sup> Although not ordering the registrations' cancellation, the court nevertheless held that the defendant's submissions had so called the plaintiff's allegations of mark ownership into question that the plaintiff was unlikely to succeed on the merits of its infringement claims.<sup>2005</sup>

Another opinion taking a fraudulent procurement allegation seriously, this one from a Third Circuit district court, did so on a motion to dismiss.<sup>2006</sup> The gravamen of the accusation of fraud before the court was that, as part of an initial secondary-meaning showing, the counterclaim plaintiff had falsely represented to a USPTO examiner that it was the exclusive user of its mark. Although that representation was accompanied by other submissions, including testimony from consumers, sales figures, advertising expenditures, and promotional materials, the examiner rejected the counterclaim plaintiff's claim of acquired distinctiveness, only to relent upon the submission of additional evidence and testimony. According to the counterclaim plaintiff, the refusal to accept its initial showing was proof of the lack of materiality of its representation of exclusive use, and it moved to dismiss the counterclaim defendant's challenge to its registration on that basis. The court declined to do so, concluding "[t]hat the Examiner sought additional evidence on the issue of distinctiveness does not . . . establish that she did not rely on the initial evidence submitted" when ultimately issuing a registration to the counterclaim plaintiff.<sup>2007</sup>

Not all courts proved as receptive to allegations of fraudulent procurement, and, indeed, one dismissed such a challenge for

---

2004. *See id.* at 1108-13. The following are representative of the court's findings as to each of the plaintiff's registrations:

[E]vidence of fraud is seen in the comic-book specimen submitted to the USPTO by Dr. Langdell [the plaintiff's principal] in November 2005 for his application to register "THE EDGE" in connection with comic books. In support of the application, Dr. Langdell submitted the cover of the "Edge" comic book—which . . . was last published a decade earlier by an unrelated company who was never a licensee of plaintiff—as a specimen. . . . [P]laying "spot the differences," the specimen submitted to the USPTO appears to have been doctored in three material ways. First, and most egregious, the name of the comic book was changed from "Edge" to "The Edge" in the specimen. This was done apparently to show that "THE EDGE" mark was being used in commerce in connection with comic books. Second, a "TM" was added to the manipulated title . . . . Third, a disclaimer was tacked on to the bottom of the specimen that stated "The Edge" is the trademark of The Edge Interactive Media, Inc. All Rights Reserved." These "enhancements" were not present in the original comic-book cover.

*Id.* at 1111-12 (citation omitted).

2005. *See id.* at 1115.

2006. *See* Southco, Inc. v. Penn Eng'g & Mfg. Corp., 768 F. Supp. 2d 715 (D. Del. 2011).

2007. *Id.* at 726.

failure to state a claim.<sup>2008</sup> At issue were the plaintiff's four registrations of the mark THE SCOOTER STORE, which between them covered insurance claims processing services, as well as maintenance, repair, and delivery services for wheelchairs, power chairs, lift chairs, and motorized scooters. In response to having the registrations asserted against it, the defendant counterclaimed for their cancellation on the theory that the plaintiff had failed during the registration process to disclose the existence of a third-party sole proprietorship that used, and had secured an Ohio registration of, the same mark in connection with the retail sale and service of durable medical equipment; according to the defendant, the plaintiff then compounded its original fraud while filing affidavits under Section 8<sup>2009</sup> and Section 15<sup>2010</sup> for two of the registrations.<sup>2011</sup>

The court held that the plaintiff was entitled to the dismissal of the counterclaim for cancellation under the results of an application of a four-part test:

In order to withstand a motion to dismiss, a petitioner contending that the declaration or oath in the defendant's application for trademark registration was fraudulent because it failed to disclose use by others, must allege particular facts, which, if proven, would establish four elements: (1) there was in fact another use of the same or a confusingly similar mark at the time the oath was signed; (2) the other user had legal rights superior to [the] applicant's rights; (3) [the] applicant knew that the other user had rights in the mark superior to the applicant's, and either believed that a likelihood of confusion would result from [the] applicant's use of its mark or had no reasonable basis for believing otherwise; and (4) [the] applicant, in failing to disclose these facts to the Patent and Trademark Office, intended to procure a registration to which applicant was not entitled.<sup>2012</sup>

Although the plaintiff's averments satisfied the first two of these requirements, they failed to do the same with respect to the others. As to the third factor, the court held that "[m]ere knowledge . . . of another's actual use of a mark is insufficient to show bad faith."<sup>2013</sup> The defendant may have alleged that the plaintiff was aware of the third-party's Ohio registration, but that awareness was irrelevant because "[a] state trademark

---

2008. *See Scooter Store, Inc. v. SpinLife.com, LLC*, 777 F. Supp. 2d 1102 (S.D. Ohio 2011).

2009. 15 U.S.C. § 1058 (2006).

2010. *Id.* § 1065.

2011. *See Scooter Store*, 777 F. Supp. 2d at 1108-09.

2012. *Id.* at 1110.

2013. *Id.* at 1112.

registration does not prevent another user from obtaining a federal registration to a mark.”<sup>2014</sup> And, as to the fourth, it concluded that:

If a petitioner fails to plead adequately the third element, “[a] fortiori, petitioner has also failed to sufficiently plead the fourth element of the claim, i.e., that respondent willfully deceived the PTO by failing to disclose [another party’s superior] rights in the mark, in an effort to obtain a registration to which it knew it was not entitled.”<sup>2015</sup>

The court’s disposition of the defendant’s allegations concerning the plaintiff’s Section 15 filings was more straightforward: Those allegations failed to state a claim because “[the defendant] has not pled any facts that [the plaintiff] made false statements in either its § 8 and § 15 affidavits.”<sup>2016</sup>

A considerably more deficient counterclaim for cancellation also fell victim to a motion to dismiss for failure to state a claim.<sup>2017</sup> The registered marks were DON’T TREAD ON ME and its abbreviation, DTOM, both of which used in connection with apparel, and it was the defendant’s theory that the plaintiff had defrauded the USPTO by failing to disclose the historical significance of the first mark, as well as that mark’s use by third parties. Unfortunately for the defendant, the court concluded that it had “failed to offer any authority for the proposition that a trademark with historical significance is not subject to registration.”<sup>2018</sup> Beyond that, “[e]ven if [the defendant] had done so, the [defendant’s counterclaims] do not allege with particularity the historical significance and origin of the phrases at issue, nor do they allege that, because of that historical significance, [the plaintiff] knew that no trademark [registration] could be rightfully issued as to the phrases at issue.”<sup>2019</sup> The plaintiff’s motion to dismiss the counterclaim therefore was well-taken.<sup>2020</sup>

A claim of fraudulent procurement similarly failed to defeat a preliminary injunction motion.<sup>2021</sup> When the operator of a community bank under the CUSTOMER FIRST mark introduced into evidence a registration with a broadly worded identification of

---

2014. *Id.*

2015. *Id.* (first alteration in original) (quoting *Intellimedia Sports, Inc. v. Intellimedia Corp.*, 43 U.S.P.Q.2d 1203, 1208 (T.T.A.B. 1997)).

2016. *Id.* at 1113.

2017. *See* *Bauer Bros. v. Nike Inc.*, 98 U.S.P.Q.2d 1160 (S.D. Cal. 2011).

2018. *Id.* at 1165.

2019. *Id.*

2020. *See id.* The court did, however, conclude that the defendant had adequately pleaded an alternative basis for the cancellation of the plaintiff’s registrations, namely, that the plaintiff had knowingly misrepresented to the USPTO that its marks were in actual use in connection with every good recited in the registrations. *See id.* at 1165.

2021. *See* *Alliance Bank v. New Century Bank*, 742 F. Supp. 2d 532 (E.D. Pa. 2010).

services,<sup>2022</sup> the defendant argued that certain of them, namely, investment banking and mortgage-related services, had never actually been provided under the mark. The court rejected this argument, in part because, although the plaintiff's most significant use of the mark had been in connection with a checking account offered to all of its customers, the checking account was the "hub" for the entire suite of services offered by the plaintiff.<sup>2023</sup> The court also adopted a rather forgiving attitude toward averments of actual use in file-wrapper histories:

[The defendant's] interpretation of the words contained in the Statement of Use [filed by the plaintiff] is simply too confining. A registrant is afforded a certain amount of discretion in [the] use of its mark. A registrant is permitted to use the mark as it sees fit within the overall descriptions [in its identification of goods or services] so long as its use furthers an appropriate business purpose. The Statement of Use in the application merely puts the USPTO on notice of the generic categories in which the mark is used.<sup>2024</sup>

Applying the principle that "[a] central element of fraud is an intent to defraud," the court found that what it considered to be the plaintiff's truthful representations in the application process precluded the defendant from demonstrating the existence of such an intent.<sup>2025</sup>

The difficulty in proving the required scienter for a finding of fraud also led to entry of summary judgment in a defendant's favor in a case presenting a material factual dispute as to whether the defendant actually owned the mark underlying its registration at the time it applied to register the mark.<sup>2026</sup> According to the court, the existence of such a dispute was not dispositive evidence that the defendant had defrauded the USPTO; rather, "[t]he question [in fraudulent misconduct inquiries] is not whether the [challenged] statement is factually false, but whether the applicant subjectively believed it was false at the time he or she made the representation."<sup>2027</sup> Because the signatory on the defendant's

---

2022. The registration covered "[s]ervices customary in the banking industry, namely, banking, banking consultation, investment banking services, mortgage and personal banking services, namely, origination, acquisition servicing, securitization, and brokerage of commercial and personal mortgage loans and online banking services." *Quoted in id.* at 550.

2023. *See id.* Although playing less of a role in the court's analysis, the record also established that "[the plaintiff] advertised the slogan 'Customer First Banking Just Hit Home' on various bus shelters throughout the Delaware River Valley in 2006. [The plaintiff's] employees even wore lapel pins that stated CUSTOMER FIRST." *Id.*

2024. *Id.*

2025. *Id.* at 551.

2026. *See Ricks v. BMEzine.com, LLC*, 727 F. Supp. 2d 936 (D. Nev. 2010).

2027. *Id.* at 967.



application “consistently maintained her belief that [the registrant] owned the rights to the . . . business [associated with the applied-for mark] and its related intellectual property,” the plaintiff could not carry the strict burden of proving fraud, and summary judgment therefore was appropriate.<sup>2028</sup>

A final notable federal district court opinion addressing a claim of fraudulent procurement demonstrated both the high burden faced by the party asserting such a claim and the dubious wisdom, at least under some circumstances, of asserting it in the first place.<sup>2029</sup> The registration in question was of the WOULD YOU RATHER . . . ? mark for a board game, and it matured from an intent-to-use application filed on July 31, 1997.<sup>2030</sup> The game was slow to reach the market, and the plaintiffs therefore availed themselves of the five extensions of time available to them before filing a statement of use on November 29, 2004.<sup>2031</sup> Following the USPTO’s approval of the statement of use, the plaintiffs’ registration issued on July 19, 2005.<sup>2032</sup> When the plaintiffs asserted the rights to their registered mark against the producer of a competitive product, that defendant counterclaimed for the cancellation of the plaintiffs’ registration on the ground that the plaintiffs had fraudulently represented throughout the application process that they had a bona fide intent to use their mark. That counterclaim was filed with the court on January 24, 2007, well before the registration’s fifth anniversary of issuance.<sup>2033</sup>

Dismissing the counterclaim on the parties’ cross-motions for summary judgment, the court first addressed the relationship between the plaintiffs’ allegedly false representations and the fraud-based nature of the defendant’s challenge to their registration:

In order to prove fraud on the PTO, the party seeking cancellation must show: a false representation regarding a material fact, the registrant’s knowledge or belief that the representation is false, the intent to induce reliance upon the misrepresentation and reasonable reliance thereon, and damages proximately resulting from the reliance. . . .

---

2028. *Id.*

2029. *See Spin Master, Ltd. v. Zobmondo!! Entm’t LLC*, 778 F. Supp. 2d 1052 (C.D. Cal. 2011).

2030. *See id.* at 1056.

2031. *See id.* at 1057-59.

2032. *See id.* at 1059.

2033. The date of the counterclaim is not apparent from the court’s opinion, but it is recited in the defendant’s responsive pleading to the plaintiffs’ amended complaint. *See Answer, Affirmative Defenses and Counterclaims of Zobmondo!! Entm’t LLC, Falls Media LLC v. Zobmondo!! Entm’t LLC*, 778 F. Supp. 2d 1052 (C.D. Cal. 2011) (No. 207CV00571), 2007 WL 5303522.

... [T]he falsity and intent prongs are separate, so absent the requisite intent to mislead the PTO, even a material misrepresentation would not qualify as fraud under the Lanham Act warranting cancellation.<sup>2034</sup>

Although the defendant argued strenuously that there was no objective evidence of the plaintiffs' bona fide intent to use their mark, the court held that "[t]hose arguments ... address only the falsity prong of fraud; they do not demonstrate the clear and convincing evidence necessary to prove subjective intent to deceive the PTO, which ... is 'indispensible' to any fraud cancellation claim."<sup>2035</sup> In any case, the convincing evidence and testimony describing the plaintiffs' efforts to develop and market the game bearing their mark<sup>2036</sup> forced the defendant into an ill-fated fallback argument:

[The defendant] also repeatedly argues that there is a negative inference to be drawn from the fact that [the plaintiffs] sought and obtained all possible extensions of time to file their statement of use. But absent a subjective intent to deceive the PTO during this time, there is nothing wrong with [the plaintiffs] requesting (and being granted) all of the available statutory extensions. Congress created the intent-to-use system and the Court will not treat compliance with statutory procedures as evidence of fraud. Indeed, [the plaintiffs] are far from the only ones to have used the full set of procedures created by Congress: as of 2008, almost 15,000 registrations had been issued after the maximum number of extensions was granted. Thus, [the defendant] cannot demonstrate fraud by pointing to the authorized use of the full system of statutory extensions.<sup>2037</sup>

The ultimate outcome—entry of summary judgment in the plaintiffs' favor—may well have been unavoidable, but the fraudulent procurement ground for cancellation pursued by the defendant virtually guaranteed that result. Prior to the fifth anniversary of its issuance, a registration can be cancelled for any reason that would have precluded its issuance in the first place,<sup>2038</sup> and a lack of a bona fide intent to use the applied-for mark is one such ground under Section 1(b) of the Act.<sup>2039</sup> Moreover, a challenger attacking a registration on any ground other than

---

2034. *Id.* at 1061 (internal quotation marks omitted).

2035. *Id.* (quoting *In re Bose Corp.*, 580 F.3d 1240, 1243 (Fed. Cir. 2009)).

2036. For a description of those efforts, see *id.* at 1055-59, 1061-66.

2037. *Id.* at 1066.

2038. See *Int'l Order of Job's Daughters v. Lindeburg & Co.*, 727 F.2d 1087, 1091 (Fed. Cir. 1984).

2039. 15 U.S.C. § 1051(b) (2006).

fraudulent procurement need not carry its burden by clear and convincing evidence; on the contrary, a mere preponderance of the evidence and testimony will do even where registrations that have passed their fifth anniversary are concerned.<sup>2040</sup> Indeed, the Ninth Circuit had made this very point earlier in the litigation: “If the plaintiff establishes that a mark has been properly registered, the burden shifts to the defendant to show by a preponderance of the evidence that the mark is not protectable.”<sup>2041</sup> Had the defendant resisted the temptation to accuse the plaintiffs of fraud, it would merely have had to prove that the plaintiffs lacked a bona fide intent to use their mark under that standard; by injecting fraud into the case, the defendant unnecessarily saddled itself with the much heavier burden of proving invalidity by clear and convincing evidence.<sup>2042</sup>

## ***F. Constitutional Matters***

### **1. The First Amendment**

#### ***a. The First Amendment Right to Free Expression***

As always, the case law was replete over the past year with reminders that the First Amendment right to free speech does not protect expression that either causes deception or is likely to do so. One opinion making this point arose from the use of the A CREATION SEVENTH DAY & ADVENTIST CHURCH and CREATION SEVENTH DAY ADVENTIST CHURCH marks by a pastor who had broken away from the General Conference

---

2040. See, e.g., *Cmty. of Christ Copyright Corp. v. Devon Park Restoration Branch of Jesus Christ's Church*, 634 F.3d 1005, 1011 (8th Cir. 2011) (“[The defendants] [have] the burden of proving by a preponderance of the evidence that the registered marks are generic and that their registrations should thus be cancelled.”); *Cold War Museum, Inc. v. Cold War Air Museum, Inc.*, 586 F.3d 1352, 1356 (Fed. Cir. 2009) (holding, in cancellation action against nonincontestable registration that “a party seeking to cancel a Section 2(f) registration must produce sufficient evidence for the Board to conclude, in view of the entire record in the cancellation proceeding, that the party has rebutted the mark’s presumption of acquired distinctiveness by a preponderance of the evidence”); *Cerveceria Centroamericana, S.A. v. Cerveceria India, Inc.*, 892 F.2d 1021, 1023 (Fed. Cir. 1989) (“[I]n a cancellation for abandonment, as for any other ground, the petitioner bears the burden of proof . . . to establish the case for cancellation by a preponderance of the evidence.”).

2041. *Zobmondo Entm’t, LLC v. Falls Media, LLC*, 602 F.3d 1108, 1113 (9th Cir. 2010).

2042. See *Spin Master*, 778 F. Supp. at 1066-67 (“The undisputed facts defeat any possibility of [the defendant] carrying its burden to show by clear and convincing evidence that [the plaintiffs] subjectively intended to deceive the PTO at any time during the ITU registration process.”).

Of course, had the plaintiffs’ registration passed its fifth anniversary prior to the defendant’s challenge, the plaintiffs’ alleged lack of a bona fide intent to use their mark would not have been available as a ground for cancellation under Section 14(3) of the Act, 15 U.S.C. § 1064(3) (2006). Under those circumstances, the defendant would have had little choice but to pursue the argument that the defendants lacked the required bona fide intent and that their representations to the contrary rose to the level of intentional fraud.

Corporation of Seventh-day Adventists.<sup>2043</sup> The latter owned federal registrations of the SEVENTH-DAY ADVENTIST and ADVENTIST marks for various goods and services, and it and its affiliated churches predictably filed an infringement and unfair competition action against the pastor. Because the pastor viewed the parties' dispute as a theological one, namely, which of the parties were "true" Seventh-Day Adventists, he argued that the First Amendment barred an exercise of federal subject-matter jurisdiction over the action. The district court disagreed, and the Sixth Circuit affirmed: As the appellate court saw things, "the instant case can be resolved based on trademark law, without addressing any doctrinal issues. Trademark law will not turn on whether the plaintiffs' members or [the pastor] and his congregants are the true believers."<sup>2044</sup>

The Seventh Circuit was more concerned about the enforcement of an injunction in a 1966 opinion that purported to establish the "highest authority" of the Baha'i Faith.<sup>2045</sup> As it observed:

In church property disputes (trademark suits obviously qualify), the First Amendment limits the sphere in which civil courts may operate. When a district judge takes sides in a religious schism, purports to decide matters of spiritual succession, and excludes dissenters from using the name, symbol, and marks of the faith (as distinct from the name and marks of a church), the First Amendment line appears to have been crossed.

. . . .

. . . Applying neutral . . . principles is permissible; pronouncing on matters of religious succession is not.<sup>2046</sup>

Although concluding that "[c]onsidered in light of these First Amendment limitations . . ., certain aspects of the 1966 injunction are troubling,"<sup>2047</sup> the court ultimately affirmed the district court's finding that the injunction had not been violated, noting in the process that "a contempt proceeding is ordinarily not the proper place for collateral attacks on the underlying injunction."<sup>2048</sup>

2043. *See* Gen. Conference Corp. of Seventh-day Adventists v. McGill, 617 F.3d 402 (6th Cir. 2010), *cert. denied*, 131 S. Ct. 2097 (2011).

2044. *Id.* at 408.

2045. *Quoted in* Nat'l Spiritual Assembly of the Bahá'ís of the United States of Am. Under the Hereditary Guardianship, Inc. v. Nat'l Spiritual Assembly of the Bahá'ís of the United States of Am., Inc., 628 F.3d 837, 846 (7th Cir. 2010).

2046. *Id.*

2047. *Id.*

2048. *Id.*

In cases without religious overtones, defendants in actions brought by performing groups fared particularly poorly in raising First Amendment considerations. For example, a panel of the California Court of Appeals rejected a claim of First Amendment protection by the producer of the *Band Hero* video game, which allegedly had exceeded the scope of a license granted to it by the plaintiff, the performing group No Doubt.<sup>2049</sup> In response to the plaintiff's concerns about how its members were depicted in the game, the defendant argued in a motion to dismiss that those depictions were transformative uses qualifying as artistic free speech, and that the suit therefore was a prohibited "Strategic Lawsuit Against Public Participation," or "SLAPP."<sup>2050</sup> The court held otherwise, noting that the avatars shown in the game were deliberately accurate imitations of the band members and that "the graphics and other background content of the game are secondary . . ."<sup>2051</sup> Because "nothing in the creative elements of the *Band Hero* [game] elevates the depictions of No Doubt to something more than 'conventional, more or less fungible, images' of its members that No Doubt should have the right to control and exploit," dismissal of the complaint was inappropriate.<sup>2052</sup>

A different band, which performed reggae music under the REBELUTION mark, notched a similar victory in a challenge to an album released under the title *Pitbull Starring in Rebelution*.<sup>2053</sup> As a general proposition, courts typically invoke the Second Circuit's holding in *Rogers v. Grimaldi*<sup>2054</sup> to bar challenges to the titles of artistic works unless the titles have no artistic relevance to the underlying works or, if they do have some artistic relevance, they are explicitly misleading.<sup>2055</sup> Nevertheless, the court hearing the reggae band's suit held that *Rogers* had no applicability unless "[the] plaintiff's mark [is] of such cultural significance that it has become an integral part of the public's vocabulary."<sup>2056</sup> The result was that the obscurity of the plaintiff's REBELUTION mark for music recordings weighed in the plaintiff's, and not the defendant's, favor:

There is no evidence that the word rebelution or plaintiff's mark has entered the public discourse or become an integral

---

2049. *See* No Doubt v. Activision Publ'g, Inc., 122 Cal. Rptr. 3d 397 (Ct. App. 2011).

2050. *See* Cal. Civ. Proc. Code § 425.16(e) (2008).

2051. *No Doubt*, 122 Cal. Rptr. at 411.

2052. *Id.* at 411-12 (quoting Comedy III Prods., Inc. v. Gary Saderup, Inc., 21 P.3d 797, 808 (Cal. 2001)).

2053. *See* Rebelution, LLC v. Perez, 732 F. Supp. 2d 883 (N.D. Cal. 2010).

2054. 875 F.2d 994 (2d Cir. 1989).

2055. *See id.* at 999.

2056. *Rebelution*, 732 F. Supp. 2d at 887.

part of our vocabulary. Nor has either been imbued by the public with an alternate meaning. Indeed, according to defendants, there is no uniform meaning associated with the word or the mark. Consequently, since neither the word nor the mark have “taken on an expressive meaning apart from its source-identifying function,” no First Amendment rights are implicated and the *Rogers* test is inapplicable.<sup>2057</sup>

The court additionally held that the defendants would be unable to satisfy the *Rogers* test even if it applied because the first prong of that test “requires the artistic relevance of defendant’s use to be with reference to the meaning associated with *plaintiff’s* mark.”<sup>2058</sup> Based on the summary judgment record assembled by the defendants, the court concluded that “[i]t would be difficult, if not impossible for [the lead defendant] to demonstrate that he intended to refer to plaintiff when he used plaintiff’s mark”;<sup>2059</sup> not only had the lead defendant never heard of the plaintiff before adopting the challenged use, “nowhere does any defendant claim that defendants’ use refers to plaintiff or [his] reggae band . . . .”<sup>2060</sup>

In contrast, other courts proved more sympathetic to First Amendment concerns,<sup>2061</sup> including one that applied the *Rogers* test to the benefit of the defendants before it.<sup>2062</sup> The plaintiffs owned the federally registered THE BITCHEN KITCHEN mark for the retail sale of products for home chefs, and the court agreed with the plaintiffs that the defendants’ broadcast of a cooking-related television show with sexual overtones under the title *Bitchin’ Kitchen* was likely to cause confusion.<sup>2063</sup> Nevertheless, the court also concluded that the defendants’ title was entitled to First Amendment protection under the Sixth Circuit’s version of the *Rogers* test.<sup>2064</sup> As to *Rogers*’s first prong, the court held that “the . . . television show title ‘Bitchin’ Kitchen’ certainly has artistic relevance to the underlying work, that is, to the content, tone, style, purpose, and intended appeal of [the defendants’] performance[,] mixing comedic, informational and titillating

---

2057. *Id.* at 888 (quoting *Mattel Inc. v. MCA Records, Inc.*, 296 F.3d 894, 900 (9th Cir. 2002)).

2058. *Id.* at 889.

2059. *Id.*

2060. *Id.*

2061. *See, e.g.*, *Experience Hendrix, L.L.C. v. HendrixLicensing.com, LTD*, 766 F. Supp. 2d 1122, 1148 (W.D. Wash. 2011) (entering summary judgment in defendants’ favor in part because “[a] Lanham Act [challenge to a title] raises First Amendment concerns because titles are a form of artistic expression” (internal quotation marks omitted)).

2062. *See Martha Elizabeth Inc. v. Scripps Networks Interactive LLC*, 100 U.S.P.Q.2d 1799 (W.D. Mich. 2011).

2063. *See id.* at 1811-19.

2064. *See Parks v. LaFace Records*, 329 F.3d 437, 488 (6th Cir. 2003).

material and moods during the course of the show.”<sup>2065</sup> The waters were “somewhat murkier” under *Rogers’s* second prong, but the court nevertheless held that it too favored the defendants’ position because “[o]n the present record and briefs, it is not clear whether the plaintiffs will be able to establish that the title of the Bitchin’ Kitchen TV show explicitly misleads the viewing public as to the source or the content of the program”;<sup>2066</sup> in particular, “[t]he content of the show is defined in large part not by cooking *per se*, but by [the female host’s] putative sex appeal and personality, described by the [defendants] as ‘flashy, artistic, comedic’ and fairly characterized generally as racy and suggestive.”<sup>2067</sup> Preliminary injunctive relief was therefore inappropriate on the ground that “the court cannot say that the plaintiffs have a strong likelihood of prevailing on their attempt to impose liability for (and permanently enjoin) the airing of the TV show with its present title.”<sup>2068</sup>

The Eleventh Circuit also proved receptive to First Amendment considerations in its review of a preliminary injunction against a purveyor of chemically treated wood deemed to have engaged in false advertising.<sup>2069</sup> The broadly worded injunction entered by the court did not admit to any exceptions, leading the defendant to argue, as the Eleventh Circuit put it, that “the literal terms of the injunction would prohibit [the defendant] from engaging in many actions beyond commercial speech, such as petitioning the government, publishing scientific papers, arguing before certification organizations, or even giving testimony in this litigation.”<sup>2070</sup> The appellate court agreed with the defendant that any relief having these effects was too broad, and it therefore vacated and remanded this aspect of the district court’s opinion with instructions to tailor injunctive relief to statements made by the defendant in commercial advertising and promotion.<sup>2071</sup>

The First Amendment similarly tripped up several plaintiffs asserting violations of their state-law rights of publicity. In one relatively “easy” case, the plaintiff sought to recover for the appearance in the documentary *Sicko* of several video clips in which the plaintiff was briefly seen or heard.<sup>2072</sup> A third party

---

2065. *Martha Elizabeth Inc.*, 100 U.S.P.Q.2d at 1821.

2066. *Id.* (internal quotation marks omitted).

2067. *Id.*

2068. *Id.* at 1822.

2069. *See Osmose, Inc. v. Viance, LLC*, 612 F.3d 1298 (11th Cir. 2010).

2070. *Id.* at 1322-23.

2071. *See id.* at 1323.

2072. *See Aronson v. Dog Eat Dog Films, Inc.*, 738 F. Supp. 2d 1104 (W.D. Wash. 2010). The clips at issue added up to a total of sixteen seconds. *See id.* at 1108.

injured while walking on his hands in the United Kingdom had forwarded the clips to the documentary's maker and had consented to their use in furtherance of the documentary's comparison of the health care system in that country to that in the United States. In granting a motion to dismiss brought under the Washington Anti-SLAPP statute,<sup>2073</sup> the court held that:

Under the First Amendment, a cause of action for misappropriation of another's name and likeness may not be maintained against expressive works, whether factual or fictional. The use of a plaintiff's identity is not actionable where the publication relates to matters of the public interest, which rests on the right of the public to know and the freedom of the press to tell it. . . .

. . . .

It is beyond dispute that the documentary film *Sicko* relates to matters of public interest and is entitled to First Amendment protection. The appropriation of Plaintiff's image and voice are immune from the state law causes of action for misappropriation.<sup>2074</sup>

Another court confirmed that liability under the Illinois Right of Publicity Act<sup>2075</sup> was subject to First Amendment limitations.<sup>2076</sup> The suit producing that result was grounded in the plaintiff's having been pulled over for an expired license tag by the police department of Naperville, Illinois. What began as a routine traffic stop, however, eventually led to the broadcast of the plaintiff's arrest for possession of marijuana on a reality television show with which the Naperville police had a contract; the broadcast also included critical commentary about the plaintiff's expensive tastes in clothing and accessories and, through a computer screenshot, disclosed her "date of birth, height, weight, driver's license number, and brief descriptions of previous arrests and traffic stops."<sup>2077</sup> Granting a motion to dismiss, the court held that, because "information about arrests rises to the level of public concern,"<sup>2078</sup> the defendants' conduct was nonactionable because "[their] depiction of [the plaintiff's] arrest and its surrounding circumstances—including the computer screen shots giving information about prior arrests or citations—conveyed truthful information on matters of public concern."<sup>2079</sup>

2073. Wash. Rev. Code § 4.24.525 (2010).

2074. *Aronson*, 738 F. Supp. 2d at 1113-14 (citations omitted).

2075. 765 Ill. Comp. Stat. § 1075/30 (2010).

2076. *Best v. Berard*, 776 F. Supp. 2d 752 (N.D. Ill. 2011).

2077. *Id.* at 755.

2078. *Id.* at 757.

2079. *Id.* at 758.



A right-of-publicity cause of action under Alabama law met the same fate.<sup>2080</sup> The plaintiff asserting it was a professional boxer, kick boxer, and mixed martial artist with the stage name “Butterbean.” He claimed that his public persona—consisting of a bald head atop a four-hundred pound “round body,” athletic shorts featuring the United States flag, and the use of *Sweet Home Alabama* as his entrance music—had been recycled as an American tourist visiting the Egyptian pyramids in the movie *Despicable Me*. Despite concluding that the plaintiff had adequately stated a claim, the court declined to allow his case to go forward because, in its estimation, “the use of the plaintiff’s likeness in a very limited segment of the movie . . . cannot support a claim for commercial misappropriation. The movie is clearly an expressive work protected under the First Amendment.”<sup>2081</sup> It then rejected the plaintiff’s challenge to the use of the same segment in a trailer promoting the film on the ground that “although the trailer is a commercial tool as suggested by the plaintiff, it is protected under the First Amendment as it is a part of a protected expressive work.”<sup>2082</sup>

Finally, one court to address the significance of First Amendment principles did so in the context of a motion to quash a third-party subpoena served on an Internet domain name registration company.<sup>2083</sup> The underlying suit was one against the operator of an Internet gripe site dedicated principally to criticism of the plaintiff, and the plaintiff sought through the subpoena to identify the site’s anonymous operator. In granting the motion to quash, the court observed as initial matters that “[t]he First Amendment protects the rights of individuals to speak anonymously both offline and online”<sup>2084</sup> and that “[s]ubpoenas seeking the identity of anonymous individuals raise First Amendment concerns.”<sup>2085</sup> After surveying the case law in the area, it then required a three-part showing from the plaintiff:

[A] plaintiff seeking to use a subpoena to discover the identity of a defendant in connection with anonymous Internet speech must satisfy three basic requirements, subject to balancing by the court. . . . The precise contours of each factor must be explored in other circumstances, and consideration of additional factors may ultimately prove appropriate depending on the facts of a particular case.

---

2080. *See* *Esch v. Universal Pictures Co.*, 97 U.S.P.Q.2d 1237 (N.D. Ala. 2010).

2081. *Id.* at 1242.

2082. *Id.* at 1243.

2083. *See* *Salehoo Grp. v. ABC Co.*, 722 F. Supp. 2d 1210 (W.D. Wash. 2010).

2084. *Id.* at 1213.

2085. *Id.* at 1214.

To begin with, the plaintiff must undertake reasonable efforts to give the defendant adequate notice of the attempt to discover his or her identity and provide a reasonable opportunity to respond. . . .

Next, the plaintiff must, in general, allege a facially valid cause of action and produce prima facie evidence to support all of the elements of the cause of action within his or her control. . . .

The plaintiff also must demonstrate that the specific information sought by the subpoena is necessary to identify the defendant and that the defendant's identity is relevant to the plaintiff's case. This factor may also include consideration of whether the plaintiff has alternative means to obtain the information sought by subpoena.<sup>2086</sup>

The court concluded that the plaintiff had failed to satisfy the second of these requirements. Although the plaintiff averred that the anonymous commentator had incorporated its mark into a "sucks.com" domain name, the court found that "it is not evident how [the defendant's] use is confusing or whether it has caused actual confusion."<sup>2087</sup> In light of the plaintiff's failure to establish a prima facie case of infringement, the court granted the motion to quash.<sup>2088</sup>

### ***b. The First Amendment Right to Petition***

Under *Eastern Rail Road Presidents Conference v. Noerr Motor Freight, Inc.*,<sup>2089</sup> and *United Mine Workers v. Pennington*,<sup>2090</sup> petitioning government bodies is a privileged activity under the First Amendment. According to the Supreme Court's most extensive explanation of the doctrine, a defendant's petitioning activity is protected unless the plaintiff can establish that the defendant's conduct was a "sham" in the sense that (1) it was objectively baseless and (2) it was undertaken with a subjective intent to harm the plaintiff.<sup>2091</sup> If a plaintiff cannot carry its burden under the first prong of this test, it will not be entitled to discovery bearing on the second.<sup>2092</sup>

---

2086. *Id.* at 1215-16.

2087. *Id.* at 1217.

2088. *See id.* at 1216-17.

2089. 365 U.S. 875 (1961).

2090. 381 U.S. 657 (1965).

2091. *See generally* *Profl Real Estate Investors, Inc. v. Columbia Pictures Indus.*, 508 U.S. 49, 60-61 (1993).

2092. *See id.* at 65.

One Washington district court applied Ninth Circuit authority to recognize two definitions of “sham” petitions beyond the one expressly recognized by the Supreme Court:

Sham litigation may take one of three forms: (i) when the lawsuit is objectively baseless and the motive for bringing it was unlawful; (ii) when a series of lawsuits are brought “pursuant to a policy of starting legal proceedings without regard to the merits” and for an unlawful purpose; and (iii) when a party knowingly commits fraud or makes “intentional misrepresentations to the court,” thereby “depriv[ing] the litigation of its legitimacy.”<sup>2093</sup>

The issue occasioning this recapitulation was whether the counterclaim defendants could be held liable under various state-law causes of action for the dissemination to the trade of copies of the counterclaim defendants’ complaint, as well as letters, oral communications by their counsel, and a press release that allegedly mischaracterized the outcome of a preliminary injunction proceeding earlier in the case.<sup>2094</sup> The court agreed with the counterclaim plaintiffs that “the third type of ‘sham litigation’ does not require that misrepresentations be made to [a] tribunal,”<sup>2095</sup> but it nevertheless engaged in some judicial baby-splitting when applying that rule. Specifically, it concluded that the counterclaim defendants’ failure to advise the trade of a subsequent preliminary injunction order limiting the scope of the initial one “might have generated a misimpression concerning the status of the litigation,”<sup>2096</sup> but, despite that failure, “[the counterclaim plaintiffs] have identified no affirmative fraud or misrepresentation manifested in [the lead counterclaim defendant’s] cover letters.”<sup>2097</sup> At the same time, however, alleged communications by the counterclaim defendants and their counsel to the effect that the initial preliminary injunction order barred all sales of certain categories of goods, when, in fact, the second order allowed sales of those goods, *were* actionable.<sup>2098</sup>

A more conventional application of the *Noerr-Pennington* doctrine occurred in a case in which the defendants claimed that the plaintiffs’ enforcement actions against the defendants rose to

---

2093. *Experience Hendrix, L.L.C. v. HendrixLicensing.com, LTD*, 766 F. Supp. 2d 1122, 1144 (W.D. Wash. 2011) (alteration in original) (quoting *Sosa v. DIRECTV, Inc.*, 437 F.3d 923, 938 (9th Cir. 2006)).

2094. *See id.* at 1143-44.

2095. *Id.* at 1145.

2096. *Id.* at 1146.

2097. *Id.*

2098. *See id.* at 1146.

the level of antitrust violations.<sup>2099</sup> The basis of this theory was the plaintiffs' alleged procurement of registrations covering their marks through fraudulent submissions to the USPTO, their alleged prosecution of an earlier state court action against the defendants in a forum in which personal jurisdiction over the defendants was "obviously lacking," and their alleged voluntary dismissal of an opposition proceeding against the defendants' application at the point of trial.<sup>2100</sup> According to the defendants, the plaintiffs also had initiated "other proceedings seeking unfairly and illegally to oppress other rightful trademark users,"<sup>2101</sup> and the combination of this and the defendants' other averments sufficed to defeat the plaintiffs' bid for dismissal of the defendants' counterclaim: "Although the [defendants'] showing is not overwhelming, the foregoing facts as well as other facts in the record and reasonable inferences in the pleadings and [documentary evidence] provide a plausible entitlement to avoid [sic] the *Noerr-Pennington* bar."<sup>2102</sup>

Some courts applied the California anti-SLAPP statute<sup>2103</sup> to determine the extent to which First Amendment principles protected past petitioning activity. For example, a panel of the California Court of Appeals affirmed the dismissal under the statute of a malicious prosecution cause of action grounded in a prior counterfeiting suit against the plaintiffs in federal court.<sup>2104</sup> After an investigator for the mark owner admitted to having mistakenly attributed unlawful activity to the plaintiffs, the mark owner voluntarily dismissed its suit against them and, pursuant to court order, reimbursed them for their fees and costs. That disposition did not satisfy the plaintiffs, but their subsequent state-law case against the mark owner and its attorneys was itself dismissed for a number of reasons: (1) it was undisputed that the original suit fell within the scope of constitutionally protected activity;<sup>2105</sup> (2) the investigator's initial report constituted probable cause for the original suit, notwithstanding "[w]hatever weaknesses in the evidence [that] later came to light";<sup>2106</sup> (3) the federal court's denial of the plaintiffs' motion for summary judgment of nonliability was further evidence of the suit's potential merit;<sup>2107</sup> (4) the investigator had knowingly perjured

---

2099. See *Santander Consumer USA Inc. v. Walsh*, 762 F. Supp. 2d 217 (D. Mass. 2010).

2100. See *id.* at 237.

2101. Quoted in *id.*

2102. *Id.*

2103. Cal. Civ. Proc. Code § 425.16-.18 (2008).

2104. See *Antounian v. Louis Vuitton Malletier*, 117 Cal. Rptr. 3d 3 (Ct. App. 2010).

2105. See *id.* at 11.

2106. See *id.* at 13; see also *id.* at 15-16.

herself;<sup>2108</sup> (5) there was no evidence that the mark owner and its attorneys had prosecuted the original action with malice;<sup>2109</sup> and (6) because it was dismissed voluntarily, the original suit had not been terminated in the plaintiffs' favor.<sup>2110</sup>

In contrast, an application of the same statute by the Ninth Circuit produced different results.<sup>2111</sup> A lawyer caught up in the dispute before that court had federally registered a mark used by a family-owned cosmetic business in the name of the family matriarch, to whom he had been referred for instructions by three of her and the family patriarch's offspring. Considering the business to be the mark's owner, the patriarch himself and one of the couple's sons brought a malpractice claim against the attorney, alleging, *inter alia*, that he had breached his duty to the business and that he had participated in actionable fraudulent concealment and conversion. The attorney unsuccessfully moved to dismiss the action, and the case reached the Ninth Circuit on an interlocutory appeal.

In affirming the denial of the attorney's motion to dismiss, the appellate court held the relevant inquiry to be governed by two showings: one by the defendant attorney that the plaintiffs' suit arose from an exercise of his First Amendment right to petition and then a second responsive one by the plaintiffs that their claims had a reasonable probability of success on the merits.<sup>2112</sup> The court had little difficulty concluding that the filing of a federal trademark application fell within the scope of the attorney's constitutional right to petition:

The filing of a trademark application is a formal communication to the USPTO seeking official action . . . .

. . . .

Filing a trademark application is more than merely a ministerial act connected with a business transaction. It is an attempt to establish a property right under a comprehensive federal statutory scheme. The filing party seeks a determination by USPTO examiners that it is the presumptive owner of a protectable mark.<sup>2113</sup>

Nevertheless, the court also held that the plaintiffs had satisfied their own burden, namely, to establish that "the

---

2107. *See id.* at 13.

2108. *See id.* at 14-15.

2109. *See id.* at 16-17.

2110. *See id.* at 17-18.

2111. *See Mindys Cosmetics, Inc. v. Dakar*, 611 F.3d 590 (9th Cir. 2010).

2112. *See id.* at 595.

2113. *Id.* at 597 (citations omitted).

complaint is both legally sufficient and supported by a sufficient prima facie showing of facts to sustain a favorable judgment if the evidence submitted by the plaintiff is credited.”<sup>2114</sup> Although the attorney claimed that he had at all times represented the business, the court noted that “if [the business’s] evidence is credited [the attorney] was at least negligent in determining who had authority to act on behalf of [the business].”<sup>2115</sup> Moreover, the same was true of the plaintiffs’ fraudulent concealment and conversion claims, because they too adequately stated causes of action.<sup>2116</sup>

A final variation on the *Noerr-Pennington* doctrine often arises in unfair competition cases driven by the defendant’s allegedly false assertion of patent rights. In that context, the Federal Circuit has long held that federal patent law bars the imposition of liability for publicizing a patent in the marketplace unless the patent holder acted in bad faith, and that state-law causes of action against the same conduct are preempted if the patentee acted in good faith.<sup>2117</sup> In recent years, this rule has assumed a form closely similar to the Supreme Court’s application of *Noerr-Pennington*,<sup>2118</sup> and it certainly did so in an opinion from a panel of the Louisiana Court of Appeals, which affirmed the dismissal on summary judgment of claims against a patentee under the Lanham Act and related state-law causes of action.<sup>2119</sup> That court’s focus was on a finding below that the defendant had acted in good faith when asserting that the plaintiff had infringed the defendant’s patent. Following its review of the summary judgment record, which included testimony that a number of the defendant’s employees had reviewed the plaintiff’s website and data sheets posted on it prior to the claim of infringement being made, the court concluded that the plaintiff had failed to place the defendant’s good faith in dispute. Summary judgment therefore had been appropriate on the ground that the plaintiff “simply failed to point out clear and convincing evidence that would allow a reasonable trier of fact to conclude that the [defendant] acted in bad faith, *i.e.*, evidence showing that [the defendant] asserted a patent infringement claim on which no reasonable litigant could realistically expect to succeed.”<sup>2120</sup>

---

2114. *Id.* at 599 (quoting *Wilson v. Parker, Covert & Chidester*, 50 P.3d 733, 739 (Cal. 2002)) (internal quotation marks omitted).

2115. *Id.* at 600.

2116. *See id.* at 600-01.

2117. *See, e.g.*, *Zenith Elecs. Corp. v. Exzec, Inc.*, 182 F.3d 1340, 1355 (Fed. Cir. 1999).

2118. *See, e.g.*, *Globetrotter Software, Inc. v. Elan Computer Grp.*, 362 F.3d 1367, 1375-77 (Fed. Cir. 2004).

2119. *See Enduracoat Techs., Inc. v. Watson Bowman ACME Corp.*, 42 So. 3d 1107 (La. Ct. App. 2010).

2120. *Id.* at 1116 (internal quotation marks omitted).

## 2. The Fifth Amendment

The Fifth Amendment protects against the deprivation at the hands of the federal government of “life, liberty, or property, without due process of law.”<sup>2121</sup> One plaintiff invoking the Fifth Amendment’s Due Process Clause over the past year was a Cuban-based entity barred from renewing a registration it owned in the USPTO.<sup>2122</sup> The plaintiff’s substantive due process attack fell short based on the D.C. Circuit’s conclusion that the plaintiff had been on notice at the time the registration issued in 1976 that an administrative exception allowing the registration’s maintenance could be revoked at any time. Because that notice precluded the plaintiff from having a fundamental right to renew its registration, its inability to do so was subject to a “highly deferential” standard of constitutional review: “[U]nder the Supreme Court’s precedents, we ask only whether the legislation is rationally related to a legitimate government interest.”<sup>2123</sup> As with most government action subject to rational-basis review, this one passed constitutional muster. Specifically, the court held the refusal to allow the renewal of the plaintiff’s registration was “rationally related to the legitimate government goals of isolating Cuba’s Communist government and hastening a transition to democracy in Cuba.”<sup>2124</sup>

## 3. The Eleventh Amendment

The Eleventh Amendment,<sup>2125</sup> which bars federal courts from exercising jurisdiction over suits against states brought by citizens of other states or foreign countries,<sup>2126</sup> was invoked infrequently over the past year. Nevertheless, the University of Arizona successfully pursued constitutional immunity not in response to a Lanham Act claim but instead in a bid to dismiss various non-trademark counterclaims against it and its Board of Regents in an infringement suit brought by an another party.<sup>2127</sup> Relying on prior

---

2121. U.S. Const. amend. V.

2122. *Empresa Cubana Exportadora de Alimentos y Productos Varios v. U.S. Dep’t of Treasury*, 638 F.3d 794 (D.C. Cir. 2011).

2123. *Id.* at 800.

2124. *Id.* at 801.

2125. U.S. Const. amend. XI.

2126. *See, e.g., Ansel Adams Publ’g Rights Trust v. PRS Media Partners LLC*, 99 U.S.P.Q.2d 1295, 1297 (N.D. Cal. 2011) (dismissing non-trademark counterclaims against University of Arizona and its board of regents in infringement action against counterclaim plaintiff).

2127. *See Ansel Adams Publ’g Rights Trust v. PRS Media*, 99 U.S.P.Q.2d 1295 (N.D. Cal. 2011).

Ninth Circuit authority to identical effect,<sup>2128</sup> the court dismissed the counterclaim plaintiffs' causes of action, holding that "the named University defendant and the Board of Regents are immune from the counterclaims brought in this Court and . . . the Court lacks subject matter jurisdiction over the counterclaims."<sup>2129</sup>

#### 4. The Due Process, Full Faith and Credit, and Dormant Commerce Clauses

The drafters of the 2008 amendments to the Washington Personality Rights Act (WPRA)<sup>2130</sup> managed a trifecta of sorts, as their efforts to expand the scope of that statute led to its invalidation on multiple constitutional grounds.<sup>2131</sup> Having had related causes of action asserted against them, the counterclaim plaintiffs in the case producing that result established their standing to challenge the WPRA's choice-of-law provision under the Fourteenth Amendment's Due Process Clause<sup>2132</sup> and Article IV's Full Faith and Credit Clause.<sup>2133</sup> The personality at issue was the late Jimi Hendrix, whose 1970 death took place in New York, a state not recognizing a post-mortem right of publicity. Slow to intervene on behalf of Hendrix's estate, the Washington General Assembly amended the WPRA nearly three decades later to provide for such a right; the amendment additionally purported to mandate an application of Washington law without concern for the location of the decedent's expiration.<sup>2134</sup>

The court balked at sustaining the amendment's validity, noting that "[t]he Constitution does not compel a state to substitute the laws of other states for its own on subjects 'concerning which it is competent to legislate.'"<sup>2135</sup> As the court read the amended statute, "[t]he WPRA purports to govern whether a right of publicity exists, whether it continues post-mortem, and how it may be transferred during life and after death, regardless of where the particular individual or personality is or was domiciled."<sup>2136</sup> Especially because "[v]irtually all" courts

2128. See *Rutledge v. Ariz. Bd. of Regents*, 660 F.2d 1345, 1349 (9th Cir. 1985) (en banc), *abrogated on other grounds*, *Haygood v. Younger*, 769 F.2d 1350 (9th Cir. 1985) (en banc).

2129. *Ansel Adams Publ'g Rights Trust*, 99 U.S.P.Q.2d at 1297.

2130. Wash. Rev. Code § 63.60.010 *et seq.* (2008).

2131. See *Experience Hendrix, L.L.C. v. HendrixLicensing.com, Ltd.*, 766 F. Supp. 2d 1122 (W.D. Wash. 2011).

2132. U.S. Const. amend. XIV.

2133. U.S. Const., art. IV, § 1.

2134. See *Experience Hendrix*, 766 F. Supp. 2d at 1126-27.

2135. See *id.* at 1135 (quoting *Sun Oil Co. v. Wortman*, 486 U.S. 717, 722 (1988) (quoting *Pac. Emp'rs Ins. Co. v. Indus. Accidental Comm'n*, 306 U.S. 493, 501 (1939))).

2136. *Id.*



addressing the issue had looked to the law of the decedent's domicile when evaluating whether the decedent's right of publicity was descendible or other transferable,<sup>2137</sup> the WPRA's choice-of-law provision violated both the Full Faith and Credit Clause and the Due Process Clause:

Courts look to the law of the domicile for a reason. The domicile has the requisite contacts with a particular individual or personality to generate a state interest in defining his or her property rights and how they may be transferred. To select, as the WPRA suggests, the law of a state to which the individual or personality is a stranger[] constitutes no less random an act than blindly throwing darts at a map on the wall.<sup>2138</sup>

The revised WPRA's infirmities did not end there, for the amended statute additionally violated the dormant Commerce Clause, which, as described by the court, "constrains states from engaging in extraterritorial regulation."<sup>2139</sup> The WPRA, the court held, constituted just such impermissible conduct:

[A] state may not apply its statutes to commerce that "takes place wholly outside of the State's borders, whether or not the commerce has effects within the State."

... The WPRA seeks to govern a variety of transactions occurring wholly outside Washington's borders, including right-of-publicity transfers between nonresidents via contract, testamentary device, or intestate succession, and the creation and dissemination in other forums of advertising incorporating the names or likenesses of nondomiciliaries.<sup>2140</sup>

The counterclaim plaintiffs therefore were entitled to summary judgment.<sup>2141</sup>

## ***G. Procedural Matters***

### **1. Declaratory Judgment Actions**

Both Article III of the U.S. Constitution and the federal Declaratory Judgment Act require federal courts acting under their authority to find the existence of an "actual controversy" before proceeding.<sup>2142</sup> In its 2007 opinion in *MedImmune, Inc. v.*

2137. *See id.* at 1137.

2138. *Id.* at 1138 (footnotes omitted).

2139. *Id.* at 1141.

2140. *Id.* at 1142 (quoting *Healy v. Beer Inst.*, 491 U.S. 324, 336 (1989)).

2141. *See id.*

2142. U.S. Const. art. III, § 2, cl. 1; 28 U.S.C. § 2201 (2006).

*Genentech, Inc.*,<sup>2143</sup> the Supreme Court loosened the then-extant standard governing this requirement, holding it satisfied when “the facts alleged, under all the circumstances, show that there is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.”<sup>2144</sup> The significance of this change continued to work its way through trademark and unfair competition jurisprudence.

On one end of the spectrum was a case appealed to the Federal Circuit in which the existence of an actionable controversy was beyond reasonable dispute.<sup>2145</sup> In it, a mark owner had filed suit against a defendant but then had assigned its mark to a successor, which itself began to threaten the defendant with a lawsuit. These circumstances failed to convince the district court of the defendant’s standing to pursue counterclaims for the mark’s invalidation and for a declaratory judgment of noninfringement, but the appellate court made short work of the dismissal of the counterclaims below. With respect to the original mark owner, the court held that:

In this case, [the defendant’s] trademark noninfringement and invalidity counterclaims were pled in response to [the original mark owner’s] trademark infringement claims against it. Thus, there was more than an apprehension of suit from [the original mark owner]; [the defendant] had actually been sued. *A fortiori*, a party that has been sued for trademark infringement has established declaratory judgment jurisdiction to allege noninfringement and invalidity. To hold otherwise would prevent a defendant from raising defenses to the charge against it.<sup>2146</sup>

This analysis led to a predictable second holding that a controversy also existed between the defendant and the original mark owner’s successor in interest. On this issue, the court concluded that:

Here, [the successor] not only threatened suit, but it is the alleged assignee of the [original mark owner’s] trademark, and [the original mark owner] already filed suit for infringement of that trademark. Thus, if [the successor] is found to be the legitimate assignee, only [the successor] has standing to sue for infringement. . . . Therefore, if [the original mark owner] is ultimately found not to have standing to pursue its infringement claim, [the successor] may be in a position to be

---

2143. 549 U.S. 118 (2007).

2144. *Id.* at 127.

2145. *Green Edge Enters. v. Rubber Mulch Etc., LLC*, 620 F.3d 1287 (Fed. Cir. 2010) (applying Eighth Circuit law).

2146. *Id.* at 1300.

substituted for [the original mark owner] as the real party in interest. Such a possibility, especially given [the successor's] actual threat of suit in its cease and desist letter, constitutes a threat or controversy of "sufficient immediacy and reality to warrant the issuance of a declaratory judgment."<sup>2147</sup>

A preexisting lawsuit between the parties also led to a holding that a group of defendants were entitled to challenge the constitutionality of the WPRA,<sup>2148</sup> despite the absence from the suit of any allegations that the defendants had violated that statute.<sup>2149</sup> The Lanham Act and causes of action that *were* advanced by the plaintiffs sounded in the theory that that plaintiffs owned proprietary rights to the name, image, and persona of the late Jimi Hendrix and that the defendants had violated those rights by selling memorabilia bearing words, phrases, and images associated with the late guitarist. Apparently aware that the WPRA suffered from constitutional deficiencies,<sup>2150</sup> the plaintiffs deliberately omitted all references to it from their complaint and, indeed, went so far as to represent to the court that the statute had "nothing to do with this lawsuit."<sup>2151</sup>

Invoking both the plaintiffs' averments and claims made on the plaintiffs' website, the court disagreed, holding instead that the "defendants here demonstrate the type of fear necessary to proceed on their counterclaims under the [Declaratory Judgment Act]."<sup>2152</sup> It therefore denied the plaintiffs' motion to dismiss the defendants' counterclaims for declaratory relief with the explanation that:

This case does not involve only a remote chance of litigation. To the contrary, [the lead plaintiffs] sued defendants (albeit on Lanham Act and state law claims) long before defendants filed these counterclaims. Although [the lead defendant] currently makes no claim under the WPRA, the specter of an alleged "right of publicity" is evident not only in the Amended Complaint, but also on [the lead plaintiffs] publicly available website. Thus, defendants can reasonably postulate that, absent a trademark- or copyright-based rationale for suing

---

2147. *Id.* at 1301 (citations omitted) (quoting *MedImmune*, 549 U.S. at 127).

2148. Wash. Rev. Code § 63.60.010 *et seq.* (2008).

2149. *See* Experience Hendrix, L.L.C. v. HendrixLicensing.com, Ltd., 766 F. Supp. 2d 1122 (W.D. Wash. 2011).

2150. The court ultimately held that the WPRA violated the Due Process, Full Faith and Credit, and Dormant Commerce Clauses of the Constitution. *See id.* at 1134-43.

2151. *Quoted in id.* at 1130.

2152. *Id.* at 1134.

defendants, [the lead plaintiff] would likely resort to litigation under the WPROA.<sup>2153</sup>

A combination of actual litigation before the Trademark Trial and Appeal Board and threats of an escalation proved to be the ticket to federal court in a declaratory judgment action filed in the District of New Hampshire.<sup>2154</sup> The basis for the plaintiff's request for declaratory relief was twofold: The defendants had (1) transmitted to the plaintiff demand letters asking the plaintiff to discontinue the use of its mark, to abandon a pending application to register the mark, and to discontinue the use of a domain name incorporating the mark; and then, shortly afterwards (2) challenged the plaintiff's application in an opposition proceeding before the Trademark Trial and Appeal Board. The court held that this conduct, especially the defendants' "explicit" invocation of the Lanham Act in their letters, created a dispute between the parties that was ripe for resolution:

[The letters] allege conduct on [the plaintiff's] part that, if proven, would violate the Lanham Act. Moreover, while the demand letters . . . did not expressly state that [the defendants] *would* initiate an infringement action if [the plaintiff] did not capitulate, a specific threat is not necessary to create a reasonable anticipation, and, in any event, those letters characterized the capitulation they demanded as "resolving this matter amicably, which was more than enough to suggest the possibility of a less amicable resolution, *i.e.*, legal action."<sup>2155</sup>

Preexisting state court litigation was the primary basis for a finding of a case and controversy in a different dispute.<sup>2156</sup> Over a decade earlier, the parties had entered into an agreement that obligated the plaintiff to restrict its use of a particular mark. When it suspected that the plaintiff was violating the agreement, the defendant filed a breach-of-contract suit in New York state court. The plaintiff responded with a declaratory judgment action in the Southern District of New York, in which it argued that the defendant was improperly seeking remedies in the state court action that were available only under federal trademark law.<sup>2157</sup> During oral argument on the defendant's motion to dismiss the federal court action, the plaintiff represented that it would withdraw its complaint if the defendant agreed to limit the scope

---

2153. *Id.*

2154. *See* Blue Athletic, Inc. v. Nordstrom Inc., 97 U.S.P.Q.2d 1706 (D.N.H. 2010).

2155. *Id.* at 1710.

2156. *See* Tequila Cuervo La Rojena S.A. de C.V. v. Jim Beam Brands Co., 95 U.S.P.Q.2d 1574 (S.D.N.Y. 2010).

2157. *See id.* at 1575.

of the parties' dispute to the defendant's breach of contract claim.<sup>2158</sup> The defendant declined to do so, and that was all the court needed to know:

[The defendant] has specifically stated it retains its ability to bring a trademark infringement suit against [the plaintiff] in federal court. [The plaintiff] is thus entitled to bring this declaratory judgment action because the conduct of the parties indicates there is a genuine issue in dispute over the scope of [the defendant's] federally protected trademarks. Accordingly, this declaratory judgment action is proper and defendant's motion to dismiss the complaint is denied.<sup>2159</sup>

Of course, actual pending litigation is not a prerequisite for subject-matter jurisdiction under the Declaratory Judgment Act to exist. In one case proving this point, a corporate defendant, having discovered that the plaintiff had received a federal registration of his TERMINATOR mark and that he was prosecuting an application to register it again for different goods, instructed its counsel to write to counsel for the plaintiff.<sup>2160</sup> That correspondence represented that, among other things:

Any use by your client of the mark TERMINATOR . . . causes serious injury to out [sic] client, confuses and misleads the consuming public . . . , suggests a connection with our client that your client does not have and dilutes the distinctiveness of our client's TERMINATOR Marks. . . . U.S. federal and state laws as well as similar laws in other non-U.S. jurisdictions provide significant penalties for such conduct, including injunctive relief, your client's profits and our client's damages and attorney's fees, all of which our client is entitled to.<sup>2161</sup>

Setting a two-week response deadline, the defendant's letter requested the plaintiff "to immediately cease an[y] and all use whatsoever and agree not to use in the future the mark TERMINATOR or any mark confusingly similar to TERMINATOR in connection with all products and advertising and promotion thereof";<sup>2162</sup> it also demanded that the plaintiff abandon or surrender for cancellation any claims to the mark he had pending in the USPTO.<sup>2163</sup>

---

2158. *See id.*

2159. *Id.* at 1576 (citations omitted).

2160. *See Sinclair v. StudioCanal, S.A.*, 709 F. Supp. 2d 496 (E.D. La. 2010).

2161. *Quoted in id.* at 501 (first and second alterations in original).

2162. *Quoted in id.*

2163. *See id.*

The court observed while denying the defendant's motion to dismiss that "threats of litigation, without more, cannot create an actual controversy . . . ." <sup>2164</sup> Nevertheless, it found that "[the defendant] has made it known that it believes [the plaintiff's] marks infringe its [own] mark and that it intends to litigate that infringement if [the plaintiff] does not cease his use of [his] mark, cancel [his] registration and withdraw his pending application . . . ." <sup>2165</sup> An actionable case and controversy therefore existed because "[the defendant's] words could reasonably lead one to believe that it is prepared to and willing to enforce its trademark rights; the Declaratory Judgment Act does not require [the plaintiff] to first expose himself to liability before challenging in court the basis for the threat." <sup>2166</sup>

These holdings notwithstanding, not all declaratory judgment plaintiffs successfully demonstrated the existence of actionable controversies. Thus, for example, the Federal Circuit declined to allow one would-be counterclaim plaintiff to seek declaratory relief against a mark owner and its assignee in a suit in which those parties asserted a claim of utility patent infringement against the counterclaim plaintiff, as well as claims of trademark infringement against a third-party defendant. <sup>2167</sup> As the court explained the counterclaim plaintiff's claim of standing, "[u]nlike [the third party], [the plaintiff] had been neither sued nor threatened with

---

<sup>2164</sup>. *Id.* at 503.

<sup>2165</sup>. *Id.*

<sup>2166</sup>. *Id.* at 503-04.

Having concluded that the facts before it satisfied the requirements of Article III and the Declaratory Judgment Act, the court correctly noted that "[e]ven when there is an actual controversy and the Court has subject matter jurisdiction, the Court has discretion to decline to exercise its declaratory judgment jurisdiction." *Id.* at 504. It then decided to do so under an application of the following factors:

- (1) whether there is a pending state action in which all of the matters in controversy may be fully litigated;
- (2) whether the plaintiff filed suit in anticipation of a lawsuit filed by the defendant;
- (3) whether the plaintiff engaged in forum shopping in bringing the suit;
- (4) whether possible inequities in allowing the declaratory plaintiff to gain precedence in time or to change forums exist;
- (5) whether the federal court is a convenient forum for the parties and witnesses;
- (6) whether retaining the lawsuit would serve the purposes of judicial economy; and
- (7) whether the federal court is being called upon to construe a state judicial decree involving the same parties and entered by the court before whom the parallel state suit between the same parties is pending.

*Id.* at 504-05 (quoting *Sherwin-Williams Co. v. Holmes Cnty.*, 343 F.3d 383, 388 (5th Cir. 2003)).

<sup>2167</sup>. See *Green Edge Enters. v. Rubber Mulch Etc., LLC*, 620 F.3d 1287 (Fed. Cir. 2010).

suit. [The plaintiffs] sole argument is that it uses the same term . . . for which [the third party] was sued.”<sup>2168</sup> Although a pattern of suits against third parties involving the same mark might favor the existence of declaratory judgment jurisdiction, neither the single suit at issue nor the fact that the counterclaim plaintiff had been sued for utility patent infringement met the grade; rather, the absence of trademark-related allegations directed toward the counterclaim plaintiff meant that “there was no case or controversy with respect to [the counterclaim plaintiff] regarding its trademark counterclaims.”<sup>2169</sup>

The absence of objections to the plaintiff’s use of its mark similarly produced a finding of no case or controversy between two parties embroiled in an opposition proceeding before the Trademark Trial and Appeal Board.<sup>2170</sup> Prior to the initiation of that administrative litigation, the defendant sent a demand letter to the plaintiff, but the letter “demanded simply that [the plaintiff] abandon its pending trademark application. [The defendant] did not claim trademark infringement, contest [the plaintiff’s] continued use of the mark, or make any further demands.”<sup>2171</sup> When the defendant rejected settlement proposals that would have allowed the plaintiff to continue using its mark, the plaintiff sought declaratory relief, but the court held that neither the defendant’s settlement posture nor its earlier letter created the required controversy. Rather, and especially because the plaintiff had used its mark for seven years without objection from the defendant, “[t]he TTAB is the appropriate forum to resolve the only concrete dispute between the parties—that is, the dispute over registration of the [plaintiff’s] mark.”<sup>2172</sup>

## 2. Standing

### *a. Cases Finding Standing*

The cause of action created by Section 43(a) of the Act is broadly worded, and its language led to a Second Circuit opinion holding that ownership of a mark is not a prerequisite for an unfair competition-based challenge to sales of goods bearing unauthorized imitations of that mark.<sup>2173</sup> The plaintiff, a retailer of genuine blue jeans bearing the ROCAWEAR mark, alleged in its

---

2168. *Id.* at 1302.

2169. *Id.*

2170. *See* Viña Casa Tamaya S.A. v. Oakville Hills Cellar Inc., 784 F. Supp. 2d 391 (S.D.N.Y. 2011).

2171. *Id.* at 396.

2172. *Id.* at 397.

2173. *See* Famous Horse Inc. v. 5th Ave. Photo Inc., 624 F.3d 106 (2d Cir. 2010).

complaint that it was being damaged by the defendants' sale to competing retailers of jeans bearing counterfeit imitations of that mark.<sup>2174</sup> The absence from the case of the mark's actual owner led the district court to dismiss the plaintiff's Section 43(a) cause of action for failure to state a claim, and the plaintiff appealed that decision to the Second Circuit, where its arguments met with a more favorable reception.

Declining to throw the door wide open to "any plaintiff who claims any sort of injury from a misleading use of a trademark without regard to ownership,"<sup>2175</sup> the appellate court nevertheless rejected the defendants' argument that liability under Section 43(a) depended on the existence of a directly competitive relationship between the parties. Instead, it held, the allegations in the plaintiff's well-pleaded complaint established the plaintiff's standing under what the court deemed the "reasonable interest" test:

While stressing the importance of whether the plaintiff and defendant are in competition, our cases . . . have not treated this factor as a *sine qua non* of standing. Rather, we have said that competition is a factor that strongly favors standing, not that competition is an absolute requirement for standing. Our test for standing has been called the "reasonable interest" approach. Under this rubric, in order to establish standing under the Lanham Act, a plaintiff must demonstrate (1) a reasonable interest to be protected against the alleged false advertising and (2) a reasonable basis for believing that the interest is likely to be damaged by the alleged false advertising. We have not required that litigants be in competition, but instead have viewed competition as a strong indication of why the plaintiff has a reasonable basis for believing that its interest will be damaged by the alleged false advertising.<sup>2176</sup>

And, in any case, the court further observed, the parties *did* compete with each other on some level: "Although [the plaintiff] sells at retail, and [the defendants] primarily sell at wholesale, the

---

2174. As the plaintiff's allegations of harm were characterized by the court:

[The plaintiff] argues that it is injured in two ways by [the defendants'] misuse of the Rocawear mark: First, it loses sales of genuine Rocawear jeans to [the defendants] when customers purchase what they believe are also genuine Rocawear jeans from [the defendants] or from retailers who purchased from them. Second, customers will believe that [the plaintiff] is selling Rocawear jeans at an inflated price, devaluing [the plaintiff's] alleged reputation as a discount purveyor of genuine brand-name jeans.

*Id.* at 111.

2175. *See id.*

2176. *Id.* at 113 (citation omitted).



goods they sell are in direct competition in the marketplace, and [the defendants'] products are supplied to retailers in direct competition with [the plaintiff]."<sup>2177</sup> As a consequence, the court held, "[the plaintiff] has alleged a reasonable interest to be protected against [the defendants'] alleged false advertising as well as a reasonable basis for believing that this interest will be damaged by the alleged false advertising, and has properly stated a false advertising claim under the Lanham Act."<sup>2178</sup>

The Fifth Circuit took a similarly expansive approach to standing in a false advertising action under Section 43(a).<sup>2179</sup> The plaintiffs were appraisers of residential real estate who used the defendant's services to transmit valuation information to lenders. Although the plaintiffs therefore were customers of the defendant, they alleged that, unbeknownst to them, the defendant had accessed their information and used it to build a competing valuation service. Because the defendant had advertised that the plaintiffs' appraisals would be "unseen and untouchable by anyone" other than the plaintiffs themselves and the plaintiffs' paying customers,<sup>2180</sup> they asserted a right to challenge, and to recover for, that alleged false representation.

In a lengthy opinion reversing the dismissal of the plaintiff's complaint for failure to state a claim, the Fifth Circuit held that the plaintiffs could prosecute their Section 43(a) cause of action under that court's doctrinal test for prudential standing, which took into account:

(1) the nature of the plaintiff's alleged injury: Is the injury of a type that Congress sought to redress in providing a private remedy for violations of the antitrust laws?; (2) the directness or indirectness of the asserted injury; (3) the proximity or remoteness of the party to the alleged injurious conduct; (4) the speculativeness of the damages claim; and (5) the risk of

---

<sup>2177</sup>. *Id.*

<sup>2178</sup>. *Id.* at 114-15.

Notwithstanding this holding at the pleadings stage of the case, the court noted the following of the proof that would later be required of the plaintiff:

We note that this claim may well be difficult to prove at trial. While it may be plausible that [the plaintiff] can in principle be harmed by counterfeiters of Rocawear products, proof of actual losses will be difficult given that plaintiff's . . . stores operate in a large market that includes luxury retailers selling name brands at full price, discounters of various stripes, and numerous counterfeiters selling fake versions of name brands. The alleged harm to [the plaintiff] depends upon the idea that its sales are specifically affected by [the defendants'] behavior.

*Id.* at 115.

<sup>2179</sup>. See *Harold H. Huggins Realty, Inc. v. FNC, Inc.*, 634 F.3d 787 (5th Cir. 2011).

<sup>2180</sup>. Quoted in *id.* at 794.

duplicative damages or complexity in apportioning damages.<sup>2181</sup>

Not only did the plaintiffs' claim fall squarely within the subject matter of Section 43(a),<sup>2182</sup> it also recited an injury proximately caused by the defendant's conduct:

Here, the plaintiffs allege that [the defendant] made misrepresentations that induced the plaintiffs to entrust their work product to [the defendant], that [the defendant] subsequently used the plaintiffs' work product to build a database that was marketed to lenders as an alternative to the plaintiffs' appraisal services, and that lenders are using the . . . [d]atabase in lieu of the appraisal services offered by the plaintiffs. The plaintiffs have alleged an injury to their own competitive interests that is not derivative of an injury to some other party's competitive position. No identifiable class of persons can be more immediate to the misappropriation of work product than the persons to whom the work product rightfully belongs.<sup>2183</sup>

Moreover, with respect to the fourth and fifth factors, the court concluded that "[s]o long as the plaintiff adequately pleads some kind of injury, the profits earned by the defendant due to its false advertising are a sufficiently non-speculative measure of the plaintiff's damages"<sup>2184</sup> and that "there is little risk that allowing this suit to proceed would subject [the defendant] to a risk of duplicative damages or require a complex process of damages apportionment."<sup>2185</sup> Although it might be true under the third factor that "the relationship between the plaintiffs' injuries and [the defendant's] misconduct is, for Lanham Act purposes, relatively indirect,"<sup>2186</sup> that consideration was not enough to carry the day for the defendant.

### ***b. Cases Declining to Find Standing***

However expansive the language of Section 43(a) may be, one individual plaintiff learned the hard way from the Seventh Circuit that the statute does not create a catch-all remedy against all acts of alleged unfair competition.<sup>2187</sup> That plaintiff, a private citizen,

---

2181. *Id.* at 796 (quoting *Procter & Gamble Co. v. Amway Corp.*, 242 F.3d 539, 561 (5th Cir. 2001) (internal quotation marks omitted)).

2182. *See id.* at 798.

2183. *Id.* at 801.

2184. *Id.* at 801-02.

2185. *Id.* at 803.

2186. *Id.* at 799.

2187. *See Stayart v. Yahoo! Inc.*, 623 F.3d 436 (7th Cir. 2010).

poet, and supporter of environmental causes, objected to the results she received when she entered her name into an Internet search engine, which included “links to online pharmaceutical companies, links to pornographic websites, and links that directed her to other websites promoting sexual escapades.”<sup>2188</sup> When the search engine declined to address her concerns, she filed suit on the theory that the search results appearing in conjunction with her name violated Section 43(a) because those results suggested that she had endorsed pornography and online pharmaceuticals.

In a disposition affirmed by the Seventh Circuit, the plaintiff’s complaint was dismissed for failure to state a claim. The appellate court noted that its past precedent required plaintiffs availing themselves of Section 43(a) to demonstrate a commercial interest in what they sought to protect. The plaintiff apparently did not dispute that authority; rather, she argued that her charitable activities created the required commercial interest in her personal name.<sup>2189</sup> The Seventh Circuit was unimpressed:

While [the plaintiff’s] goals may be passionate and well-intentioned, they are not commercial. And the good name that a person garners in such altruistic feats is not what § 43 of the Lanham Act protects: it “is a private remedy for a commercial plaintiff who meets the burden of proving that its commercial interests have been harmed by a competitor.”<sup>2190</sup>

A less creative, but equally unsuccessful, claim of standing under Section 43(a) was advanced by a vendor of raw phosphatidylserine (PS) and soft-gel capsules containing that compound.<sup>2191</sup> The plaintiff was an occasional supplier of PS to the defendant, which incorporated it into the defendant’s own soft-gel capsules. When the plaintiff’s tests convinced it that the defendant was falsely overstating the PS content of the defendant’s capsules, it filed suit under Section 43(a), only to have the defendant respond with a motion for partial summary judgment grounded in

---

2188. *Id.* at 437. The search methodology undertaken by the plaintiff virtually guaranteed these results: “[B]elieving she was the only Beverly Stayart on the internet, she put her name into Yahoo’s search engine. . . . For example, she searched for ‘Bev Stayart Cialis’ and ‘Levitra Bev Stayart.’” *Id.* at 437-38. Not surprisingly, “[e]ach time links directing her to online pharmaceutical companies would appear.” *Id.* at 438.

2189. As characterized by the Seventh Circuit:

[The plaintiff’s] argument hinges on the claim that by virtue of her extensive activities, her name has commercial value. These include: humanitarian efforts on behalf of baby seals, wolves and wild horses; what she describes as ‘scholarly posts’ on a website; two poems that appear on a Danish website; and genealogy research.

*Id.*

2190. *Id.* at 439 (quoting *Made in the USA Found. v. Phillips Foods, Inc.*, 365 F.3d 278, 280 (4th Cir. 2004)).

2191. *See Enzymotec Ltd. v. NBTY, Inc.*, 754 F. Supp. 2d 527 (E.D.N.Y. 2010).

the plaintiff's lack of standing. The plaintiff responded with two theories of how it was injured by the defendant's advertising: (1) had the defendant disclosed the correct PS content of its products, the resulting decrease in the defendant's sales would have led to increased production runs by the plaintiff to fill the resulting void in the market; and (2) the same result would have occurred if the defendant had recalled its allegedly mislabeled products.<sup>2192</sup>

The court declined to accept the defendant's argument that direct competition between the parties was a prerequisite for standing,<sup>2193</sup> and, in any case, it found that even if the parties themselves were not competitors, "their products are in direct competition in the marketplace."<sup>2194</sup> Nevertheless, it also held that "[the plaintiff] has failed to meet even the *de minimis* burden of production in opposition to [the defendant's] summary judgment motion by failing to introduce any evidence corroborating either the decrease in sales theory or the recall theory of damages";<sup>2195</sup> moreover, as to the latter, "[the plaintiff] does not cite any rule or regulation that would have required [the defendant] to recall the products rather than take some other action to cure the alleged problem."<sup>2196</sup> The plaintiff's Section 43(a) claims therefore fell by the wayside.

Applications of Section 32, which on its face is available to registrants, and of Section 43(c), reserved to the owners of famous and distinctive marks, also led courts to dismiss claims of standing under those statutes.<sup>2197</sup> In one case with such an outcome, the plaintiff initially convinced the court to authorize the seizure from the defendants of goods bearing allegedly counterfeit marks.<sup>2198</sup> In moving the court to dismiss the plaintiff's complaint, however, a group of defendants questioned whether the plaintiff had adequately averred that it was either the registrant, owner, or legal assignee of the marks in question. Although the plaintiff responded by invoking an agreement with the marks' owner of record that the plaintiff characterized as an assignment, the court concluded that "the . . . agreement reads more as a license, or limited permit, to use the [m]arks than a sale of all of the rights in

---

2192. *See id.* at 540.

2193. *See id.* at 542 ("[A] failure to show direct competition is not an independent ground to dismiss a Lanham Act claim for lack of standing.").

2194. *Id.* at 543.

2195. *Id.* at 547-48.

2196. *Id.* at 548.

2197. *See, e.g.,* Teter v. Glass Onion, Inc., 723 F. Supp. 2d 1138, 1155-56 (W.D. Mo. 2010) (granting motion for summary judgment and disposing of claims brought under Section 32 by plaintiff lacking federal registration).

2198. *See* Prince of Peace Enters. v. Top Quality Food Mkt., LLC, 760 F. Supp. 2d 384 (S.D.N.Y. 2011).

them.”<sup>2199</sup> In particular, the agreement recited that the record owner of the marks was indeed their owner and, additionally, placed certain conditions on the plaintiff’s sale of goods bearing the marks. That the marks’ record owner had continued to sell goods bearing the mark following the agreement’s execution sealed the deal as far as the court was concerned, and it dismissed the plaintiff’s trademark-related claims for lack of standing.<sup>2200</sup>

Finally, two courts reached the usual holding that individual consumers do not have standing to prosecute claims under the Lanham Act for allegedly false advertising.<sup>2201</sup> The class-action plaintiffs falling victim to this rule in each case sought to challenge the defendant’s alleged failure to disclose the transfat content of its food products. Faced with case-dispositive motions at the pleadings stage, the plaintiffs pointed out that they were seeking only injunctive relief under the Act, rather than monetary damages, but both courts held that this was a distinction without a difference. As one explained in granting a motion to dismiss the Lanham Act claim before it:

Regardless of whether Plaintiff seeks equitable relief or damages, he must demonstrate standing to assert a claim in federal court. . . . Plaintiff, by his own admission, is a consumer, not a competitor. Because Plaintiff alleges neither commercial nor competitive injury, he is precluded from asserting a false advertising claim under the Lanham Act. The Court therefore dismisses Plaintiff’s Lanham Act claim with prejudice due to lack of standing.<sup>2202</sup>

### 3. Jurisdictional Issues

#### *a. Subject-Matter Jurisdiction*

Federal courts generally do not enjoy subject-matter jurisdiction over run-of-the-mill contract disputes, but, as the Second Circuit held over the past year, they can address a contract-based claim if the complaint asserting it otherwise either advances a federal cause of action or seeks relief under federal law.<sup>2203</sup> The particular complaint before the court averred that one of the defendants had acquired a portfolio of trademark

---

2199. *Id.* at 391.

2200. *See id.* at 391-94.

2201. *See Chacanaca v. Quaker Oats Co.*, 752 F. Supp. 2d 1111 (N.D. Cal. 2010); *Peviani v. Hostess Brands, Inc.*, 750 F. Supp. 2d 1111 (C.D. Cal. 2010).

2202. *Peviani*, 750 F. Supp. 2d at 1120-21; *see also Chacanaca*, 752 F. Supp. 2d at 1127 (granting defendant’s motion for judgment on the pleadings based on plaintiffs’ lack of standing).

2203. *See Fed. Treasury Enter. Sojuzplodoimport v. Spirits Int’l N.V.*, 623 F.3d 61 (2d Cir. 2010).

registrations through a fraudulent transaction, some of which allegedly had taken place in Russia; it also, however, set forth standard allegations of trademark infringement and unfair competition. The court held that federal subject-matter jurisdiction existed over the complaint when that document was considered as a whole:

To adopt a contrary rule would leave plaintiffs who seek the remedies Congress created under the Lanham Act with two unappealing options. One option would be to engage in piecemeal litigation—first a state court proceeding to determine the question of ownership, and then a federal court proceeding under the Lanham Act. The other option would force plaintiffs to litigate all aspects of the case in state court, which would eliminate the choice between the state and federal court that Congress offered litigants wishing to pursue claims arising under the Lanham Act.

....

... [W]e conclude that [the plaintiff] has pled claims which arise under the Lanham Act, and, therefore, federal question jurisdiction exists not only over the infringement claims but also over the antecedent issue of the validity of the assignment, an issue whose resolution may depend on state or foreign law.<sup>2204</sup>

In an opinion addressing less exotic issues, another court faulted a defendant for challenging the adequacy of the plaintiff's allegation that the defendant had violated Section 43(a) under the rubric of federal subject-matter jurisdiction.<sup>2205</sup> In denying the defendant's motion to dismiss, the court explained that it enjoyed "federal-question jurisdiction where a plaintiff 'makes a non-frivolous allegation that he or she is entitled to relief because the defendant's conduct violated a federal statute.'"<sup>2206</sup> With the court concluding that the plaintiff's Section 43(a) cause of action passed muster for purposes of this standard, the defendant's motion foundered on the proposition that "[i]t is well settled that the 'legal insufficiency of a federal claim generally does not eliminate the subject matter jurisdiction of a federal court.'"<sup>2207</sup>

---

2204. *Id.* at 69-70, 70-71.

2205. *See* *Tristate HVAC Equip. LLP v. Big Belly Solar, Inc.*, 752 F. Supp. 2d 517 (E.D. Pa. 2010).

2206. *Id.* at 525 (quoting *Growth Horizons, Inc. v. Del. Cnty.*, 983 F.2d 1277, 1281 (3d Cir. 1993)).

2207. *Id.* (quoting *Growth Horizons*, 983 F.3d at 1280).

### *b. Personal Jurisdiction*

Assuming that the issue is not conceded by the defendant,<sup>2208</sup> an evaluation of the propriety of an exercise of personal jurisdiction under the long-arm statute of a particular state traditionally has been a two-step process: Such an exercise is proper “only if two requirements are satisfied: (1) the forum state’s long-arm statute confers personal jurisdiction; and (2) the exercise of jurisdiction does not exceed the boundaries of Due Process.”<sup>2209</sup> If the reach of the state long-arm statute in question is coextensive with the limits of the Due Process Clauses of the Fifth and Fourteenth Amendments, then only the constitutional analysis need take place, which is to say that “a nonresident defendant must have meaningful minimum ‘contacts, ties, or relations’ with the forum state in order for jurisdiction to be constitutionally asserted.”<sup>2210</sup> As one court explained, “[t]he critical issue in determining whether the defendant has established minimum contacts with the forum state is whether ‘the defendant’s conduct and connection with the forum state are such that he should reasonably anticipate being haled into court there.’”<sup>2211</sup>

In applications of these steps, a defendant may be found subject to an exercise of one or both of two types of personal jurisdiction:

Personal jurisdiction can be either general or specific, depending on the extent of the defendant’s contacts with the forum state. If the defendant’s contacts are so extensive that it is subject to general personal jurisdiction, then it can be sued in the forum state for any cause of action arising in any place. More limited contacts may subject the defendant only to specific personal jurisdiction, in which case the plaintiff must show that its claims against the defendant’s constitutionally sufficient contacts with the state. In either case, the ultimate constitutional standard is whether the defendant had “certain minimum contacts with [the forum] such that the

---

2208. For an example of a court holding that the defendants had conceded the existence of personal jurisdiction over them by filing a general answer to the plaintiff’s complaint, see *Dr. JKL Ltd. v. HPC IT Educ. Ctr.*, 749 F. Supp. 2d 1038, 1047 (N.D. Cal. 2010).

2209. *Sinclair v. StudioCanal, S.A.*, 709 F. Supp. 2d 496, 506 (E.D. La. 2010).

2210. *Id.* (quoting *Luv N’ Care v. Insta-Mix, Inc.*, 438 F.3d 465, 469 (5th Cir. 2006)); see also *Mobile Anesthesiologists Chi., LLC v. Anesthesia Assocs. of Houston Metroplex, P.A.*, 623 F.3d 440, 443 (7th Cir. 2010).

2211. *Planet Techs., Inc. v. Planit Tech. Grp.*, 735 F. Supp. 2d 397, 401 (D. Md. 2010) (quoting *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 476 (1985)).

maintenance of the suit does not offend ‘traditional motions of fair play and substantial justice.’”<sup>2212</sup>

In addition to this traditional analysis, plaintiffs faced with non-U.S. defendants have in recent years increasingly turned to Federal Rule of Civil Procedure 4(k)(2) as an alternative means of establishing the propriety of an exercise of jurisdiction. That rule provides that:

For a claim that arises under federal law, serving a summons or filing a waiver of service establishes personal jurisdiction over a defendant if:

(A) the defendant is not subject to jurisdiction in any state’s courts of general jurisdiction; and

(B) exercising jurisdiction is consistent with the United States Constitution and laws.<sup>2213</sup>

Whatever the mechanism employed, “the plaintiff bears the burden of establishing the [c]ourt’s jurisdiction over the defendant, but need only make a prima facie case if the [c]ourt rules without an evidentiary hearing.”<sup>2214</sup> Nevertheless, “[w]here . . . there are multiple defendants, [the] plaintiff bears the burden of establishing each defendant’s contacts with the forum state; the court must then . . . assess such contacts individually.”<sup>2215</sup> In determining whether the plaintiff has made the required showing, “[t]he court accepts as true the uncontroverted allegations of [the plaintiff’s] complaint and resolves in [the plaintiff’s] favor any factual conflicts posed by the parties’ affidavits.”<sup>2216</sup>

### (1) Opinions Exercising Personal Jurisdiction

One of the more notable exercises of personal jurisdiction was that under Illinois law over GoDaddy, the Arizona-based provider of domain name services.<sup>2217</sup> The plaintiff’s complaint in the Northern District of Illinois averred that GoDaddy had violated the ACPA by intentionally registering domain names that were confusingly similar to the plaintiff’s service marks, while GoDaddy’s motion to dismiss argued that its computer servers and

---

2212. *uBid, Inc. v. GoDaddy Grp.*, 623 F.3d 421, 426 (7th Cir. 2010) (alteration in original) (quoting *Int’l Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945) (quoting *Milliken v. Meyer*, 311 U.S. 457, 463 (1940))); *see also Sinclair*, 709 F. Supp. 2d at 506.

2213. Fed. R. Civ. P. 4(k)(2).

2214. *Sinclair*, 709 F. Supp. 2d at 505.

2215. *Moseley v. Fillmore Co.*, 725 F. Supp. 2d 549, 559 (W.D.N.C. 2010).

2216. *Tempur-Pedic Int’l, Inc. v. Go Satellite Inc.*, 758 F. Supp. 2d 366, 370 n.1 (N.D. Tex. 2010) (quoting *Am. Eyewear, Inc. v. Peeper’s Sunglasses & Accessories, Inc.*, 106 F. Supp. 2d 895, 897 n.1 (N.D. Tex. 2000)).

2217. *See uBid, Inc. v. GoDaddy Grp.*, 623 F.3d 421 (7th Cir. 2010).



personnel were located outside the state. In reversing the district court's grant of the motion, the Seventh Circuit declined to hold that GoDaddy was subject to an exercise of general jurisdiction,<sup>2218</sup> but specific jurisdiction was another matter:

GoDaddy has thoroughly, deliberately, and successfully exploited the Illinois market. Its attempt to portray itself either as a local Arizona outfit or as a mindless collection of servers is unconvincing. This is a company that . . . has conducted extensive national advertising and made significant national sales. GoDaddy has aired many television advertisements on national networks, including six straight years of Super Bowl ads. It has engaged in extensive venue advertising and celebrity and sports sponsorships. All of this marketing has successfully reached Illinois consumers, who have flocked to GoDaddy by the hundreds of thousands and have sent many millions of dollars to the company each year. These contacts sufficiently establish GoDaddy's minimum contacts with the state for claims sufficiently related to those contacts.<sup>2219</sup>

Defendants fared poorly in three cases that led to the exercise of personal jurisdiction over them under Massachusetts law. The plaintiff in the first case, a producer of an interactive computer game, accused the Florida-based defendants of a variety of torts, including trademark infringement, based on their sale of a software program that allowed players of the plaintiff's game to advance with little effort of their own.<sup>2220</sup> Evaluating the defendants' motion to dismiss for want of personal jurisdiction, the court held the relevant inquiry to turn on the "Gestalt" factors of: "1) whether the claims arise out of or are related to the defendants' in-state activities; 2) whether the defendants have purposefully availed themselves of the laws of the forum state and 3) whether the exercise of jurisdiction is reasonable under the circumstances."<sup>2221</sup> Based on the plaintiff's showing that the defendants had made sales to numerous Massachusetts residents through websites that were "not 'passive' in nature," the first two of these inquiries were quickly resolved against the defendants.<sup>2222</sup> Moreover, an exercise of personal jurisdiction was reasonable under the third inquiry because the defendants could not demonstrate that defending the action in Massachusetts would impose a particular hardship on them and "because Massachusetts

---

2218. *See id.* at 425-26.

2219. *Id.* at 427.

2220. *See Jagex Ltd. v. Impulse Software*, 750 F. Supp. 2d 228 (D. Mass. 2010).

2221. *Id.* at 232.

2222. *See id.* at 232-33.

residents have been affected by the defendants' actions, [and] Massachusetts [therefore] has an interest in adjudicating the dispute, albeit not an especially compelling one given that Massachusetts laws and policies are not implicated."<sup>2223</sup>

In the second case, a different Massachusetts federal district court applied the same three Gestalt factors, as well as a variation on the Supreme Court's analysis in *Calder v. Jones*,<sup>2224</sup> to exercise specific personal jurisdiction over a Florida company and its principal, which the plaintiff alleged had reproduced marks and copyrighted material belonging to the plaintiff on their website.<sup>2225</sup> Under *Calder*'s "effects test," an injury suffered by a plaintiff in its home forum can subject the defendant to an exercise of jurisdiction by the courts of that forum.<sup>2226</sup> Although not invoking *Calder* by name, the Massachusetts court held with respect to the first factor that the lead corporate defendant's activities in Massachusetts were related to the plaintiff's claims because "[the lead defendant's] alleged infringement caused injury in Massachusetts by harming [the plaintiff], a Massachusetts corporation and owner of the material in question."<sup>2227</sup> The court likewise determined the second factor—purposeful availment—was satisfied on the ground that "[t]he 'threshold of purposeful availment is lower' when 'the case involves torts that create causes of action in a forum state (even torts caused by acts done elsewhere)' because 'the defendant's purpose may be said to be the targeting of the forum state and its residents.'"<sup>2228</sup> The court then concluded under an application of the third factor that an exercise of jurisdiction would be reasonable over the lead defendant, in substantial part because "Massachusetts has an interest in protecting copyrights and trademarks belonging to corporations within the Commonwealth and in 'obtaining jurisdiction over a defendant who causes tortious injury within its borders.'"<sup>2229</sup> The court concluded by holding that its previous findings warranted an exercise of personal jurisdiction over the lead defendant's principal, as "[i]t is clear to this court that [the principal] is the force behind the alleged infringement in this case."<sup>2230</sup>

---

2223. *Id.* at 233-34.

2224. 465 U.S. 783 (1984).

2225. *See Berklee College of Music, Inc. v. Music Indus. Educators, Inc.*, 733 F. Supp. 2d 204 (D. Mass. 2010).

2226. *See Calder*, 465 U.S. at 788-89.

2227. *Berklee College of Music*, 733 F. Supp. 2d at 210.

2228. *Id.* at 210 (quoting *Venture Tape Corp. v. McGills Glass Warehouse*, 292 F. Supp. 2d 230, 232 (D. Mass. 2003)).

2229. *Id.* (quoting *Digital Equip. Corp. v. AltaVista Tech., Inc.*, 960 F. Supp. 456, 471 (D. Mass. 1997)).

2230. *Id.* at 211.

The third Massachusetts case of note *did* expressly invoke *Calder* in holding that an exercise of specific personal jurisdiction was appropriate over a California corporation with few ties to Massachusetts other than its use of an allegedly infringing mark on a website accessible at a domain name that allegedly incorporated the plaintiff's mark.<sup>2231</sup> According to the court, the interactivity of the defendant's website coupled with the defendant's discussions with a Massachusetts-based potential customer demonstrated that the defendant was availing itself of the opportunity to do business in the state.<sup>2232</sup> In any case, however:

[E]ven if the characteristics and interactive nature of [the defendant's] website alone are not enough to establish purposeful availment, this court finds that there is "something more" to suggest that [the defendant] should anticipate being haled into court in Massachusetts: the fact that the target of the alleged trademark infringement was a Massachusetts company."<sup>2233</sup>

The court's application of this proposition rested heavily on the presumption that "trademark infringement . . . involves conduct that is purposefully directed at the state in which the trademark owner is located,"<sup>2234</sup> because the actual record evidence of the defendant's purposeful direction was modest: It consisted of the defendant's constructive notice of the plaintiff's federal registration and the defendant's failure to discontinue its conduct after receiving the plaintiff's objections.<sup>2235</sup> With three Gestalt factors—the defendant's failure to establish that it would suffer an unusual burden if it had to litigate in Massachusetts, Massachusetts's interest in protecting its citizens against infringement, and the judicial interest in proceeding with an existing suit—lining up the in the plaintiff's favor, the defendant's motion to dismiss proved unavailing.<sup>2236</sup>

Outside of Massachusetts, an application of *Calder* led to an exercise of specific personal jurisdiction over a New Jersey resident by a Pennsylvania federal district court applying Third Circuit doctrine on the issue:

---

2231. See *Edvisors Network, Inc. v. Educ. Advisors, Inc.*, 755 F. Supp. 2d 272 (D. Mass. 2010).

2232. See *id.* at 281-83.

2233. *Id.* at 283 (third alteration in original) (quoting *Venture Tape Corp. v. McGills Glass Warehouse*, 292 F. Supp. 2d 230, 233 (D. Mass. 2003)).

2234. *Id.* at 284.

2235. See *id.*

2236. See *id.* at 284-85.

To establish personal jurisdiction under the *Calder* “effects” test, a plaintiff must show that: (1) the defendant committed an intentional tort; (2) the plaintiff felt the brunt of the harm in the forum such that the forum can be said to be the focal point of the resulting harm; and (3) the defendant expressly aimed its tortious conduct at the forum such that the forum could be said to be the focal point of the tortious activity.<sup>2237</sup>

The court cautioned that “*Calder* [does] not ‘carve out a special intentional torts exception to the traditional specific jurisdiction analysis, so that a plaintiff could always sue in his or her own home state,’”<sup>2238</sup> but it also held that the complaint was replete with recitations that satisfied the tripartite test for personal jurisdiction. Those recitations included allegations that the defendant had planned his unlawful conduct while employed by one of the plaintiffs, thereby violating his employment agreement with that plaintiff, and that he had been a “direct cause of the alleged Lanham Act violations.”<sup>2239</sup>

*Calder* also controlled a decision to hale a Virginia-based individual defendant into a Maryland federal district court.<sup>2240</sup> Applying the Fourth Circuit’s tripartite test for determining *Calder*’s applicability—a test identical to that of the Third Circuit<sup>2241</sup>—the court found each factor to be satisfied by the allegations in the plaintiff’s complaint. To begin with, “trademark infringement [is] a claim that sounds in tort,”<sup>2242</sup> and “Plaintiff alleges that it used its service name [sic] years before Defendant selected the service name [sic] for [his employer], providing some evidence for inferring that [his] trademark infringement was intentional.”<sup>2243</sup> Next, for purposes of the defendant’s motion, the court accepted as true the plaintiff’s claim that it had “suffered the brunt of the effects of Defendant’s trademark infringement within the State of Maryland where it has a principal place of business,” especially because the defendant’s employer had a Maryland office “less than five miles” from the plaintiff’s headquarters.<sup>2244</sup> Finally, the court concluded that the combination of those considerations “raises an inference” that the defendant had expressly targeted the

---

2237. *Brown & Brown, Inc. v. Cola*, 745 F. Supp. 2d 588, 606 (E.D. Pa. 2010).

2238. *Id.* (quoting *IMO Indus. v. Kiekert AG*, 155 F.3d 254, 265 (3d Cir. 1998)).

2239. *See id.* at 608.

2240. *See Planet Techs., Inc. v. Planit Tech. Grp.*, 735 F. Supp. 2d 397 (D. Md. 2010).

2241. *See Carefirst of Md., Inc. v. Carefirst Pregnancy Ctrs.*, 334 F.3d 390, 398 n.7 (4th Cir. 2003).

2242. *Planet Techs.*, 735 F. Supp. 2d at 403.

2243. *Id.* at 403-04.

2244. *Id.* at 404.

plaintiff in Maryland.<sup>2245</sup> An exercise of specific personal jurisdiction therefore was appropriate.<sup>2246</sup>

Notwithstanding the popularity of *Calder* among some jurists, a Texas federal district court held that two Canadian defendants were subject to an exercise of specific personal jurisdiction without invoking the effects test.<sup>2247</sup> The plaintiff's complaint averred that the lead defendant, a corporation marketing itself through an interactive website, had made three sales to Texas addresses of diverted goods produced by the plaintiff and bearing its mark. At least one, and perhaps all three, of the sales had been engineered by the plaintiff, but that made little difference to the court, which observed that:

[The lead defendant] is not a victim of unilateral third-party conduct. [It] cannot open itself to business to every state in the United States and then feign surprise when it receives an order from a resident of one of the states. [The lead defendant] deliberately held itself out as willing to sell to residents in all 50 states, accepted customers from Texas, and shipped products to Texas. [The lead defendant] would have been aware that filling any orders made by persons with Texas addresses would mean shipping the products to Texas in the stream of commerce.<sup>2248</sup>

Under these circumstances, the lead defendant's small size and Canadian domicile did not render an exercise of specific personal jurisdiction over it constitutionally unfair.<sup>2249</sup>

After concluding that an exercise of jurisdiction over corporate defendants was appropriate, some courts held that those defendants' officers were similarly situated. These included one court that rejected an individual defendant's challenge to an exercise of specific personal jurisdiction over him under Massachusetts law because the individual defendant was "the force behind the alleged infringement in this case."<sup>2250</sup> As it explained, the individual defendant was the founder and sole corporate officer of the corporate defendant, which operated out of the individual defendant's house; moreover, "[s]ince the only other employees of [the corporate defendant] were two individuals no more than tangentially involved in the [defendants'] alleged

---

2245. *Id.* at 404.

2246. *See id.*

2247. *See Tempur-Pedic Int'l, Inc. v. Go Satellite Inc.*, 758 F. Supp. 2d 366 (N.D. Tex. 2010).

2248. *Id.* at 376 (citation omitted).

2249. *See id.* at 376-77.

2250. *Berklee College of Music, Inc. v. Music Indus. Educators, Inc.*, 733 F. Supp. 2d 204, 211 (D. Mass. 2010).

scheme, the weight of responsibility for [the corporate defendant's] alleged infringing actions therefore appears to fall squarely on [the individual defendant's] shoulders."<sup>2251</sup>

The same result held in a Texas case in which the individual defendant in question was "the officer in control of a company with only four employees."<sup>2252</sup> The defendant averred in support of his motion to dismiss that he had been personally unaware his company had made online sales of goods bearing an allegedly infringing mark to purchasers with Texas addresses, but the court was unmoved:

[T]he CEO of a small company, even if unaware of the particulars of any individual sale to Texas, plays the role of a central figure in bringing about Texas sales when he intentionally approves a website whose entire purpose is to solicit sales from all 50 states in the United States and permits the website to continue even after receiving communication directed to him personally urging him to take action to prevent trademark infringement. Given the prima facie evidence of intentional infringement and [the individual defendant's] level of knowledge and control, the fiduciary-shield doctrine does not apply, and the court can exercise [specific] personal jurisdiction over [the individual defendant].<sup>2253</sup>

## **(2) Opinions Declining to Exercise Personal Jurisdiction**

Although use of the effects test to exercise personal jurisdiction based on a defendant's alleged infliction of injury on the plaintiff in the plaintiff's chosen forum enjoyed considerable popularity over the past year, that test does have limits. One opinion making this point affirmed the dismissal of a challenge brought in California by Beach Boy Mike Love to the distribution of a promotional CD in the United Kingdom and Ireland.<sup>2254</sup> The Ninth Circuit's formulation of the applicable standard was not favorable to Love:

The effects test is satisfied if (1) the defendant committed an intentional act; (2) the act was expressly aimed at the forum state; and (3) the act caused harm that the defendant knew was likely to be suffered in the forum state. Where a defendant's "express aim was local," the fact that it caused harm to the plaintiff in the forum state, even if the defendant

---

<sup>2251</sup>. *Id.*

<sup>2252</sup>. *See* Tempur-Pedic Int'l, Inc. v. Go Satellite Inc., 758 F. Supp. 2d 366, 379 (N.D. Tex. 2010).

<sup>2253</sup>. *Id.* (internal quotation marks omitted).

<sup>2254</sup>. *See* Love v. Assoc. Newspapers, Ltd., 611 F.3d 601 (9th Cir. 2010).

knew that the plaintiff lived in the forum state, is insufficient to satisfy the effects test.<sup>2255</sup>

It was the last sentence that proved the downfall of Love's attempt to hale into court the U.K. defendant responsible for the recording and dissemination of the CD:

The intentional acts that allegedly harmed Love—including [the defendant's] licensing of the recordings and promotion of [the CD] on television and the internet—were directed entirely at markets in the United Kingdom, and Love does not argue differently.

Because [the defendant] did not purposefully direct any of the relevant intentional acts at California, it was not subject to the jurisdiction of a court in that state.<sup>2256</sup>

A similar absence of an intent to target the state of Illinois resulted in two opinions from the Seventh Circuit rejecting the assertion of personal jurisdiction over nonresident defendants under the law of that state. The defendant's circumstances in the first appeal to that court made for a relatively easy case: The defendant was a sole proprietorship, which provided on-site anesthesia services in Houston, Texas, had never advertised outside of that market, and the owner of which had visited Illinois a single time while on vacation.<sup>2257</sup> Like the district court before it, the Seventh Circuit declined to hold that either the similarity of a domain name used by the defendant to the Chicago-based plaintiff's registered mark for on-site anesthesiology services, the defendant's constructive notice of the plaintiff's registration, or the defendant's continued use of its domain name after receiving the plaintiff's demand letter constituted deliberate conduct aimed at Illinois.<sup>2258</sup> As to the last of these considerations in particular, the court observed that "[t]o find express aiming based solely on the defendant's receipt of [a cease-and-desist] letter would make any defendant accused of an intentional tort subject to personal jurisdiction in the plaintiff's home state as soon as the defendant learns what that state is. [The effects test] requires more."<sup>2259</sup>

The defendant in the second appeal to the Seventh Circuit was less sympathetic, and, indeed, the court concluded from the record that "[w]ith ample reason, the district court found that [the

---

2255. *Id.* at 609 (citation omitted) (quoting *Schwarzenegger v. Fred Martin Motor Co.*, 374 F.3d 797, 800 (9th Cir. 2004)).

2256. *Id.*

2257. *See* *Mobile Anesthesiologists Chi., LLC v. Anesthesia Assocs. of Houston Metroplex, P.A.*, 623 F.3d 440, 442-43 (7th Cir. 2010).

2258. *See id.* at 446-47.

2259. *Id.* at 447.

defendant] was not credible.”<sup>2260</sup> That remark came in the context of the appellate court’s rejection of the defendant’s claim that, despite being identified on a website as “CEO” and “co-founder” of the site’s operator, he was in reality an uncompensated volunteer who worked on the site as a “hobby.”<sup>2261</sup> The defendant’s lack of credibility, however, did not necessarily mean that the challenged website, which was accessible at a domain name clearly based on the plaintiffs’ mark and at which the defendant provided services competitive with those of the plaintiff, deliberately targeted Illinois customers. Rather, as the court explained, “[b]eyond simply operating an interactive website that is accessible from the forum state, a defendant must in some way *target* the forum state’s market.”<sup>2262</sup> The plaintiffs’ showing included evidence that “20 persons who listed Illinois addresses had at some point created free dating profiles on [the defendant’s] site,” but the court concluded that “these are attenuated contacts that could not give rise to personal jurisdiction without offending traditional notions of fair play and substantial justice.”<sup>2263</sup> The district court’s exercise of personal jurisdiction over the defendant therefore was reversed on the ground that “[t]here is no evidence that [the] defendant . . . targeted or exploited the market in [Illinois] that would allow a conclusion that he availed himself of the privilege of doing business in the state.”<sup>2264</sup>

The effects test similarly failed to carry the day in an appeal to the Eighth Circuit from the dismissal by a Missouri district court of a cat fight between competing feline breeders.<sup>2265</sup> Having failed to establish that an individual defendant was subject to an exercise of general jurisdiction in that state despite being a Colorado resident,<sup>2266</sup> the plaintiffs argued that the appearance of an allegedly infringing mark on the defendant’s website purposefully targeted them in Missouri. In disagreeing, the appellate court credited the plaintiffs’ showing that the defendant’s website was an interactive one. Notwithstanding that

---

2260. *be2 LLC v. Ivanov*, 642 F.3d 555, 557 (7th Cir. 2011).

2261. *Quoted in id.*

2262. *Id.* at 558-59.

2263. *Id.* at 559. As the court interpreted the plaintiffs’ showing in light of its understanding of the defendant’s business model, “[w]e do not see evidence of any interactions between the [defendant] and . . . members of the [challenged website] with Illinois addresses.” *Id.* As far it was concerned, therefore, “the 20 Chicagoans who created free profiles on [the website] may have done so unilaterally by stumbling across the website and clicking a button . . .” *Id.*

2264. *Id.*

2265. *See Johnson v. Arden*, 614 F.3d 785 (8th Cir. 2010).

2266. The defendant had purchased and delivered cats to the plaintiffs in Missouri and had generally interacted with them electronically while conducting her own breeding business; these considerations, the Eighth Circuit held, were insufficient. *See id.* at 794.



interactivity, however, “there is no evidence in the record that [the defendant] engaged in any transaction or exchange of information with a Missouri resident via [her website], or that a Missouri resident ever accessed the website.”<sup>2267</sup> Beyond that, “[the plaintiffs] have failed to prove that [the website] is uniquely or expressly aimed at Missouri; thus *Calder* provides no support for their Lanham Act claim.”<sup>2268</sup>

In yet another case declining to adopt an expansive application of the effects test, the plaintiff, a cosmetic surgery practice, sought to use the Michigan long-arm statute to hale into court a non-resident who allegedly had violated Section 43(a), by posting allegedly false and disparaging statements about the plaintiff on a social media website.<sup>2269</sup> Weighing the defendant’s motion to dismiss, the court noted that “[u]nder the effects test, a plaintiff must prove: (1) defendant acted intentionally rather than [with] mere untargeted negligence[;] (2) defendant’s acts were expressly aimed at the State of Michigan; and (3) the brunt of the injuries were felt in Michigan.”<sup>2270</sup> Although assuming that the defendant’s conduct satisfied the first of these requirements, the court was unconvinced that the plaintiff had carried its burden as to the second and third, particularly in light of the national scope of the plaintiff’s operations: Not only was it the case that, “[g]iven [the plaintiff’s] national presence, it cannot be said that [the defendant] was targeting [the plaintiff] in Michigan any more than any other state which has [one of the plaintiff’s] location[s],”<sup>2271</sup> but “it is not unreasonable to find that the brunt of any injury to the [plaintiff’s] facilities [occurred] in Florida, where [the defendant] competes with [the plaintiff’s] locations.”<sup>2272</sup>

A different federal district court applied what amounted to the effects test, although not referring to it by name, in holding that the Arizona-based operator of a noncommercial blog reviewing cell phones and related goods was not subject to an exercise of general or specific personal jurisdiction in Idaho.<sup>2273</sup> As far as general jurisdiction was concerned, the court found that the defendant “has never advertised, sold any tangible products to any state, or maintained any relationships with retail vendors,”<sup>2274</sup> and, although readers of his blog could post comments on it, “[s]uch

---

2267. *Id.* at 797.

2268. *Id.* at 797-98.

2269. *See Lifestyle Lift Holding, Inc. v. Prendiville*, 768 F. Supp. 2d 929 (E.D. Mich. 2011).

2270. *Id.* at 937 (citations omitted) (internal quotation marks omitted).

2271. *Id.* at 939.

2272. *Id.*

2273. *See Shymatta v. Papillon*, 99 U.S.P.Q.2d 1854 (D. Idaho 2011).

2274. *Id.* at 1856.

minimal interactivity, coupled with the lack of commercial activity, is insufficient to convey general personal jurisdiction subjecting [the defendant] to being 'haled into court in the forum state to answer for any of its activities anywhere in the world.'"<sup>2275</sup> The plaintiff's efforts to establish the propriety of an exercise of specific personal jurisdiction were equally ineffective because the mere accessibility of the defendant's website in Idaho was not a purposeful act aimed at the state and because the defendant's filing of an opposition against an application filed by the plaintiff "is not analogous to bringing a tort claim in Idaho against an Idaho resident."<sup>2276</sup>

Broad allegations of general commercial activity similarly could not require three defendants, one an individual and the others corporations, domiciled outside of California to defend themselves in a case brought in the Southern District of California.<sup>2277</sup> In support of its claim that an exercise of both general and specific personal jurisdiction was appropriate, the plaintiff relied heavily on the individual defendant's representation of one of the corporate defendants at a trade show in Las Vegas, Nevada for which various Californians were also registered and the second corporate defendant's attendance at a similar event in Long Beach, California. The court found the plaintiff's reliance on the Las Vegas event to be unavailing, both because the individual defendant had not been acting in his individual capacity and because the first corporate defendant had not directly targeted Californians while there.<sup>2278</sup> The plaintiff's invocation of the Long Beach trade show also failed to get the job done because the plaintiff could not prove a nexus between the second corporate defendant's attendance and the plaintiff's cause of action; moreover, there was no evidence that the second corporate defendant had entered into any contracts with California-based entities while there.<sup>2279</sup> The defendants were off to the races from there, as the court rejected the remaining bases for the plaintiff's claim that an exercise of personal jurisdiction was appropriate, namely, that the first corporate defendant advertised in a national monthly trade publication and had made one sale in California through a distributor<sup>2280</sup> and that the second corporate defendant advertised on a website accessible from California.<sup>2281</sup>

---

2275. *Id.* at 1857 (quoting *Brand v. Menlove Dodge*, 796 F.2d 1070, 1073 (9th Cir. 1986)).

2276. *Id.*

2277. *See* *SDS Korea Co. v. SDS USA, Inc.*, 732 F. Supp. 2d 1062 (S.D. Cal. 2010).

2278. *See id.* at 1072, 1077, 1079, 1080.

2279. *See id.* at 1079, 1080.

2280. *See id.* at 1080.

2281. *See id.* at 1079.

A pair of opinions made the point that personal jurisdiction over nonresident defendants cannot ordinarily be triggered by cease-and-desist correspondence initiated by one of the parties. The defendant in the first case was a pro se operator of a modest business providing “computer related services to individuals within a twenty-five mile radius of his home in Hedgesville, West Virginia.”<sup>2282</sup> The New Hampshire-based plaintiff objected in writing to a domain name registered by the defendant, and the defendant responded, but the New Hampshire federal district court hearing the plaintiff’s infringement and cybersquatting claims declined to hold that the parties’ correspondence subjected the defendant to an exercise of specific personal jurisdiction in that state: In particular, the defendant’s answer to the plaintiff’s offer to reimburse him for his investment into the domain name “was not an extortionate demand, but was [instead] a legitimate and reasoned response explaining why he was unable to accept the plaintiff’s offer.”<sup>2283</sup> And, although the defendant operated a website accessible at the disputed domain name, “[t]he evidence before the Court is that defendant’s customers could not purchase products or services directly from the website, and that, with the exception of [an] email link, the website was only informational, not interactive.”<sup>2284</sup> The defendant might be considered to have availed himself of the privilege of doing business in New Hampshire by continuing to use the domain name after the court’s issuance of a preliminary injunction against that use,<sup>2285</sup> but all other evidence and testimony of record demonstrated that an exercise of personal jurisdiction would offend traditional notions of fair play and substantial justice.<sup>2286</sup>

In the second case, a Louisiana federal district court declined to exercise either general or specific personal jurisdiction over a nonresident defendant whose only apparent tie to the state

---

2282. See *PC Connection, Inc. v. Crabtree*, 754 F. Supp. 2d 317, 321 (D.N.H. 2010).

2283. *Id.* at 329. As the court explained:

The request from defendant . . . is . . . accurately interpreted as a request to cover the cost to him, of both time and money, in making the switch to a new domain name which might well cost more than what had been invested in . . . [the domain name]. For instance, in addition to replacing stationery and business cards, and in addition to the cost of the new domain . . . name, all of which could be covered by reimbursement of previous costs, the switch in domain names could require additional marketing, such as mailings to notify customers and potential customers of the change in information. Even if [the defendant] were requesting money in excess of his expenses, such a request was made in the context and course of negotiations initiated by the plaintiff. The request does not, on its face, appear to be an unreasonable position.

*Id.* at 329-30.

2284. *Id.* at 331.

2285. See *id.* at 333.

2286. See *id.* at 335.

consisted of the Louisiana address of a third-party recipient of a demand letter from the defendant.<sup>2287</sup> The court's disposition of the plaintiff's allegations of general jurisdiction was an easy matter: Although the defendant received revenues from the distribution of its movies and the sale of licensed goods bearing its mark in Louisiana, and although subsidiaries of the defendant had done business there, "[the defendant's] contacts with Louisiana do not amount to the continuous and systematic contacts required for general jurisdiction."<sup>2288</sup> Moreover, with respect to specific jurisdiction, even the plaintiff apparently conceded that "[t]he sending of a cease and desist letter, without more, is insufficient to confer personal jurisdiction over a non-resident defendant."<sup>2289</sup> With the plaintiff unable to make a *prima facie* showing that an exercise of either type of personal jurisdiction was appropriate, the court dismissed the action.<sup>2290</sup>

If a single letter sent to a Louisiana address was an insufficient basis for the exercise of personal jurisdiction in that state, so too did one defendant's designation of the Connecticut Insurance Commissioner as a registered agent for service of process fail to expose it to suit in the courts of that state.<sup>2291</sup> That designation was a condition of engaging in the insurance business, but the court before which an infringement action against the defendant was lodged declined to hold that, by registering, the defendant had consented to the jurisdiction of Connecticut courts. Rather, "consent may be implied under certain circumstances, but the implication must be predictable to be fair."<sup>2292</sup> To the court, this meant that "[e]xpansive, non-explicit consent to being haled into court on *any claim whatsoever* in a state in which one lacks minimum contacts goes against the long-standing notion that personal jurisdiction is primarily concerned with *fairness*."<sup>2293</sup> In the final analysis, therefore, "a foreign corporation, or in this case alien insurer, that properly complies with the Connecticut registration statute should be deemed to have consented to personal jurisdiction only where such jurisdiction is otherwise constitutionally permissible."<sup>2294</sup>

Having collapsed the relevant inquiry into the standard due process rubric, the court held that an exercise of personal

---

2287. See *Sinclair v. StudioCanal, S.A.*, 709 F. Supp. 2d 496 (E.D. La. 2010).

2288. *Id.* at 508 (internal quotation marks omitted).

2289. *Id.* at 509.

2290. See *id.*

2291. See *WorldCare Ltd. v. World Ins. Co.*, 767 F. Supp. 2d 341 (D. Conn. 2011).

2292. *Id.* at 355.

2293. *Id.*

2294. *Id.* at 357.

jurisdiction over the defendant would not satisfy constitutional requirements. Despite being licensed to do business in Connecticut, the defendant's principal place of business was in Omaha, Nebraska. The defendant did not market its policies in Connecticut, and, indeed, it had never sold a policy in the state. Access to the defendant's website may have been geographically unrestricted, but the defendant's policies could not be purchased online, and the site did not identify Connecticut as a jurisdiction in which the policies were available. In addition, of the 29,596 policies the defendant had issued under its allegedly infringing mark, only three were owned by Connecticut residents, and those policyholders had moved to the state after signing on with the defendant.<sup>2295</sup> Under these circumstances, the court held that "it would not be reasonable to exercise personal jurisdiction."<sup>2296</sup>

Finally, one opinion made the point that a plaintiff's inability to establish the propriety of an exercise of general or specific personal jurisdiction in a particular forum does not necessarily mean that personal jurisdiction under Rule 4(k)(2) is appropriate.<sup>2297</sup> The Japanese defendants filing the motion leading to this outcome were sued in federal court in the Western District of North Carolina and successfully convinced the court that their ties to that state were so attenuated that the plaintiff could not satisfy the requirements of the North Carolina long-arm statute.<sup>2298</sup> The plaintiff's fall-back invocation of Rule 4(k)(2) also was dismissed in light of the defendants' concession that an exercise of personal jurisdiction would be appropriate in forum states other than North Carolina: Because that Rule on its face applies only "if . . . the defendant is not subject to jurisdiction in any state's courts of general jurisdiction,"<sup>2299</sup> this concession rendered it inapplicable.<sup>2300</sup>

#### 4. Venue

Venue challenges can take several forms under federal law. These include motions to transfer under 28 U.S.C. § 1404(a), which provides that "[f]or the convenience of [the] parties and [the]

---

2295. *See id.* at 346.

2296. *Id.* at 363.

2297. *See Moseley v. Fillmore Co.*, 725 F. Supp. 2d 549 (W.D.N.C. 2010).

2298. Even as alleged by the plaintiff, the moving defendants' ties to North Carolina were limited to: (1) their use of a distributor (also named as a defendant) based in Nevada, which advertised, but did not sell, the defendants' goods on a website accessible in Nevada; and (2) the possibility that goods bearing the defendants' allegedly infringing marks might find their way into North Carolina after being sold elsewhere. *See id.* at 560-63 (interpreting N.C. Gen. Stat. § 1-75.4(4) (2009)).

2299. Fed. R. Civ. P. 4(k)(2).

2300. *See Moseley*, 725 F. Supp. 2d at 554.

witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought.”<sup>2301</sup> Challenges to venue also can take the form of motions to dismiss brought under 28 U.S.C. § 1406(a), which authorizes federal district courts to transfer or dismiss cases “laying venue in the wrong division or district.”<sup>2302</sup> Finally, the doctrine of *forum non conveniens* permits district courts to dismiss actions before them “when considerations of convenience, fairness, and judicial economy so warrant.”<sup>2303</sup>

### *a. Cases Finding Venue Appropriate*

Pursuant to 28 U.S.C. § 1391(b)(2), venue will properly lie in a federal district in which “a substantial part of the events or omissions giving rise to the claim occurred” in that district.<sup>2304</sup> If that requirement is satisfied, “[a] basic principle under [28 U.S.C.] § 1404(a) is that ‘[t]he plaintiff’s choice of forum should not be disturbed unless it is clearly outweighed by other considerations.’”<sup>2305</sup> Although the list of “other considerations” varies from jurisdiction to jurisdiction, they typically include such factors as:

(1) the convenience of the witnesses; (2) the location of relevant documents and the relative ease of access to sources of proof; (3) the convenience of the parties; (4) the locus of operative facts; (5) the availability of process to compel the attendance of unwilling witnesses; (6) the relative means of the parties; (7) a forum’s familiarity with the governing law; (8) the weight accorded a plaintiff’s choice of forum; and (9) trial efficiency and the interests of justice, based on the totality of the circumstances.<sup>2306</sup>

Assuming that a different forum isn’t mandated by a prior agreement between the parties,<sup>2307</sup> the plaintiff’s choice of forum may be particularly difficult to overcome if the plaintiff has “substantial ties” to the chosen venue.<sup>2308</sup> Apparently aware of this

2301. 28 U.S.C. § 1404(a) (2006).

2302. *Id.* § 1406(a).

2303. *Sinochem Int’l Co. v. Malaysia Int’l Shipping Corp.*, 549 U.S. 422, 432 (2007).

2304. 28 U.S.C. § 1391(b)(2).

2305. *Trinity Christian Ctr. of Santa Ana, Inc. v. New Frontier Media, Inc.*, 761 F. Supp. 2d 1322, 1326 (M.D. Fla. 2010) (quoting *Howell v. Tanner*, 650 F.2d 610, 616 (5th Cir. 1981)).

2306. *Id.*

2307. For an example of an opinion transferring an action pursuant to a forum-selection clause in an earlier settlement agreement between the parties, see *QVC, Inc. v. Your Vitamins, Inc.*, 753 F. Supp. 2d 428, 432-34 (D. Del. 2010).

2308. See *Trinity Christian Ctr.*, 761 F. Supp. 2d at 1326.

proposition, one defendant seeking to escape the Middle District of Florida argued that the plaintiff suing it for infringement, a television broadcaster, was not a Florida domiciliary and that the salient allegations in the case had no nexus with the state. The court disagreed, crediting declaration testimony from a manager of the plaintiff that Florida was the central location of the plaintiff's operations, that the plaintiff owned eleven television stations within the state, including "several" in the forum district that prominently displayed the plaintiff's mark, that the plaintiff and its affiliates held "more full power authorizations in Florida than anywhere else in the United States, except for the state of Texas," that the plaintiff owned a theme park in the forum, and that the majority of the plaintiff's employees resided in Florida.<sup>2309</sup> This showing carried the day, despite the court's findings that the remaining factors were either neutral or only slightly weighed against a transfer.<sup>2310</sup>

A different plaintiff similarly benefitted from a holding that "there is a strong presumption in favor of the plaintiff's choice of forum and the burden of proof rests with the party seeking transfer."<sup>2311</sup> The plaintiff, a Massachusetts domiciliary, had filed suit on its home turf against a group of Florida-based defendants. Although acknowledging that the action might have been brought in Florida, the court found that none of remaining relevant considerations—"1) the relative convenience of the parties and witnesses, 2) the law to be applied, and 3) the connection between the forum and issues"—weighed heavily in favor of transfer.<sup>2312</sup> To the contrary, because a transfer "would merely shift the inconvenience to the plaintiff," because it was unclear where the key witnesses and documents were located, and "because federal law will be applied, neither state is substantially more connected to the issues and either would provide a suitable forum."<sup>2313</sup>

One court addressed the propriety of venue not in response to a motion to transfer but instead in the context of a *forum non conveniens* challenge to the Kentucky- and Denmark-based plaintiffs' choice of Texas for a suit against a pair of Canadian defendants.<sup>2314</sup> The court noted as an initial matter that:

"A defendant invoking *forum non conveniens* ordinarily bears a heavy burden in opposing plaintiff's chosen forum." In

---

2309. *Id.*

2310. *See id.* at 1327-30.

2311. *Jagex Ltd. v. Impulse Software*, 750 F. Supp. 2d 228, 234 (D. Mass. 2010).

2312. *Id.*

2313. *Id.*

2314. *See Tempur-Pedic Int'l, Inc. v. Go Satellite Inc.*, 758 F. Supp. 2d 366 (N.D. Tex. 2010).

addressing a *forum non conveniens* challenge where the proposed alternate forum is in another country[, e.g., Canada], the court applies a two-part analysis. First, the court considers whether an available and adequate alternative forum exists that could have jurisdiction over the dispute. Second, the court weighs private and public interest factors to determine the favored forum.<sup>2315</sup>

In declining to dismiss the action under an application of this standard, the court assumed that “an available and adequate forum exists in Canada,”<sup>2316</sup> but it nevertheless held that, taken together, the private and public interest factors of record weighed in favor of the case proceeding in Texas. Of the private interest factors, those favoring the plaintiffs included the location of the plaintiffs’ documentary evidence in Texas,<sup>2317</sup> the plaintiffs’ identification of “potential third-party witnesses located in the United States who may be difficult to subpoena for litigation conducted in Canadian courts,”<sup>2318</sup> and the defendants’ failure to identify any third-party witnesses located in Canada,<sup>2319</sup> while the “relative burdens of travel” favored the defendants.<sup>2320</sup> Of the relevant public interest factors briefed by the parties, both the interest of the United States in protecting federally registered trademarks and United States consumers and the economies associated with the application of United States law by United States courts favored Texas as the forum.<sup>2321</sup> The court therefore denied the defendants’ motion with the explanation that “[w]eighing the private and public interest factors together, the court finds that defendants have failed to meet their heavy burden of establishing that this case should be dismissed under the doctrine of *forum non conveniens*.”<sup>2322</sup>

### ***b. Cases Finding Venue Inappropriate***

The outright dismissal of actions for improper venue is relatively rare,<sup>2323</sup> but it happened in a suit filed in the Southern

---

2315. *Id.* at 379 (footnote omitted) (citations omitted) (quoting *Sinochem Int’l Co. v. Malaysia Int’l Shipping Corp.*, 549 U.S. 422, 430 (2007)).

2316. *See id.*

2317. *See id.* at 380.

2318. *See id.* at 381.

2319. *See id.*

2320. *See id.*

2321. *See id.* at 381-82.

2322. *Id.* at 382.

2323. For an example of a court concluding that venue was improper but then transferring, rather than dismissing, the action before it, see *WorldCare Ltd. v. World Ins. Co.*, 767 F. Supp. 2d 341, 364-68 (D. Conn. 2011).



District of California against a group of defendants with ties to that district that were attenuated at best.<sup>2324</sup> Seeking to fend off the defendants' challenge to the forum, the plaintiff argued that a substantial part of the events giving rise to the litigation had occurred there. The plaintiff was, however, unable to support that claim except by pointing to the alleged transmittal by a single defendant of a single price quotation to a potential buyer located in San Diego. Especially because the alleged quote related to a good not implicated by the plaintiff's claims on the merits, dismissal was appropriate on the ground that "the facts before the Court do not demonstrate that any events, let alone a substantial part of the events, giving rise to Plaintiff's claims occurred in the Southern District."<sup>2325</sup>

Although securing a transfer of a case under 28 U.S.C. § 1404(a) can be difficult, the burden under that statute may be lessened if a plaintiff has filed its action in a district to which it has less-than-compelling connections. That point was made by a case ordering the transfer from the District of Minnesota to the Northern District of Texas of an action filed by plaintiff domiciled in the United Kingdom.<sup>2326</sup> The court acknowledged the usual rule that "[a] heavy burden rests with the movant to demonstrate why a case should be transferred,"<sup>2327</sup> but it also found that a number of considerations raised by the defendants' motion to transfer weighed against the rule's rigid application. Specifically, the plaintiff might have retail outlets in Minnesota, but it could identify no employees, and only one non-party witness, in that forum who might testify at trial.<sup>2328</sup> The plaintiff's foreign location similarly precluded it from claiming the benefit of deference to its choice of forum, and, in any case, its decision to style its primary causes of action as arising under the Lanham Act undermined "the importance of a local court deciding its claims."<sup>2329</sup> Finally, the location of the moving defendants' (relatively modest) operations in Texas and the fact that goods bearing the allegedly infringing mark were marketed and distributed there also warranted a transfer.<sup>2330</sup>

A Connecticut federal district court applying 28 U.S.C. § 1406(a) similarly held that "[the] plaintiff[]"s choice of forum, although usually afforded significant deference, is 'substantially

---

2324. See *SDS Korea Co. v. SDS USA, Inc.*, 732 F. Supp. 2d 1062 (S.D. Cal. 2010).

2325. *Id.* at 1081.

2326. See *Cosmetic Warriors, Ltd. v. Abrahamson*, 723 F. Supp. 2d 1102 (D. Minn. 2010).

2327. *Id.* at 1105 (internal quotation marks omitted).

2328. See *id.* at 1105-07.

2329. *Id.* at 1108.

2330. See *id.* at 1108-09.

diminished' where . . . the corporate plaintiff did not file suit in its home base or state of incorporation."<sup>2331</sup> The plaintiff in question was a Bermuda corporation with a principal place of business in Massachusetts; according to the court, the plaintiff had "no known ties with Connecticut" and had made "no detailed argument regarding any particular convenience to litigating here, aside from the assertion that its headquarters, located in Massachusetts, is closer to Connecticut."<sup>2332</sup> That assertion proved to be an insufficient basis for denying the defendant's motion to transfer the action to its home state of Nebraska. In contrast to the plaintiff's modest showing, the defendant identified two "key witnesses" residing in Nebraska, showed that "all of its documents are either at its headquarters in Nebraska, or at those of its parent corporation in Iowa," and convinced the court that "the overall convenience of the parties appears to favor Nebraska . . . ." <sup>2333</sup> Especially because the defendant did not do business in Connecticut, <sup>2334</sup> "[the] transfer of this action will promote judicial efficiency, allowing the plaintiff to proceed with its claim without re-filing its action and pleadings."<sup>2335</sup>

## 5. Abstention

In such opinions as *Colorado River Water Conservation District v. United States*<sup>2336</sup> and *Younger v. Harris*<sup>2337</sup> and their progeny, the Supreme Court has recognized the ability of federal courts to defer to state courts' resolution of particular issues in the event of parallel state and federal proceedings. Nevertheless, federal courts have "a 'virtually unflagging obligation . . . to exercise the jurisdiction given them.'"<sup>2338</sup> As a consequence, if federal subject-matter jurisdiction exists, abstention "is the exception, not the rule."<sup>2339</sup>

As this framework suggests, abstention is infrequently exercised in trademark and unfair competition cases, and the sole reported opinion to entertain a request for abstention reached the

---

2331. *WorldCare Ltd. v. World Ins. Co.*, 767 F. Supp. 2d 341, 366 (D. Conn. 2011) (quoting *Lever Bros. v. Procter & Gamble Co.*, 23 F. Supp. 2d 208, 211 (D. Conn. 1998)).

2332. *Id.* at 366-67.

2333. *Id.* at 367.

2334. *See id.*

2335. *Id.* at 368.

2336. 424 U.S. 800 (1976).

2337. 401 U.S. 37 (1971).

2338. *Moses H. Cone Mem'l Hosp. v. Mercury Constr. Corp.*, 460 U.S. 1, 15 (1983) (quoting *Colorado River*, 424 U.S. at 817).

2339. *Colorado River*, 424 U.S. at 817.

usual result of declining to do so.<sup>2340</sup> Anticipating the plaintiffs' federal lawsuit in the Eastern District of Michigan, certain of the defendants initiated an action in Illinois state court seeking a determination that they, rather than the plaintiffs, owned the marks in question. The federal court entertaining the plaintiffs' suit concluded that the two actions were "parallel" within the meaning of *Colorado River* abstention: Even though the suits did not feature the same parties,<sup>2341</sup> they shared a common, threshold issue that could dispose of the claims in both cases, namely, the proper owner of the marks in question.<sup>2342</sup>

Having reached a finding of parallelism, the court nevertheless held that abstention was not appropriate under the multifactor test set forth in *Colorado River*.<sup>2343</sup> Of those factors, the convenience of key witnesses, the first-filed status of the state court action, the need to avoid piecemeal litigation, and the ability of the state court to exercise jurisdiction over the plaintiffs' Lanham Act claims all favored abstention, but none of them strongly so. In contrast, that the state court had not taken control of the marks, that the state court proceeding had not progressed to any great extent, that the plaintiffs had stated federal-law causes of action, and that those causes of action were not asserted as counterclaims before the state court all weighed against abstention.<sup>2344</sup> The court therefore denied the defendants' motion to stay the case before it, holding that "[b]ecause the abstention factors are largely in equipoise, this Court should not abstain."<sup>2345</sup>

## 6. Claim and Issue Preclusion

### *a. Collateral Estoppel*

Collateral estoppel generally prohibits relitigation of issues expressly or necessarily decided in prior litigation. Referring to the doctrine by its increasingly popular modern name of issue preclusion, one court held it applicable when:

- (1) the issue at stake is identical to the one involved in . . . prior litigation;
- (2) the issue must have been actually litigated in the prior suit;

---

2340. See *CLT Logistics v. River W. Brands*, 777 F. Supp. 2d 1052 (E.D. Mich. 2011).

2341. On this issue, the court concluded that, although certain parties to the state court proceeding were missing from the case before it, the absent parties' interests were sufficiently protected by those parties that were present. See *id.* at 1057-58.

2342. See *id.* at 1057-58.

2343. See *Colorado River*, 424 U.S. at 818-20.

2344. See *CLT Logistics*, 777 F. Supp. 2d at 1059-63.

2345. *Id.* at 1063.

(3) the determination of the issue in the prior litigation must have been a critical and necessary part of the judgment in that action; and

(4) the party against whom the earlier decision is asserted must have had a full opportunity to litigate the issue in the earlier proceeding.<sup>2346</sup>

The party at the losing end of this formulation was the plaintiff, which, years earlier, had brought an action to protect a mark found to be generic as matter of law.<sup>2347</sup> That prior determination was not necessarily dispositive of the plaintiff's rights to its claimed mark for all time, for "[i]n the trademark context, consumer perception of words and symbols can change over time."<sup>2348</sup> Nevertheless:

While there are no "precise time contours" that govern when a mark can be reconsidered, courts generally require that claimants show a "significant intervening factual change" before allowing the validity of a mark to be relitigated. When challenging a prior determination of genericness, a plaintiff must present evidence that the term has ceased to have a generic meaning.<sup>2349</sup>

Because the plaintiff had failed to prove such a "significant intervening change"—indeed, its showing was limited to the perception of its mark among consumers only in Florida—its claims were dismissed on summary judgment.<sup>2350</sup>

### ***b. Judicial Estoppel***

The most interesting application of judicial estoppel principles over the past year came from the Sixth Circuit in a case turning in part on the alleged genericness of the registered SEVENTH-DAY ADVENTIST and ADVENTIST marks for various religious goods and services.<sup>2351</sup> The defendant was a breakaway pastor formerly affiliated with the plaintiffs, one of which was the registrant of those marks. In support of his argument that the plaintiffs' marks were merely generic names for a particular religion, the defendant invoked a prior tort suit against the lead plaintiff in which the lead

---

2346. *Miller's Ale House, Inc. v. Boynton Carolina Ale House, LLC*, 745 F. Supp. 2d 1359, 1370 (S.D. Fla. 2010) (quoting *CSK Transp., Inc. v. Brotherhood of Maintenance of Way Employees*, 327 F.3d 1309, 1317 (11th Cir. 2003)).

2347. *See Ale House Mgmt., Inc. v. Raleigh Ale House, Inc.*, 205 F.3d 137 (4th Cir. 2000).

2348. *Miller's Ale House*, 745 F. Supp. 2d at 1371.

2349. *Id.* (quoting *Test Masters Educ. Servs., Inc. v. Singh*, 428 F.3d 559, 574 (5th Cir. 2005)).

2350. *See id.* at 1373.

2351. *See Gen. Conference Corp. of Seventh-day Adventists v. McGill*, 617 F.3d 402 (6th Cir. 2010), *cert. denied*, 131 S. Ct. 2097 (2011).

plaintiff successfully had established for purposes of federal diversity jurisdiction that “the Seventh-Day Adventist Church is a religion, not a cognizable legal entity.”<sup>2352</sup>

In evaluating the merits of the defendant’s claim that the plaintiffs were judicially estopped from arguing Seventh-day Adventism was *not* a religion, the Sixth Circuit noted that:

The doctrine of judicial estoppel bars a party from (1) asserting a position that is contrary to one that the party has asserted under oath in a prior proceeding, where (2) the prior court adopted the contrary position either as a preliminary matter or as part of a final disposition. A court should also consider whether the party has gained an unfair advantage from the court’s adoption of its earlier inconsistent statement. Although there is no set formula for assessing when judicial estoppel should apply, it is well-established that at a minimum, a party’s later position must be clearly inconsistent with its earlier position for judicial estoppel to apply. Moreover, the doctrine of judicial estoppel is applied with caution to avoid impinging on the truth-seeking function of the court because the doctrine precludes a contradictory position without examining the truth of either statement.<sup>2353</sup>

Applying these principles, the court held that the plaintiffs were not judicially estopped by the lead plaintiff’s representations in the earlier case. Rather, “[t]he dispositive points in that case were that ‘Seventh-day Adventist Church’ was not a jural entity, and that the intended defendant . . . was not diverse from the plaintiff. Accordingly, judicial estoppel does not apply.”<sup>2354</sup>

## 7. Extraterritorial Application of Federal and State Law

The issue of whether to apply state unfair competition law, as opposed to the Lanham Act, on an extraterritorial basis is addressed by courts infrequently at best. But the question of whether California law reached defendants in the United Kingdom and Ireland came before the Ninth Circuit, which answered it negatively.<sup>2355</sup> The trigger for the lawsuit was the distribution in those countries of a CD containing music by a former member of the Beach Boys, the cover art of which allegedly violated the right of publicity of the plaintiff, a current member of the group, who

---

2352. *Benn v. Seventh-Day Adventist Church*, 304 F. Supp. 2d 716, 721 (D. Md. 2004).

2353. *McGill*, 617 F.3d at 414 (quoting *Lorillard Tobacco Co. v. Chester, Willcox & Saxbe, LLP*, 546 F.3d 752, 757 (6th Cir. 2008)).

2354. *Id.*

2355. *See Love v. Assoc. Newspapers, Ltd.*, 611 F.3d 601 (9th Cir. 2010).

claimed to be a California resident. The plaintiff failed to substantiate his averment of California residency, however, and that failure, combined with the absence from the case of any U.S.-based defendants, led the Ninth Circuit to affirm the district court's dismissal on summary judgment of the plaintiff's state-law causes of action. As it explained, "California's interest in applying the right of publicity extraterritorially is based on its interest 'safeguarding its citizens from the diminution in value of their names and likenesses.'"<sup>2356</sup> In the dispute before it, however, "[the plaintiff] cites no case where California has recognized that injury . . . is suffered anywhere other than the domicile of the celebrity or the location where the [name or] image is exploited."<sup>2357</sup>

The plaintiff's bid to assert a Section 43(a) claim against the foreign defendants fared no better. The court framed the issue in the following terms:

For the Lanham Act to apply extraterritorially: (1) the alleged violations must create some effect on American foreign commerce; (2) the effect must be sufficiently great to present a cognizable injury to the plaintiffs under the Lanham Act; and (3) the interests of and links to American foreign commerce must be sufficiently strong in relation to those of other nations to justify an assertion of extraterritorial authority.<sup>2358</sup>

In applying this test, it noted that "[t]he first two criteria may be met even where all the challenged transactions occurred abroad, and where 'injury would seem to be limited to the deception of consumers' abroad, as long as 'there is monetary injury in the United States' to an American plaintiff."<sup>2359</sup> The plaintiff, however, had failed to allege facts establishing such a monetary injury: Although he claimed that the CD's distribution had harmed sales of tickets for his concerts, the court concluded instead that "it is too great a stretch to ask us, or a jury, to believe that . . . confusion overseas resulted in the decreased ticket sales in the United States."<sup>2360</sup>

## 8. Expert Witness Testimony

Federal Rule of Evidence 702 governs the admissibility of expert testimony in federal court litigation. Under it, district courts are obligated to act as gatekeepers, admitting expert

---

<sup>2356</sup> *Id.* at 610 (quoting *Sinatra v. Nat'l Inquirer, Inc.*, 854 F.2d 1191, 1193 (9th Cir. 1988)).

<sup>2357</sup> *Id.* at 611.

<sup>2358</sup> *Id.* at 612-13.

<sup>2359</sup> *Id.* at 613 (quoting *Ocean Garden, Inc. v. Marktrade Co.*, 953 F.2d 500, 503 (9th Cir. 1991)).

<sup>2360</sup> *Id.* at 614.

testimony only “if (1) the testimony is based upon sufficient facts or data, (2) the testimony is the product of reliable principles and methods, and (3) the expert has reliably applied the principles and methods to the facts of the case.”<sup>2361</sup> “In assessing the reliability of [expert] witness testimony, the trial court must decide not only whether an expert’s methodology is reliable for some purposes, but whether it is a reliable way ‘to draw a conclusion regarding the particular matter to which the expert testimony was directly relevant.’”<sup>2362</sup>

As the Eighth Circuit confirmed over the past year, a monetary relief expert need not employ a particularly complicated analysis for his or her testimony to be admissible.<sup>2363</sup> The issue arose in a case in which the parties were “competing” non-profit organizations who occasionally received donations intended for each other. It was the defendant’s practice to deposit any check it received, which led the plaintiff to retain a forensic accountant to review the defendant’s financial records. The accountant was proffered as an expert witness at trial, and his testimony apparently was found convincing by a jury, which awarded \$1,267,719 on the plaintiff’s unjust enrichment claim. In rejecting the defendant’s challenge on appeal to the testimony’s admissibility, the Eighth Circuit was unconvinced by the defendant’s argument that the witness had engaged in nothing more than simple mathematical calculations: Not only was there no requirement in Rule 702 that the expert do anything more than that, but “what is a simple mathematical computation to one person may be mind-numbingly complicated to another.”<sup>2364</sup>

The Ninth Circuit similarly rejected an attack on the testimony of a marketing and advertising expert.<sup>2365</sup> That testimony had been proffered by the plaintiff in support of its theory that the defendant’s failure to conduct a clearance search constituted bad faith for purposes of the likelihood-of-confusion and fair-descriptive-use inquiries. Based on its conclusion that the witness “is not an expert in any field relevant to this case,”<sup>2366</sup> the district court refused to consider his opinion, but this disposition was overturned on appeal as an abuse of discretion: According to

---

2361. Fed. R. Evid. 702.

2362. *R.F.M.A.S., Inc. v. So*, 748 F. Supp. 2d 244, 248 (S.D.N.Y. 2010) (quoting *Kuhmo Tire Co. v. Carmichael*, 526 U.S. 137, 154 (1999)).

2363. *See WWP, Inc. v. Wounded Warriors Family Support, Inc.*, 628 F.3d 1032 (8th Cir. 2011).

2364. *Id.* at 1040 n.7 (alteration omitted) (quoting *Arnold v. Ambulance Serv. of Bristol, Inc.*, No. 2:06-CV-105, 2007 WL 5117409, at \*1 (E.D. Tenn. Aug. 21, 2007)).

2365. *See Fortune Dynamic, Inc. v. Victoria’s Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025 (9th Cir. 2010).

2366. *Quoted in id.* at 1043.

the appellate court, “[the witness] has forty years of experience in the marketing and advertising industry, strongly suggesting that he is familiar with what companies within the industry do when placing words on a product. [The witness’s] expertise, then, is one based on experience.”<sup>2367</sup>

In contrast, the Seventh Circuit proved resistant to the use of expert testimony to illuminate the mysteries of French contract law.<sup>2368</sup> The appeal before that court required it to address an agreement dividing the world between purveyors of allegedly nonfunctional and distinctive coffeemakers. The agreement was governed by French law, which induced the parties to retain competing expert witnesses to advise the district court on the subject of their obligations under the agreement. On appeal, the Seventh Circuit took a different approach:

Trying to establish foreign law through experts’ declarations not only is expensive (experts must be located and paid) but also adds an adversary’s spin, which the court must then discount. Published sources such as treatises do not have the slant that characterizes the warring declarations presented in this case. Because objective, English-language descriptions of French law are readily available, we prefer them to parties’ [expert] declarations.<sup>2369</sup>

The court then relied on just such sources in affirming the district court’s interpretation of French law.<sup>2370</sup>

A Southern District of New York opinion took an even more hostile view of expert witness testimony in a trade dress dispute over jewelry designs, excluding four putative witnesses proffered by the plaintiff, two of them on the subject of monetary relief and the other two on the subjects of protectability and infringement.<sup>2371</sup> The court faulted the monetary relief experts on multiple grounds, holding that, between them, they: (1) had “discussed the alleged infringement as if it were one piece, but elsewhere . . . indicated that there were 61 allegedly infringed . . . products”;<sup>2372</sup> (2) had assumed without supporting record evidence that the defendants were responsible for an advertisement placed by a retailer that initially sold the plaintiff’s, then the defendants’, goods;<sup>2373</sup> (3) had failed to substantiate their assumption that the defendants’ sales

---

2367. *Id.*

2368. *See* *Bodum USA, Inc. v. La Cafetiere, Inc.*, 621 F.3d 624 (7th Cir. 2010).

2369. *Id.* at 629.

2370. *See id.* at 629-31.

2371. *See* *R.F.M.A.S., Inc. v. So*, 748 F. Supp. 2d 244 (S.D.N.Y. 2010).

2372. *Id.* at 256 (footnote omitted).

2373. *See id.* at 256-57.



were responsible for the plaintiffs' alleged losses;<sup>2374</sup> (4) had neglected to conduct independent investigations into the veracity of facts provided to them by the plaintiff;<sup>2375</sup> (5) lacked the credentials or the factual knowledge to explain why a major account had terminated its relationship with the plaintiff;<sup>2376</sup> (6) were not qualified "to offer a calculation of plaintiff's lost sales, profits, or the diminution in plaintiff's brand value, intellectual property value, or enterprise value"; and (7) could not justify their repeated claims that they had made "conservative," "reasonable," and "common" choices when making their calculations.<sup>2377</sup> The witnesses' reports and testimony therefore were excluded on the ground that "plaintiff has not demonstrated by a preponderance of the evidence that [the witnesses'] quantification of plaintiff's damages is the product of an accounting methodology that is appropriate in light of the particular facts of this case."<sup>2378</sup>

The plaintiffs' two other proffered experts, both of whom opined on the distinctiveness of the plaintiffs' designs and the likelihood of confusion created by the sale of the defendant's designs, suffered the same fate. With respect to the former issue, the court held that "[t]o the extent that [the witnesses] purport to offer opinions as to what constitutes protectable trade dress or attempt to apply that legal standard to the facts of this case, their testimony usurps the role of the fact-finder and is clearly inadmissible";<sup>2379</sup> beyond this, "neither putative expert's listed qualifications demonstrate that either of them has any specialized knowledge, training, or experience in understanding how the public perceives jewelry, or even products, generally,"<sup>2380</sup> and, in any case, "both putative experts failed to explain the basis for their conclusion that plaintiff's jewelry is unique and thus protectable."<sup>2381</sup> The court was equally adamant in rejecting the witnesses' opinions regarding the likelihood of confusion between the parties' designs: Not only did "neither putative expert distinguish[] between similarities that relate to plaintiff's 'distinctive' design elements and similarities that relate to

---

2374. *See id.* at 258-62, 269, 270, 271.

2375. *See id.* at 264.

2376. *See id.* at 270, 272.

2377. *See id.* at 275, 276-77.

2378. *Id.* at 277.

2379. *Id.* at 282.

2380. *Id.*

2381. *Id.* at 283. As examples of the deficiencies in the witnesses' reports, the court noted that the witnesses had based their conclusions concerning the entire line of the plaintiff's jewelry on an examination of only nine pieces and that they had undertaken no independent research to identify potential "prior art." *See id.*

unprotectable ideas and commonplace jewelry forms,”<sup>2382</sup> but “[the witnesses’] explanation for concluding that defendants infringed plaintiff’s intellectual property boils down to the observations that plaintiff’s and defendants’ jewelry lines are similar in many ways and that plaintiff’s preceded defendants’.”<sup>2383</sup> Under these circumstances, “[t]heir testimony on . . . infringement is accordingly inadmissible.”<sup>2384</sup>

Finally, and although not excluding the testimony of a marketing professor proffered as an expert witness, one court declined to give his testimony any weight in the likelihood-of-confusion inquiry.<sup>2385</sup> The plaintiffs sold chewing gum under the MENTOS PURE FRESH and PURE WHITE marks, while the defendant sold a competitive product under the DENTYNE PURE mark. According to the plaintiffs’ expert, the presence of the word “pure” in both parties’ marks drove consumers to perceive the marks similarly. The court found this opinion wanting for two reasons, the first of which was that it impermissibly dissected the parties’ marks into the marks’ individual components.<sup>2386</sup> The second was that:

The fact that the same brand concepts or product qualities—purity of flavor and/or breath purification—may motivate consumers to purchase the parties’ competing products has no bearing on whether the parties’ marks are visually or linguistically similar, or whether consumers are likely to be confused as to the source of the parties’ products.<sup>2387</sup>

## 9. Judicial Disqualification

The membership of a judge’s spouse on a company’s board of directors ordinarily would be cause for the judge’s recusal from any case involving that company, but the Seventh Circuit declined to disturb a more creative resolution of the issue by a district court, which was to refuse to allow the company to be added as a litigant.<sup>2388</sup> The original complaint in the action targeted forty-eight defendants, but, near the close of discovery, the plaintiff sought leave to add three more, including one on whose board the district court judge’s wife sat. The district court judge both denied the motion and declined to recuse himself, which led the plaintiff

---

2382. *Id.* at 284.

2383. *Id.*

2384. *Id.* at 285.

2385. *See* Perfetti Van Melle USA v. Cadbury Adams USA LLC, 732 F. Supp. 2d 712 (E.D. Ky. 2010).

2386. *See id.* at 720.

2387. *Id.*

2388. *See In re Specht*, 622 F.3d 697 (7th Cir. 2010).

to file a petition for a writ of mandamus. In rejecting the petition, the Seventh Circuit faulted the district court judge for failing to refer the motion for leave to amend to another judge.<sup>2389</sup> Nevertheless:

This does not lead to a writ of mandamus . . . . There is no point in directing the judge to transfer the motion to one of his colleagues if the outcome of that process is foreordained—so clear, indeed, that it would be an abuse of discretion for any other judge to grant the motion. . . . Discovery has closed; granting the motion would unduly prolong the litigation. It is not as if [the plaintiff] learned only through discovery [of the proposed new defendants] . . . . [Those defendants] could have been named as parties from the outset.<sup>2390</sup>

Particularly because the monetary and injunctive relief sought by the plaintiff against the lead defendant would, as a practical matter, “be fully effective to vindicate [the plaintiff’s] rights,”<sup>2391</sup> “[t]here is no reason why this suit needs additional defendants.”<sup>2392</sup>

The Fourth Circuit was equally disinclined to order a recusal in a dispute in which it was the defendants, rather than the plaintiff, who alleged potential bias on the part of the magistrate judge assigned to the case.<sup>2393</sup> The defendants’ recusal motion was based on two facts, each of which was plausible on its face: (1) the magistrate judge and the plaintiff’s counsel had worked at the same firm, where they shared responsibility for at least some cases; and (2) the plaintiff’s counsel had served on a committee that had reappointed the magistrate judge. In refusing to overturn the magistrate judge’s decision not to recuse himself, the court noted that the law-firm relationship at issue had ended over a decade before the dispute had arisen, and the defendants did not “seem to dispute the fact that the magistrate judge had little personal contact with [the plaintiff’s] counsel in the intervening years.”<sup>2394</sup> Moreover, not only did the federal judiciary’s code of conduct not require the recusal of magistrate judges in cases in which counsel had participated in their appointment or

---

2389. As to the recusal motion, however, the appellate court noted that:

The norm in this circuit is for the judge already assigned to the case to address any motion for recusal, and that practice is a sound one. Most motions for recusal can be resolved quickly and accurately by the assigned judge, without the delay and expense that would be occasioned by a routine referral to a different judge.

*Id.* at 699.

2390. *Id.* at 700.

2391. *Id.* at 701.

2392. *Id.*

2393. See *Newport News Holdings Corp. v. Virtual City Vision, Inc.*, 650 F.3d 423 (4th Cir.), *cert. denied*, 132 S. Ct. 575 (2011).

2394. See *id.* at 433.

reappointment, the timing of the defendants' motion—which was filed nearly three months after their discovery of the facts underlying it—“smacks of gamesmanship.”<sup>2395</sup> In the court's view, “[a]llowing such belated and seemingly tactical recusal motions would permit a party ‘to gather evidence of a judge's possible bias and then wait and see if the proceedings went his way before using the information to seek recusal.’”<sup>2396</sup>

## 10. Sanctions

Sanctions in trademark cases are rare, but they do occur on occasion, especially in cases involving the spoliation of evidence. The leading example of such a result over the past year came in a trademark, trade secret, and copyright action presenting compelling evidence of misconduct by the defendant and its employees, who, in violation of prior court orders, intentionally and irretrievably destroyed thousands of files and then attempted to cover up their misbehavior with misrepresentations to the court.<sup>2397</sup> In light of the court's lengthy and detailed findings of the defendant's culpability,<sup>2398</sup> whether sanctions would be imposed was not seriously in doubt; rather, whether the “terminating” sanction of a default judgment would be entered was the real issue.

The court considered five factors in concluding that a default judgment was, in fact, appropriate: (1) the extent of the prejudice to the plaintiff arising from the defendant's conduct; (2) the amount of interference with the judicial process; (3) the culpability of the defendant; (4) whether the defendant had been warned that dismissal would be a likely sanction for the defendant's noncompliance with the court's earlier orders; and (5) the efficacy of other sanctions.<sup>2399</sup> The court concluded that each factor favored the entry of a default judgment and the dismissal of the defendant's counterclaims, noting with respect to the viability of other potential penalties that:

[L]esser sanctions would do too little to place [the plaintiff] back in the position it would have been in had the massive number of deletions [of computer files] not occurred, and they would essentially reward [the defendant] for its inexcusable behavior in this case.” Thus, the court has concluded that the

---

2395. *Id.* at 432.

2396. *Id.* at 432-33 (quoting *Sine v. Local No. 992 Int'l Bhd. of Teamsters*, 882 F.2d 913, 916 (4th Cir. 1989)).

2397. *See Philips Elecs. N. Am. Corp. v. BC Tech.*, 773 F. Supp. 2d 1149 (D. Utah 2011).

2398. *See id.* at 1159-96.

2399. *See id.* at 1210.

sanctions requested by [the plaintiff]—although very extreme—are the appropriate ones in this case.<sup>2400</sup>

Lesser sanctions were imposed in a case presenting an arguably lesser degree of spoliation.<sup>2401</sup> The plaintiff was a jewelry designer, and, to support its allegations of trade dress infringement, it requested the production of several models of jewelry it believed had been sold by those defendants.<sup>2402</sup> The record demonstrated that the defendants had failed to put a litigation hold in place,<sup>2403</sup> and, indeed, that they had sold exemplars of the responsive models from their inventory after advising the plaintiff and the court that they did not “presently” have any within their possession or control. Not surprisingly, the court found that “at a minimum, the . . . defendants were grossly negligent not only in controlling evidence that they knew to be relevant, but in representing the true facts in complete and candid terms to [the] plaintiff and to the court.”<sup>2404</sup>

Having determined that “[i]nstead of seeking the court’s protection from its discovery obligations, [the lead defendant] simply sold the key evidence in this case, without so much as a word of notice to the plaintiff,”<sup>2405</sup> the court turned its attention to the proper sanctions for that conduct:

An appropriate sanction is one that will: (1) deter parties from violating discovery obligations; (2) place the risk of an erroneous judgment on the party that wrongfully created the risk; and (3) restore the prejudiced party to the same position that it would have been in absent the discovery violation by an opposing party. A court should always impose the least harsh sanction that will accomplish these goals.<sup>2406</sup>

In an application of this test, the court found that “[the] [d]efendants’ gross negligence is sufficient to allow a reasonable trier of fact to infer that the spoliated jewelry exemplars would have supported [the] plaintiff’s claims.”<sup>2407</sup> Nevertheless, it declined to accept the plaintiff’s invitation to impose a so-called

---

2400. *Id.* at 1216.

2401. *See* R.F.M.A.S., Inc. v. So, 271 F.R.D. 13 (S.D.N.Y. 2010).

2402. The plaintiff actually requested sanctions against all the defendants, but the court credited the showing of some of them that they had never had the jewelry models in question within their possession. *See id.* at 21, 36.

2403. As to this issue, the court remarked that “[s]poliation by a party that has failed to implement a litigation-hold policy, even if unintentional, is not merely negligent, but grossly negligent or reckless.” *Id.* at 35.

2404. *Id.* at 37.

2405. *Id.* at 37-38.

2406. *Id.* at 24 (citation omitted).

2407. *Id.* at 48.

“terminating sanction,” in large part because of the plaintiff’s inability to demonstrate any significant prejudice arising from the defendants’ conduct other than the inability of the plaintiff’s experts to examine the defendants’ goods.<sup>2408</sup> Instead, and in addition to award of the fees and costs incurred by the plaintiff in pursuing its motion, the court held that:

[T]o the extent that record reflects a failure by the [sanctioned] defendants to preserved exemplars or seek relief excusing from [the] obligation [to produce them], plaintiff will be free to offer evidence of that failing at trial to explain the plaintiff[s] experts’ reliance on photographs (including poor quality photos). In addition, insofar as the [sanctioned] defendants made false or materially incomplete representations about the availability of exemplars, plaintiff will be permitted to offer evidence of those statement[s] and their falsity or misleading nature both to impeach any such individuals as witnesses and to explain why plaintiff does not have for trial either the exemplars or better-quality photographs of them.<sup>2409</sup>

In a case not involving spoliated evidence, the Fourth Circuit affirmed the imposition of sanctions on defense counsel who, among other things, had attempted to file a counterclaim without leave of the district court a mere one month before the trial date; the same counsel also filed a belated motion seeking the recusal of the magistrate judge before whom the case was tried after averring no intent to do so.<sup>2410</sup> The appellate court saw no abuse of discretion in the district court’s decision to award \$10,000 to the plaintiff, holding that based on the “the . . . significant substantive weaknesses [of the defendants’ pleadings] as well as their suspicious timing, we cannot say that the district court clearly erred in its factual finding that they were filed with the purpose of multiplying proceedings.”<sup>2411</sup>

### ***H. Evidentiary Matters***

In one of the more closely watched evidentiary disputes in a trademark lawsuit in recent years, the plaintiff’s in-house counsel

---

2408. *See id.* at 50 (“It is clear that an actual examination of the allegedly infringing jewelry would have provided a stronger foundation for these experts’ opinions.”). Even as to this claimed prejudice, the court faulted the plaintiff for failing: (1) to take the defendants up on their offer to manufacture new jewelry matching the missing pieces; (2) to pursue the production of the missing pieces from third parties; and (3) to seek relief from the court on a more timely basis. *See id.* at 50-52.

2409. *Id.* at 52.

2410. *See* Newport News Holdings Corp. v. Virtual City Vision, Inc., 650 F.3d 423, 431 (4th Cir.), *cert. denied*, 132 S. Ct. 575 (2011).

2411. *Id.* at 443-44.

turned out not to be authorized to practice law in any jurisdiction but instead was an inactive member of the California bar.<sup>2412</sup> The defendant argued in opposition to the plaintiff's motion for a protective order that this status precluded the plaintiff from claiming the protection of the attorney-client privilege where communications to and from its putative counsel were concerned, and the court agreed. After reviewing the distinction between the California bar's treatment of active and inactive members, it held that inactive members did not enjoy a status that would allow the plaintiff to claim the benefits of the privilege.<sup>2413</sup> Beyond this, any belief that the plaintiff may have had that its employee was, in fact, a member of a bar was unreasonable in light of the plaintiff's lack of due diligence when hiring him: "Minimal due diligence includes confirming that [the employee] was licensed in *some* jurisdiction, that the license he held in fact authorized him to engage in the practice of law, and that he had not been suspended from practicing, or otherwise faced disciplinary sanctions."<sup>2414</sup> Because "[the plaintiff] itself bears responsibility for allowing its counsel to represent its interests without ensuring that he was authorized to do so," the court declined to grant the plaintiff's motion.<sup>2415</sup>

The plaintiff's problems did not end there. To the contrary, its privilege log also disclosed the existence of communications to and from an employee of the plaintiff's Italian affiliate, which led to another opinion addressing the extent to which those communications might be protected from disclosure.<sup>2416</sup> Following a lengthy choice-of-law analysis, the court held the issue of the affiliate's employee's status to be governed by United States, rather than Italian, law.<sup>2417</sup> In the application of United States evidentiary principles that followed, it was undisputed both that the affiliate's employee was not an attorney and that he had on occasion reported to the affiliate's general counsel, who was. This factual scenario led the court to hold that:

Factual investigations conducted by an agent of the attorney, such as gathering statements from employees, clearly fall within the attorney-client rubric. Thus, courts have frequently extended the attorney-client privilege to communications made to investigators who have provided necessary assistance to attorneys, as [the affiliate's employee]

---

2412. *See* Gucci Am., Inc. v. Guess? Inc., 97 U.S.P.Q.2d 1500 (S.D.N.Y. 2010).

2413. *See id.* at 1505.

2414. *Id.* at 1507.

2415. *Id.*

2416. *See* Gucci Am., Inc. v. Guess?, Inc., 271 F.R.D. 58 (S.D.N.Y. 2010).

2417. *See id.* at 64-70.

provided to [the affiliate's general counsel] here. . . . [W]ere an attorney required to exclude investigators from the circle of confidentiality in order to maintain the privilege, providing legal advice to clients would be difficult, if not in some cases impossible.<sup>2418</sup>

The court then split the proverbial baby, concluding that communications to and from the affiliate's employee that did not include an attorney and that postdated the plaintiff's investigation of the defendant's conduct were protected by the attorney-client privilege<sup>2419</sup> and the work-product doctrine.<sup>2420</sup> In contrast, communications falling into this category that predated the plaintiff's focus on the defendant as a potential defendant were neither privileged nor properly considered work product.<sup>2421</sup>

### *I. Discovery-Related Matters*

Reported opinions over the past year addressed more than the usual number of substantive discovery-related issues. Perhaps the most notable one came in a false advertising case in which a plaintiff sought to discover the methodology employed by a defense expert in crafting a pilot survey.<sup>2422</sup> Entertaining the plaintiff's motion to compel, the court noted that Rule 26(b)(4) of the Federal Rules of Civil Procedure speaks to the issue of expert discovery and provides for a two-tier approach, depending on whether the witness in question is a testifying or a nontestifying expert. If the former, communications between counsel and the witness are entitled to protection under the work-product doctrine, subject to exceptions relating to the witness's compensation, to facts and data provided by counsel, and to assumptions employed by the witness.<sup>2423</sup> If the latter, however, a party generally may not "discover facts known or opinions held by an expert who has been retained or specially employed by another party in anticipation of litigation or to prepare for trial and who is not expected to be called as a witness at trial."<sup>2424</sup>

A consideration complicating the court's disposition of the plaintiff's motion was that the witness in question had been designated as a testifying expert with respect to one allegedly false advertisement but as a nontestifying expert with respect to

---

2418. *Id.* at 71 (citations omitted) (internal quotation marks omitted).

2419. *See id.* at 71-73.

2420. *See id.* at 73-75.

2421. *See id.* at 73, 75.

2422. *See Sara Lee Corp. v. Kraft Foods Inc.*, 273 F.R.D. 416 (N.D. Ill. 2011).

2423. *See Fed. R. Civ. P. 26(b)(4)(C).*

2424. *Fed. R. Civ. P. 26(b)(4)(D).*



another advertisement, and it was in connection with the latter that he had run the pilot survey at issue. The court observed of this situation that:

Occasionally, courts must determine which standard applies to an expert who wears “two hats” by serving as both a non-testifying consultant and a testifying expert. Most courts have held that a single expert may serve in both roles but that the broader discovery for testifying experts applies to everything except “materials considered *uniquely* in the expert’s role as consultant.”<sup>2425</sup>

Despite the availability of this “broader discovery,” the court held that the expert’s pilot survey, which did not lead to a fully projectable survey and was not addressed by the expert’s report, was not discoverable; rather, “[b]ecause the requested materials relate solely to [the witness’s] role as a nontestifying consultant, Plaintiff may not discover them unless it can show ‘exceptional circumstances under which it is impracticable for the party to obtain facts or opinions on the same subject by other means.’”<sup>2426</sup> Moreover, after an *in camera* review, the court concluded that “[t]he requested materials contain neither ‘facts nor data’ nor ‘assumptions that the party’s attorney provided,’ so they are not discoverable even under the ‘testifying expert’ rubric.”<sup>2427</sup> The court therefore denied the plaintiff’s motion, although finding it sufficiently justified to deny as well the defendant’s request for fees and costs.<sup>2428</sup>

In contrast, it was a defense motion to compel that failed to make the grade in a different case, one between two manufacturers of competing cell phones and computer tablets.<sup>2429</sup> Earlier in the case, the plaintiff successfully had sought expedited discovery of products under development by the defendant, which the plaintiff represented to the court it might challenge in a preliminary injunction motion. Apparently on the theory that what was good for the goose was good for the gander, the defendant then sought expedited discovery of yet-to-be-introduced products in the plaintiff’s pipeline. As the court summarized the defendant’s position, “[the plaintiff’s] future products will . . . be relevant to the Court’s evaluation of [the plaintiff’s] motion. Specifically, . . . [the plaintiff’s] next generation [of products] will be relevant to the Court’s evaluation of several factors in the likelihood of confusion

---

2425. *Sara Lee*, 273 F.R.D. at 420 (quoting *In re Commercial Money Ctr., Inc. Equip. Lease Litig.*, 248 F.R.D. 532, 537 (N.D. Ohio 2008)).

2426. *Id.* at 420 (quoting Fed. R. Civ. P. 26(b)(4)(D)).

2427. *Id.* (quoting Fed. R. Civ. P. 26(b)(4)(C)).

2428. *See id.* at 421.

2429. *See Apple Inc. v. Samsung Elecs. Co.*, 768 F. Supp. 2d 1040 (N.D. Cal. 2011).

analysis . . . .”<sup>2430</sup> The court acknowledged that the defendant’s arguments were “not without merit,”<sup>2431</sup> but it ultimately rejected them:

Common sense suggests that allegations of copying are necessarily directed at [the plaintiffs] existing products, to which [the defendant] has access and could potentially mimic, and not at [the plaintiffs] unreleased, inaccessible, next generation products. [The defendant] has cited no case requiring a plaintiff in a trade dress or trademark case to produce its future products in a context similar to this one. Given these circumstances, the Court agrees with [the plaintiff] that it simply has not put its next generation products at issue, at least with respect to its anticipated motion for a preliminary injunction, and [the defendant] does not need access to these products in order to oppose such a motion.<sup>2432</sup>

Some courts did grant motions to compel, at least in part, including one hearing a declaratory judgment action between a manufacturer of “decorative wood products”—apparently paddles—and a number of college fraternities whose Greek letters appeared on those goods and who asserted counterclaims for infringement and unfair competition.<sup>2433</sup> The counterclaim defendant sought to bolster its laches and acquiescence defenses by requesting the counterclaim plaintiffs to identify those of their employees responsible for, and knowledgeable about, the counterclaim plaintiffs’ entry into contracts with a licensing agent. The court rejected the counterclaim plaintiffs’ argument that, having represented that the signatories on those contracts were the potential witnesses with the greatest knowledge of them, the counterclaim plaintiffs could opt out of further disclosures; instead, the court held, “just because an individual is the one with the most knowledge does not necessarily mean that others lack knowledge relevant to the issue.”<sup>2434</sup> Although the court permitted the counterclaim plaintiffs to limit lists of responsive names to those individuals “responsible for” the licensing programs, it otherwise precluded the counterclaim plaintiffs from choosing a temporal cutoff for the information on those lists.<sup>2435</sup> Finally, the court

---

2430. *Id.* at 1046. As an example of that alleged relevancy, the defendant posited that the plaintiff’s future models might be more distinguishable than its then-current ones from those in the defendant’s inventory. It also argued that changes to the plaintiff’s product line might weaken the plaintiff’s claimed trade dress. *See id.* at 1046-47.

2431. *Id.* at 1047.

2432. *Id.*

2433. *See Abraham v. Alpha Chi Omega*, 271 F.R.D. 556 (N.D. Tex. 2010).

2434. *Id.* at 560.

2435. *See id.* at 561.

refused to allow the counterclaim plaintiffs to withhold the names of potential witnesses with allegedly privileged information because the counterclaim plaintiffs had failed properly to assert privilege as an objection in their original responses.<sup>2436</sup>

Cross-motions to compel filed in a product configuration trade dress infringement action produced mixed results for both sides.<sup>2437</sup> One of the plaintiff's interrogatories sought to discover information on "every claim of intellectual property right infringement or misappropriation" asserted against the defendants in the previous ten years,<sup>2438</sup> and another requested the disclosure of instances in which the defendants or their officers had been liable for any misconduct during the same period.<sup>2439</sup> The court granted the plaintiff's motion to compel responses to these interrogatories but only in part. As to the first, the court concluded that:

[M]ere assertions and accusations . . . of . . . infringement do not establish a trade practice of intentional copying and are therefore irrelevant. However, multiple successful claims of . . . infringement . . . could tend to reveal a pattern to Defendants' behavior that would lend credence to Plaintiff's present claims. Thus, Defendants are directed to respond to [the interrogatory] to the extent that they have been found liable in a court of law for claims of . . . infringement or misappropriation during the past ten years or have voluntarily settled any such claim.<sup>2440</sup>

The court's holding with respect to the second interrogatory was similar: Because the interrogatory was overbroad, the court required the defendants and their corporate officers to provide only responsive information bearing on successful intellectual property claims against them.<sup>2441</sup>

The court also granted in part and denied in part the defendants' motion to compel the plaintiff to respond to interrogatories and document requests. One of the interrogatories in question sought information on the origin and development of the plaintiff's product, which the plaintiff argued was irrelevant to the validity of its claimed trade dress; although agreeing with that proposition, the court held without extended explanation that the plaintiff had failed to prove that the responsive information was

---

2436. *See id.*

2437. *See Mainstreet Collection, Inc. v. Kirkland's, Inc.*, 270 F.R.D. 238 (E.D.N.C. 2010).

2438. *Quoted in id.* at 241.

2439. *See id.* at 242.

2440. *Id.*

2441. *See id.*

irrelevant to the defendants' defenses.<sup>2442</sup> The plaintiff had better luck where requests relating to the manufacture of its product were concerned, because the court held, likely incorrectly, that information and documents on that subject were irrelevant and need not be disclosed.<sup>2443</sup>

### *J. Trademark-Related Contracts*

#### **1. Interpretation and Enforcement of Settlement Agreements**

Actions to enforce settlement putative agreements in recent years have typically led to the same result: No enforceable agreement exists. In the latest example of that phenomenon, the plaintiff sought to hold one of multiple defendants in the case to a six-month prohibition on the sale of certain branded herbal supplements.<sup>2444</sup> The document proffered by the plaintiff, however, recited two different start dates for that prohibition, one the termination date of the plaintiff's exclusive distributorship of the supplements at issue and the other the six-month anniversary of that termination. Not surprisingly, the court concluded that the document's treatment of the issue was ambiguous, a holding that proved fatal to the plaintiff's case. As the court explained in an application of New York law:

[The] [e]xistence of a contract requires an offer, acceptance, consideration, mutual assent and intent to be bound. Mutual assent requires, in turn, a meeting of the minds of the parties, and, if there is no meeting of the minds on all essential terms, there is no contract. Indeed, if the Court finds substantial ambiguity regarding whether both parties have mutually assented to all material terms, then the Court can neither find, nor enforce, a contract.<sup>2445</sup>

Although the ambiguity of the document's treatment of the issue allowed the court to consider parole evidence and testimony, the parties' respective showings demonstrated that neither had been willing to agree to the other's proposed time period, which meant that "the prohibitions and permissions created by the contract here are completely at odds, as are the parties' reasonable

---

<sup>2442</sup>. *Id.* at 244.

<sup>2443</sup>. *See id.* at 244-45.

<sup>2444</sup>. *See Prince of Peace Enters. v. Top Quality Food Mkt., LLC*, 760 F. Supp. 2d 384 (S.D.N.Y. 2011).

<sup>2445</sup>. *Id.* at 397 (citations omitted) (internal quotation marks omitted).

interpretations.”<sup>2446</sup> Accordingly, the plaintiff’s motion to enforce was without merit.<sup>2447</sup>

Of course, if an unsigned written document is difficult to enforce, the same is even more true of an alleged oral settlement agreement, even if it has putatively been memorialized by e-mails from the party seeking enforcement.<sup>2448</sup> According to one plaintiff falling victim to this rule, the parties had reached an agreement that obligated the defendant to forego any advertising that featured the plaintiff’s mark, and, additionally, to “ensure that no advertisements for [the defendant] would appear in response to searches for [the plaintiff’s] trademarks.”<sup>2449</sup> In contrast, as the court read the record on the parties’ cross-motions for summary judgment, the defendant’s principal “understood that if Plaintiff raised an issue, he would look into it and try to address it and Plaintiff would do the same.”<sup>2450</sup> Not only did these conflicting understandings preclude the existence of an agreement as broad as that claimed by the plaintiff, the e-mails in question expressed the plaintiff’s “hope for a continued amicable relationship in resolving these situations,” as well as its request for details on what actions should be taken.<sup>2451</sup> Not surprisingly, the court granted summary judgment in the defendant’s favor, concluding that “[i]f there were a contract, one would think the e-mails would point out the contractual obligations and not merely hope for an amicable relationship.”<sup>2452</sup>

These holdings notwithstanding, however, a fully executed agreement that is unambiguous on its face will be enforced, especially if, as in a case appealed to the Eighth Circuit, the agreement becomes the basis of a consent judgment.<sup>2453</sup> During the course of earlier litigation between the parties, the plaintiff entered into negotiations with the defendant for the sale of rights to the plaintiff’s mark. The plaintiff intended the assignment to cover only certain goods, but the defendant did not agree to that restriction, and the final document, which the plaintiff’s counsel filed with the court hearing the earlier litigation, contained a broad assignment of the plaintiff’s rights. When, years later, the plaintiff filed suit on the theory that the consent judgment should not have memorialized the broad assignment in the agreement, his

---

2446. *Id.* at 399.

2447. *See id.*

2448. *See* 1-800 Contacts, Inc. v. Lens.com, Inc., 755 F. Supp. 2d 1151 (D. Utah 2010).

2449. *Quoted in id.* at 1188.

2450. *Id.*

2451. *Quoted in id.* at 1189.

2452. *Id.*

2453. *See* Superior Seafoods, Inc. v. Tyson Foods, Inc., 620 F.3d 873 (8th Cir. 2010).

arguments were not well taken: Not only were the agreement's express terms controlling, but the plaintiff had failed to raise his putative belief to the contrary in the earlier litigation. Under the circumstances, there was neither an equitable basis for relieving him from his obligations under the agreement,<sup>2454</sup> nor a factual one for a finding that the court entering the consent judgment based on the agreement's express text had been fraudulently induced to do so.<sup>2455</sup>

Despite this outcome, settlement agreements need not be memorialized in consent judgments for courts enforcing them to bring the hammer down. Two defendants learning this lesson the hard way were a medical practice and its physician principal, both of which had resolved an earlier dispute by entering into an agreement that committed them to the discontinuance of a particular mark.<sup>2456</sup> Unfortunately for them, the plaintiff documented "numerous examples" of the defendants' continued use of the mark in question well after the agreement's effective date. Those uses included the defendants' retention of the mark as a corporate name, as well as the mark's appearance in the physician's LinkedIn and "New York State Doctor" profiles and its incorporation into e-mail addresses used by the defendants and their affiliates; the plaintiff additionally proved to the court's satisfaction that several third parties continued to refer to the defendants using the mark after the settlement agreement's effective date.<sup>2457</sup> Indeed, the defendants' violations of the agreement extended even beyond the court's entry of a preliminary injunction, which left the court in no mood to entertain the defendants' belated excuses for their conduct: Following a bench trial, it found that the defendants had "repeatedly breached" the parties' agreement.<sup>2458</sup> The defendants therefore were subject to an injunction "coterminous" with specific performance under the settlement agreement.<sup>2459</sup>

Finally, one opinion from the Court of Civil Appeals of Alabama turned not on whether a prior settlement agreement existed—there was no apparent dispute that it did—but instead on the agreement's terms.<sup>2460</sup> Rather than arising in the context of infringement and unfair competition litigation, the agreement in

---

2454. *See id.* at 879.

2455. *See id.* at 879-80.

2456. *See* *Healix Infusion Therapy, Inc. v. Helix Health, LLC*, 747 F. Supp. 2d 730 (S.D. Tex. 2010).

2457. *See id.* at 737-38.

2458. *See id.* at 738.

2459. *See id.* at 740 n.34.

2460. *See* *Pinzone v. Papa's Wings, Inc.*, 72 So. 3d 620 (Ala. Civ. App. 2010).

question instead had resolved a divorce proceeding between the principal of the defendant, a restaurant franchisor, and the principal's ex-wife. The settlement conveyed to the ex-wife the right to use in Fairhope, Alabama, a particular composite mark otherwise owned by the defendant. She subsequently sold that right to the plaintiff, which objected when the defendant began using the same mark in Fairhope. Reversing a finding that the original settlement agreement had granted the ex-wife the *exclusive* right to the mark's use in Fairhope, the appellate court noted that she had "answered 'yes' when asked whether she received 'the right to use the name . . . and logo in Fairhope only.'"<sup>2461</sup> This testimony, the court held, "supports a determination that [the ex-wife] had the right to use the . . . name and logo anywhere in Fairhope. However, [the ex-wife] did not testify that she had received in the settlement agreement the exclusive right to use the . . . name and logo in Fairhope."<sup>2462</sup> Particularly in light of the absence of any recitations of exclusivity in the assignment of the mark from the ex-wife to the plaintiff, the lower court's conclusion that the settlement agreement gave the plaintiff, as the ex-wife's successor in interest, standing to challenge the defendant's entry into Fairhope was legal error.<sup>2463</sup>

## 2. Interpretation of Trademark Assignments

Several opinions over the past year examined the circumstances under which trademark claimants can acquire rights through assignments, with two cases in particular addressing claims that the transactions in question were impermissible assignments-in-gross that had not conveyed the assignees' goodwill with the transferred marks. The first opinion arose from a conventional asset purchase agreement.<sup>2464</sup> As the court characterized it, that document "included 'trade names' among the assets being purchased, and allocated nearly half the \$127,636 purchase price to 'Goodwill.' The Bill of Sale also listed 'good will' among the assets being transferred."<sup>2465</sup> These circumstances prevented the defendant from fending off a preliminary injunction motion through the argument that the plaintiff had acquired its rights through an invalid assignment in gross; rather, "[g]iven these facts, as well as the general presumption that trade names and good will are transferred along with the sale of a business as a going concern, the Court concludes

---

2461. *Id.* at 625.

2462. *Id.*

2463. *See id.* at 625-26.

2464. *See Marks Org., Inc. v. Joles*, 784 F. Supp. 2d 322 (S.D.N.Y. 2011).

2465. *Id.* at 328.

that Plaintiff became the legal owner of [its mark] when it purchased the business . . . .”<sup>2466</sup>

In contrast, a particularly expansive application of the assignment-in-gross doctrine came in an opinion suggesting that marks cannot be validly assigned unless their use continues uninterrupted throughout the transaction.<sup>2467</sup> A defendant in the action had assigned the mark in question to a third party, which defaulted on its payments to the defendant, leading the defendant to reacquire its rights to the mark in a state court proceeding. The third party then defaulted on another loan, which allowed the plaintiff to purchase from the third party’s lender a portfolio that it believed included the same mark previously foreclosed upon by the defendant. The plaintiff did so with the intent of selling the mark; prior to doing so, however, the plaintiff filed suit against the defendant after the defendant resumed the mark’s use.

That suit ended badly for the plaintiff, with the court holding on the defendant’s motion for summary judgment that the plaintiff had received nothing more than an invalid assignment in gross. On one level, the court’s analysis was straightforward: “The Plaintiff has not shown that it was successful in acquiring any tangible or intangible aspect of the business of the [the mark’s original owner] apart from the mark[.]”<sup>2468</sup> On another level, however, the court suggested that the plaintiff’s claims were necessarily doomed because the plaintiff had purchased the mark as an investment, rather than for its own use. Although there was no finding that the mark’s original owner had *abandoned* it, the court concluded that:

The Plaintiff claims that it obtained the [mark] in contemplation that [it] would be used with substantially the same products. But it is undisputed that the . . . mark has not been used by the Plaintiff in connection with the production or sale of any products. The Plaintiff acquired the mark with the intention of selling it along with the other . . . marks [in the original third-party owner’s portfolio]. The business of [the third party] had ceased; there was no goodwill to acquire at the time the Plaintiff purchased the mark[] at a foreclosure sale. . . . The rule against assignments in gross seems particularly to fit this case. Therefore, the plaintiff has no claim for trademark infringement with respect to the . . . mark.<sup>2469</sup>

---

2466. *Id.*

2467. *See Brown Bark II, L.P. v. Dixie Mills, LLC*, 732 F. Supp. 2d 1353 (N.D. Ga. 2010).

2468. *Id.* at 1358.

2469. *Id.*



One assignment addressed in the past year's case law was allegedly invalid not because it was one in gross, but instead because of an alleged failed condition subsequent.<sup>2470</sup> In addition to working a transfer of the mark in question, along with the mark's associated goodwill, the transaction document obligated the lead assignor to perform certain services to the assignees, in exchange for which the assignees were obligated to make certain monthly payments to the assignors. Averring that the assignee had failed to make the required payments, the assignors sought the assignment's invalidation and a reversion of the mark's ownership. Applying Puerto Rico law on the assignors' motion for a preliminary injunction, the court concluded of the parties' post-assignment obligations that "payment is due for *both* the assignment of trademark rights and the prestation of services, such that [the lead assignor's] failure to perform would necessarily undermine the reciprocity of the Agreement."<sup>2471</sup> Because the record evidence and testimony demonstrated that the lead assignor had not, in fact, performed any of the required services, the assignees were not in breach, and they retained the rights to the mark.<sup>2472</sup>

On a less glamorous topic, three reported opinions addressed the significance of formalities to the assignment process. The first turned on the interplay between Section 33(b) of the Act, which provides that an incontestable registration may be "conclusive evidence . . . of the registrant's ownership of the mark,"<sup>2473</sup> and Section 10(a)(3), which provides that an assignment recorded in the USPTO is only "prima facie evidence of [the] execution" of that assignment.<sup>2474</sup> Answering a question of first impression regarding the relationship between the two statutes, the Second Circuit held that an incontestable registration must have been validly assigned to the registrant before the registrant can avail itself of the various benefits of incontestability.<sup>2475</sup> The district court hearing the case had dismissed a challenge to the assignment of several incontestable registrations on the ground that an invalid assignment was not one of the grounds for cancellation recognized by Section 14(3) of the Act.<sup>2476</sup> The Second Circuit disagreed:

---

2470. *See Mercado-Salinas v. Bart Enters. Int'l*, 747 F. Supp. 2d 275 (D.P.R. 2010).

2471. *Id.* at 273.

2472. *See id.* at 273-74.

2473. 15 U.S.C. § 1115(b) (2006).

2474. *Id.* § 1060(a)(3).

2475. *See Fed. Treasury Enter. Sojuzplodoimport v. Spirits Int'l N.V.*, 623 F.3d 61 (2d Cir. 2010).

2476. 15 U.S.C. § 1064(3).

“Since the act of recording a document is not a determination of the document’s validity,” the existence of a recorded assignment “does not preclude a party from . . . establishing its ownership of the mark in a proper forum, such as a federal court.” If the mere fact that the registrant satisfied the requirements for incontestability could preclude [a challenge to the registrant’s ownership of the mark], then incontestability would transform recording—a ministerial act—into a mechanism for conclusively defeating allegations (which must be credited on a motion to dismiss) challenging the legality of the assignment . . . .<sup>2477</sup>

The court therefore reversed the district court’s dismissal of the plaintiff’s challenge to the assignment on the ground that “if at the end of the day [the plaintiff] is able to prove that its marks were unlawfully assigned [to the registrant], then the district court would be obligated to consider appropriate relief.”<sup>2478</sup>

The Second Circuit’s holding was picked up and applied in the Eastern District of Michigan in a dispute over the ownership of a set of marks used in connection with hair care products.<sup>2479</sup> It was undisputed that one of the plaintiffs was, through an assignment, the record owner of the registered marks the plaintiffs sought to protect and that the registrations were incontestable. In response to the plaintiffs’ motion for a preliminary injunction, however, the defendants argued that they were part owners of the Illinois limited liability company from which the registrant had acquired its registrations. If that were true, the court held, “the validity of the assignment to [the registrant] is in doubt,”<sup>2480</sup> because “[u]nder Illinois law, it appears that unless a limited liability company agrees otherwise, the sale or transfer of ‘substantially all’ of a limited liability company’s assets requires approval from every LLC member.”<sup>2481</sup> The plaintiffs’ bid for interlocutory relief therefore fell short on the ground that “while the record and legal arguments are far from sufficient to conclude that Defendants have an ownership interest in the marks, it is enough to say that Defendants’ position is not implausible, and creates considerable doubt as to whether [the registrant] owns the marks.”<sup>2482</sup>

---

2477. *Fed. Treasury Enter. Sojuzplodoimport*, 623 F.3d at 68 (alteration in original) (emphasis omitted) (citation omitted) (quoting *In re Ratny*, 24 U.S.P.Q.2d 1713, 1715 (Comm’r Pats. & Trademarks 1992)).

2478. *Id.* at 68-69.

2479. *See CLT Logistics v. River W. Brands*, 777 F. Supp. 2d 1052 (E.D. Mich. 2011).

2480. *Id.* at 1070.

2481. *Id.* (quoting 805 Ill. Comp. Stat. § 180/15-1(b)(2)(c)(11) (2003)).

2482. *Id.* at 1071.

A third court also adhered to the ministerial-act view of the recordation process, but did so in a way that benefitted the registrant before it.<sup>2483</sup> Following an assignment of one of the registered marks at the heart of the parties' dispute, the registrant's name was recorded in the USPTO as "Binder & Binder." The registrant's actual name at the time, however, was "Binder *and* Binder," which allowed the defendants to argue that the assignment was invalid. The court disagreed, holding instead that:

The . . . error is not a material defect that impacts title. Defendants still had notice upon viewing the trademark [registration] that it was a properly recorded trademark. Although more precision may be desirable when the question is what is the trademark itself, we do not confront that question here. The use of the ampersand rather than the word "and" relates only to describing the entity that owns the trademarks not the precise nature of the trademarks themselves.<sup>2484</sup>

A further opinion bearing on the acquisition of protectable rights through assignments addressed a more conventional issue, namely, whether an agreement actually effected a transfer of the particular mark at issue.<sup>2485</sup> There was no dispute between the parties that the plaintiffs had purchased the DOYLE CONSULTING mark for insurance brokerage services through an asset purchase agreement, but the defendants argued in a motion to dismiss that the agreement did not extend to the DOYLE mark, which the defendants had incorporated into their DOYLE ALLIANCE GROUP mark for directly competitive services. Because of the clear likelihood of confusion between the DOYLE CONSULTING and DOYLE ALLIANCE GROUP marks, the scope of the agreement was arguably a moot point, but the court looked to the transaction document to conclude that the plaintiffs had, in fact, acquired the rights to both marks. As the court noted, the agreement obligated each assignor—one of which was the former employer of two of the defendants—"to cease all operational use of such [assignor's] corporate name, fictitious names, or any derivatives thereof."<sup>2486</sup> Thus, "[u]nder a reasonable reading of this language, the Court can fairly infer that the parties intended the name 'Doyle' to be considered a derivative of the business name 'Doyle Consulting' and, thus, part of the Asset Purchase

---

2483. See *Binder v. Disability Grp.*, 772 F. Supp. 2d 1172 (C.D. Cal. 2011).

2484. *Id.* at 1176.

2485. See *Brown & Brown, Inc. v. Cola*, 745 F. Supp. 2d 588 (E.D. Pa. 2010).

2486. Quoted in *id.* at 614.

Agreement.”<sup>2487</sup> With the court construing the language of the agreement in the plaintiffs’ favor, the defendants’ motion to dismiss fell by the wayside.<sup>2488</sup>

Finally, the interpretation of trademark-related contracts that are governed by foreign law can be a tricky affair, but the Seventh Circuit took it on in an action arising out of an agreement governing the sale of French-press coffee makers featuring an allegedly distinctive and nonfunctional design.<sup>2489</sup> On its face, the agreement granted the defendant the rights to “manufacture and distribute any products similar to [the plaintiff’s] products outside of France.”<sup>2490</sup> In an application of the common-law parole evidence rule, the unambiguous language likely would have resolved the issue between the parties, which was whether the defendant could manufacture and sell its products in the United States. But French law governed the agreement, and this opened the door for the plaintiff to argue that the parties’ intent, rather than the agreement’s express terms, should prevail: According to Article 1156 of the French Civil Code, “[o]ne must in agreements seek what the common intention of the contracting parties was, rather than pay attention to the literal meaning of the terms.”<sup>2491</sup> That door nevertheless quickly closed, as the Seventh Circuit held that, even if the plaintiff had demonstrated its intent to limit the defendant’s sales to the United Kingdom and Australia, its showing failed to establish that the defendant had had the same intent. Because the history of their negotiations suggested that the intent of at least the defendant was, in fact, reflected in the agreement’s express terms, the plaintiff’s claims failed as a matter of law.<sup>2492</sup>

### 3. Interpretation of Trademark Licenses

Although not producing a comprehensive resolution of the parties’ dispute, one court adopted a standard methodology for interpreting the scope of a license agreement.<sup>2493</sup> A key issue in the litigation was whether a license authorizing the lead defendant to sell “Amusement Play Balls and Sports Balls (individual or in sets, inflatable and non-inflatable)” bearing the plaintiff’s marks swept

---

<sup>2487</sup>. *Id.*

<sup>2488</sup>. *See id.* at 615-16.

<sup>2489</sup>. *See* Bodum USA, Inc. v. La Cafetiere, Inc., 621 F.3d 624 (7th Cir. 2010).

<sup>2490</sup>. *Quoted in id.* at 628.

<sup>2491</sup>. *Quoted in id.*

<sup>2492</sup>. *See id.* at 631.

<sup>2493</sup>. *See* Marvel Entm’t, Inc. v. KellyToy (USA), Inc., 769 F. Supp. 2d 520 (S.D.N.Y. 2011).

in “bat and ball sets and hockey sets.”<sup>2494</sup> On the parties’ cross-motions for summary judgment, the court turned first to the question of whether the license’s treatment of the issue was ambiguous, concluding that it was: “The License Agreement does not explain the exact parameters of the [licensed] items, and the parties have not provided the Court with evidence that such terms bear meanings commonly understood in the industry.”<sup>2495</sup> That ambiguity permitted the court to turn to “extrinsic evidence . . . as a guide to interpretation of the agreement,”<sup>2496</sup> but, unfortunately for the parties, the conflicting extrinsic evidence they submitted did not shed much light on the subject. As a consequence, the court concluded that, “[g]iven that the terms of the contract are ambiguous and interpretation of the contract would require credibility determinations, summary judgment is inappropriate.”<sup>2497</sup>

In contrast, another court declined to entertain extrinsic evidence when interpreting a license agreement before it.<sup>2498</sup> The case had been triggered by the licensor’s entry into Chapter 11 bankruptcy protection, which led certain of its licensees to seek a declaratory judgment that the agreement was not a license after all but was instead part of an agreement to sell the licensed marks to the licensees. The court made short work of this argument, concluding that the agreement was, on its face, a license and that “the parole evidence rule precludes [the licensees] from using extrinsic evidence to argue that [the licensor] promised to sell the [t]rademarks.”<sup>2499</sup>

## ***K. Miscellaneous Matters***

### **1. Tort Liability of Trademark Licensors**

No doubt as a result of their general lack of success on the merits, tort cases against trademark licensors have produced relatively few reported opinions in recent years. An exception to this general rule, however, came in an action by the parents of a

---

2494. *See id.* at 525.

2495. *Id.*

2496. *Id.*

2497. *Id.* at 526. This holding notwithstanding, the same was not true with respect to all the goods sold by the defendants, and, indeed, the court did enter partial summary judgment in the plaintiff’s favor on the issue of whether pet toys sold by the defendants fell within the scope of the license: Based on the “plain text” of approval forms required by the license, as well as extrinsic testimony from the lead defendant’s principal, the court found as a matter of law that the license did not authorize the sale of those items. *See id.* at 524-25.

2498. *See In re Interstate Bakeries Corp.*, 447 B.R. 879 (W.D. Mo. 2011).

2499. *Id.* at 887.

child injured by an escalator in China against the owner of the mark appearing on the device.<sup>2500</sup> The plaintiffs prevailed at trial under Massachusetts law, and the intermediate appellate court of that state affirmed. Surveying the doctrinal landscape outside of Massachusetts, the court observed that cases against trademark licensors:

fall roughly into three categories. In one category are cases holding that a nonseller trademark licensor could be held liable as an apparent manufacturer if it exercised substantial control over the production of the product. The second category includes cases holding that a nonseller trademark licensor may be held liable as an apparent manufacturer, despite having had little or no participation in the design or manufacture of a product, by reason of the likelihood that buyers or users of the product would rely on the trademark as an assurance of the product's quality. The third category stands in contrast to the second: cases which declined to hold trademark licensors liable under the apparent manufacturer doctrine in circumstances in which they had little or no involvement in the design or manufacture of the product.<sup>2501</sup>

Based on this jurisprudence, the court held that “there was no error in the [jury] instruction by the trial judge in the present case that a nonseller trademark licensor who participates substantially in the design, manufacture, or distribution of [its] licensee’s products may be held liable under Massachusetts law as an apparent manufacturer.”<sup>2502</sup> Because the trial record included “ample evidence on which the jury could find that [the licensor] participated substantially in the design or manufacture of the escalator,” the jury’s verdict withstood the defendant’s challenge to it.<sup>2503</sup>

## 2. Attorney Discipline

Unusually, the past year produced two opinions addressing allegations of attorney misconduct arising out of trademark prosecution matters. One was a New York disciplinary action based on the respondents’ prior disbarment in Massachusetts.<sup>2504</sup> Two clients had retained the respondent, one to prosecute trademark applications in the USPTO and the other to maintain an existing registration; a pair of separate clients had hired him to

---

2500. *See Lou v. Otis Elevator Co.*, 933 N.E.2d 140 (Mass. App. Ct. 2010).

2501. *Id.* at 147 (footnote omitted) (citation omitted).

2502. *Id.* at 148.

2503. *Id.* at 150.

2504. *In re Shea*, 906 N.Y.S.2d 582 (N.Y. App. Div. 2010).

prepare and prosecute a utility patent application. In each case, the respondent appropriated portions of his clients' retainers for his personal use and then failed to keep them apprised of the status of their matters. The respondent's failure to respond to disciplinary proceedings in Massachusetts led to the loss of his license there and triggered a subsequent reciprocal proceeding in New York. The respondent did mount a defense in the latter state, but neither the New York Board of Bar Overseers nor the court reviewing that entity's recommendation of disbarment was moved by the respondent's intervening retirement from the practice of law and his admission that he was not without blame. Rather, according to the court, "[the respondent] appears to lack an appreciation of the severity of the charges and fails to take responsibility for his conduct. Under the totality of the circumstances, the respondent is disbarred in New York based on his disbarment in Massachusetts."<sup>2505</sup>

The second case involved a much wider scope of alleged misconduct, which, among other things, included the respondent's failure to pursue a federal trademark registration of a client's "ideas."<sup>2506</sup> After accepting a retainer of \$1,900, the respondent advised his client that the federal registration process would take between six months and two years. Frustrated after two-and-half-years of apparent inactivity, the client paid an unannounced visit to the respondent's office, only to be told that the respondent had not heard back from the USPTO in connection with the client's application. The respondent's failures to advise the client of the subsequent suspension of his license and to return the client's file to her were additional considerations underlying the Supreme Court of Nebraska's ultimate decision to disbar him.<sup>2507</sup>

### 3. Cuban Asset Control Regulations

The Byzantine statutory and regulatory framework governing relations between United States and Cuban domiciliaries have increasingly produced trademark-related opinions turning on their proper interpretation. Notwithstanding the embargo against most transactions with Cuban government-owned entities, the Cuban Assets Control Regulations historically contained an exception allowing those entities to pursue and maintain registrations in the USPTO.<sup>2508</sup> That changed, however, with congressional passage of

---

2505. *Id.* at 585.

2506. *See* Neb. *ex rel.* Counsel for Discipline of the Neb. Sup. Ct. v. Thew, 794 N.W.2d 412 (Neb. 2011).

2507. *See id.* at 183-84.

2508. *See* 31 C.F.R. 515.527 (1998) ("Transactions related to the registration and renewal in the United States Patent and Trademark Office . . . of trademarks . . . in which the Government of Cuba or a Cuban national has an interest are authorized.").

Section 211 of the Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1999.<sup>2509</sup> Section 211's enactment led the federal Office of Foreign Assets Control (OFAC) to refuse a license to a Cuban government-owned company necessary for that company to renew its registration of the HAVANA CLUB mark. The company responded by challenging the denial on a variety of grounds, all of which failed in the first instance and on appeal to the D.C. Circuit.<sup>2510</sup>

As an initial matter, the appellate court was unimpressed with the plaintiff's argument that Section 211 reached only new applications to register marks with the USPTO; rather, Section 211 prohibited both "transactions" and "payments," and "[a] renewal is both."<sup>2511</sup> The court also rejected the plaintiff's argument that Section 211 had an impermissibly retroactive effect, holding that "[b]ecause [the plaintiff's] right to renew the trademark [registration] was expressly revocable [under then-extant federal law], [the plaintiff] did not obtain a vested right to perpetual renewal . . . when it registered the mark in 1976."<sup>2512</sup> The second of these conclusions produced a third one adverse to the plaintiff, which was, because the plaintiff lacked a vested interest in the renewal of its registration, its inability to pursue the renewal did not deprive it of substantive due process.<sup>2513</sup>

#### 4. Trademark-Related Bankruptcy Issues

The perennial issue of whether a trademark license is an executory contract under Section 365 of the Bankruptcy Code<sup>2514</sup> and therefore can be rejected by a debtor-in-possession arose in a declaratory judgment action by a group of licensees against their licensor, which was embroiled in a Chapter 11 proceeding.<sup>2515</sup> In an appeal from entry of summary judgment in the debtor's favor, the district court assigned to the case adopted the so-called

---

2509. Section 211 provides:

Notwithstanding any other provision of law, no transaction or payment shall be authorized or approved . . . with respect to a mark, trade name, or commercial name that is the same as or substantially similar to a mark, trade name, or commercial name that was used in connection with a business or assets that were confiscated unless the original owner of the mark, trade name, or commercial name, or the bona fide successor-in-interest has expressly consented.

Pub. L. No. 105-277, § 211(a)(1), 112 Stat. 2681, 2681-88 (1999).

2510. *Empresa Cubana Exportadora de Alimentos y Productos Varios v. U.S. Dep't of Treasury*, 638 F.3d 794 (D.C. Cir. 2011).

2511. *Id.* at 798.

2512. *Id.* at 799.

2513. *See id.* at 799-800.

2514. 11 U.S.C. § 365 (2006).

2515. *See In re Interstate Bakeries Corp.*, 447 B.R. 879 (W.D. Mo. 2011).



“Countryman Standard,” which defines an executory contract as “a contract under which the obligation of both the bankrupt and the other party to the contract are so far unperformed that the failure of either to complete performance would constitute a material breach excusing the performance of the other.”<sup>2516</sup> It then explained of this standard that “[w]hile trademark license agreements are usually held to be executory contracts, they are not universally considered executory. The question is whether, at the time the debtor filed its petition for bankruptcy, the license agreement contained at least one obligation for both parties that would constitute a material breach if not performed.”<sup>2517</sup>

Based on the language of the agreement itself, the court held that such an obligation existed:

Section 5.2 of the License Agreement states that “a failure of [the licensees] to maintain the character and quality of the goods sold under the Trademarks . . . shall constitute a “material breach,” entitling [the debtor] to terminate the License Agreement. Because the License Agreement provides that a failure to maintain the character and quality of the goods would constitute a “material breach,” the Court need not engage in any materiality analysis . . . to determine if any of the parties’ ongoing obligations are material. The parties agreed and acknowledged this obligation was material . . . when they entered the License Agreement.”<sup>2518</sup>

The court therefore affirmed the bankruptcy court’s conclusion that the parties’ agreement was an executory one.<sup>2519</sup>

## 5. The Freedom of Information Act

The Freedom of Information Act (FOIA)<sup>2520</sup> and trademark jurisprudence have no obvious connection to each other, but they intersected in an appeal to the U.S. Court of Appeals for the Ninth Circuit seeking access to notices issued by the U.S. Bureau of Customs and Border Protection (CPB) of that agency’s seizure of goods bearing possibly counterfeit imitations of marks owned by the recipients of the notices.<sup>2521</sup> The result of that intersection was a holding that CBP had waived whatever rights the federal

---

<sup>2516</sup>. *Id.* at 884 (quoting Vern Countryman, *Executory Contracts in Bankruptcy: Part I*, 57 Minn. L. Rev. 439, 460 (1973)).

<sup>2517</sup>. *Id.* at 884-85.

<sup>2518</sup>. *Id.* at 886.

<sup>2519</sup>. *See id.*

<sup>2520</sup>. *See* 5 U.S.C. § 552 (2006).

<sup>2521</sup>. *See* *Watkins v. U.S. Bureau of Customs & Border Prot.*, 643 F.3d 1189 (9th Cir. 2011).

government had to withhold the information contained in the notices.

When CBP interdicts merchandise bearing marks that may be counterfeit imitations of marks covered by federal registrations that have been recorded with CBP, it has the obligation to notify the owners of those registrations of the interdiction.<sup>2522</sup> For reasons not apparent in the Ninth Circuit's opinion, the plaintiff, a pro se trademark and copyright law attorney, filed a series of FOIA requests for all the notices of seizure issued by CBP personnel in certain ports over an eighteen-month period. Following discussions that narrowed down the plaintiff's request, CBP produced the notices the plaintiff had requested but heavily redacted them to remove information the agency regarded as confidential. The plaintiff then filed suit to require disclosure of the redacted information.

As framed by the parties' briefing on appeal, a primary issue in dispute was whether the information in question fell within the scope of the so-called "Exemption 4," which permits the U.S. government to resist FOIA requests covering "trade secrets and commercial or financial information obtained from a person and [which are] privileged and confidential."<sup>2523</sup> The trial court had held that the information in question fell within the scope of Exemption 4, and the Ninth Circuit agreed: As the appellate court explained, there was a sufficient basis in the record for the district court to conclude that "the disclosure of the information in the Notices of Seizure poses a substantial likelihood of competitive injury to importers . . . who zealously guard their supply chains. Combine this information with already public information and importers' entire distribution network and demand trends could be revealed."<sup>2524</sup>

Despite the CBP's initial victory, however, the Ninth Circuit ultimately held that the agency had waived its eligibility for Exemption 4 by disseminating the notices to trademark owners:

When disclosure is made to a trademark owner, the government imposes no restrictions on the trademark owner's use of the information in the Notice. He can freely disseminate the Notice to his attorneys, business affiliates, trade organizations, the importer's competitors, or the media in a way that would compromise the purportedly sensitive information about an offending importer's trade operations.

---

2522. See 19 U.S.C. § 1526(a) (2006).

2523. See 5 U.S.C. § 552(b)(4) (2006).

2524. *Watkins*, 643 F.3d at 1196.

This no-strings-attached disclosure thus voids any claim to confidentiality and constitutes a waiver of Exemption 4.<sup>2525</sup>

Because “FOIA . . . creates an obligation for the government to disclose the requested documents,”<sup>2526</sup> CBP lost the war despite its victory in the initial battle.

## 6. The Religious Freedom Restoration Act

Just as the First Amendment allows the exercise of federal subject-matter jurisdiction over unfair competition suits between religious institutions, so too, the Sixth Circuit determined, does the Religious Freedom Restoration Act (RFRA).<sup>2527</sup> The occasion for this holding was a challenge by the registrant and a licensee of the SEVENTH-DAY ADVENTIST and ADVENTIST marks to the use of the A CREATION SEVENTH DAY & ADVENTIST CHURCH and CREATION SEVENTH DAY ADVENTIST CHURCH marks by a breakaway pastor.<sup>2528</sup> Because the pastor viewed himself and his congregants as the only “true” Adventists, he argued both that his religion required him to use an Adventist-based name and that the RFRA protected that use. The Sixth Circuit disagreed, holding instead that “[t]he text of the statute makes quite clear that Congress intended RFRA to apply only to suits in which the government is a party”;<sup>2529</sup> it found further support for this outcome in the RFRA’s legislative history.<sup>2530</sup>

## 7. The Indian Arts and Crafts Act

Between them, the Indian Arts and Crafts Act<sup>2531</sup> and the Indian Arts and Crafts Enforcement Act<sup>2532</sup> (collectively, IACA) authorize a cause of action against the marketing and sale of goods as “Indian” that are not actually associated with Native Americans.<sup>2533</sup> In denying a motion to dismiss an action for failure to state a claim, one court confirmed that standing under the IACA does not depend on a showing at the pleadings stage that the

---

<sup>2525</sup> *Id.* at 1197.

<sup>2526</sup> *Id.*

<sup>2527</sup> 42 U.S.C. § 2000bb-1 (2006).

<sup>2528</sup> *See* Gen. Conference Corp. of Seventh-day Adventists v. McGill, 617 F.3d 402 (6th Cir 2010), *cert. denied*, 131 S. Ct. 2097 (2011).

<sup>2529</sup> *Id.* at 410.

<sup>2530</sup> *See id.* at 411 (citing S. Rep. No. 103-111, *reprinted in* 1993 U.S.C.C.A.N. 1892; H.R. Rep. 103-88 (1993)).

<sup>2531</sup> Pub. L. No. 101-644, 104 Stat. 4662 (1990) (codified as amended at 25 U.S.C. § 305 (2006)).

<sup>2532</sup> Pub. L. No. 106-497, 114 Stat. 2219 (2000).

<sup>2533</sup> *See* 25 U.S.C. §§ 305-06 (2006).

parties are in direct competition. Rather, for a cognizable claim of damage resulting a defendant's violation of the IACA:

[I]t is enough for [the plaintiff] to allege that it sells similar products as [the defendant] and that its sales and reputation are harmed by [the defendant's] false advertising and sales of fakes. To determine whether the parties' products and channels of distribution are sufficiently similar and whether they appeal to similar customers is an evidence-based inquiry [meant] for summary judgment, not a motion to dismiss.<sup>2534</sup>

Moreover, the court held, because “[n]either fraud nor mistake must be alleged to state a claim for violating [the IACA],”<sup>2535</sup> actions brought pursuant to that statute were not subject to the heightened pleading requirements of Rule 9 of the Federal Rules of Civil Procedure.<sup>2536</sup>

## 8. Insurance Coverage

### *a. Cases Ordering Coverage*

Of the reported insurance-related opinions concluding that coverage was appropriate under the policies at issue, the one attracting the most attention arose from a Ninth Circuit appeal in an equitable contribution action governed by California law.<sup>2537</sup> The plaintiff in the underlying suit was the National Football League, which alleged that the insured had sold an unauthorized “Steel Curtain Custom Limited Edition Steelers Jersey.” Among other things, the NFL’s complaint averred that “[t]he Steelers have strong common law rights in the mark ‘Steel Curtain’ and own a state registration for the mark ‘Steel Curtain . . . Pittsburgh Steelers.’”<sup>2538</sup>

Because the policy issued to the insured by the defendant carrier covered the defense of allegations of infringement “upon another’s copyright, trade dress or slogan,”<sup>2539</sup> the issue in the case quickly became whether the NFL’s claims in the underlying suit constituted a challenge to the insured’s use of a “slogan.” In answering this question affirmatively, the court invoked the usual rules that “[i]f a potential cause of action is shown for one covered claim, [the defendant carrier] had a duty to defend [the insured] as to all claims in the NFL Action, regardless of whether the other

---

2534. *Native Am. Arts, Inc. v. Contract Specialties, Inc.*, 754 F. Supp. 2d 386, 388 (D.R.I. 2010) (citation omitted).

2535. *Id.* at 391.

2536. *See id.* at 391-91.

2537. *See Hudson Ins. Co. v. Colony Ins. Co.*, 624 F.3d 1264 (9th Cir. 2010).

2538. *Quoted in id.* at 1266 (alteration in original) (emphasis omitted).

2539. *Quoted in id.*

claims were covered under the policy”<sup>2540</sup> and that “[a]ny ambiguity in the insurance policy, including in the exclusions, must be resolved in favor of finding coverage.”<sup>2541</sup> It then rejected the defendant carrier’s three arguments against coverage *seriatim*: (1) although the NFL had not expressly asserted a claim of slogan infringement, it had potentially done so through its “Steel Curtain” references;<sup>2542</sup> (2) even if the NFL had deliberately foregone a claim for slogan infringement, “[t]he technical label on a cause of action does not dictate the duty to defend[,] whether the claimed cause of action was omitted out of negligence or ‘for strategic adversarial reasons’”;<sup>2543</sup> and, finally (3) California law might exclude coverage for the defense of causes of action that were expressly disclaimed by the plaintiff in an underlying suit, but no such disclaimer had taken place.<sup>2544</sup>

The duty to defend against an allegation of “slogan” infringement also took center stage in an appeal to the Seventh Circuit.<sup>2545</sup> The policy in question, which was governed by Illinois law, excluded coverage for “injury or damage . . . that results from any actual or alleged infringement or violation of any of the following rights or laws: . . . trade dress . . . trademark, [or] other intellectual property rights or laws”;<sup>2546</sup> that exclusion, however, was subject to an exception for the “unauthorized use of . . . [a] trademarked slogan . . . of others in your advertising.”<sup>2547</sup> The complaint in the underlying action alleged that the insured had unlawfully imitated the plaintiff’s packaging *and* slogans, and this led the carrier to argue that the reference to “trade dress” in the exclusion trumped the reference to “trademarked slogan” in the exception to the exclusion because the slogan-related and trade dress claims overlapped.

The Seventh Circuit disagreed, and it therefore affirmed the district court’s holding that the policy required coverage. According to the appellate court:

Under any authority we could find indicating when a non-covered claim may affect coverage for a covered claim based on the similarity of allegations, the fact that the trade dress

---

2540. *Id.* at 1267.

2541. *Id.*

2542. *See id.* at 1268-69.

2543. *Id.* at 1269 (quoting *CNA Cas. of Cal. v. Seaboard Sur. Co.*, 222 Cal. Rptr. 276, 282 (Ct. App. 1986)).

2544. *See id.* at 1270.

2545. *See Santa’s Best Craft, LLC v. St. Paul Fire & Marine Ins. Co.*, 611 F.3d 339 (7th Cir. 2010).

2546. *Quoted in id.* at 347-48 (alteration in original).

2547. *Quoted in id.* at 348 (alteration in original).

allegations are a subset of those alleging infringement of [a] slogan does not eliminate coverage under the policy. That is, unless a slogan infringement claim would not have arisen but for the trade dress violation claim (or necessarily arises out of the trade dress violation claim)—clearly not the case here—we cannot find that the exclusion for trade dress claims excuses [the carrier] from a duty to defend the underlying action.<sup>2548</sup>

The opinion was not a total loss for the carrier, however, as the court also held that an exclusion applied to certain material predating the policy period<sup>2549</sup> and that the carrier had not breached the duty to defend recognized by the court because the carrier had sought declaratory relief: (1) before the resolution of the underlying action; (2) before settlement or trial was imminent in that action; and (3) within a reasonable period of time after receiving notice of that action.<sup>2550</sup> Moreover, the carrier was not obligated to cover the defense costs of another party with which the insured had an indemnification agreement.<sup>2551</sup>

At the trial court level, one insured successfully pursued a motion for summary judgment in litigation brought to enforce the terms of a policy governed by New York law.<sup>2552</sup> The plaintiff in the underlying action alleged that the defendants, including the insured, had “counterfeited and/or infringed [its] trademarks by advertising, distributing, selling and/or offering for sale unauthorized goods including without limitation apparel bearing unauthorized reproductions of [its] trademarks.”<sup>2553</sup> Pointing out that the policy in question required coverage only for the defense of allegations of “title” and “slogan” infringement, the carrier argued that the claims in the underlying action fell outside the policy’s scope; it also invoked knowledge-of-falsity and first-publication exclusions found in the policy.

The court was unwilling to conclude as a matter of law that the alleged conduct did not fall within the scope of the policy, in part because of the protective attitude taken by New York courts toward policyholders. That attitude, the court observed, swept in the twin propositions that “an insurer’s duty to defend is ‘exceedingly broad and an insurer will be called upon to provide a

---

2548. *Id.*

2549. *See id.* at 348-49.

2550. *See id.* at 349-50.

2551. *See id.* at 352-54. On this point, the court noted that the insured and the indemnitee were required to demonstrate that there was no conflict between their interests. Because the record contained testimony that the insured and the indemnitee had retained separate law firms in the underlying action precisely because of a potential conflict, the district court properly had concluded that no duty to indemnify existed under the policy. *See id.* at 353.

2552. *See* CGS Indus. v. Charter Oak Fire Ins. Co., 751 F. Supp. 2d 444 (E.D.N.Y. 2010).

2553. *Quoted in id.* at 448 (alterations in original).

defense whenever the allegations of the [underlying] complaint suggest . . . a reasonable possibility of coverage”<sup>2554</sup> and “[i]f there is a doubt as to whether a claim falls within the insurer’s duty to indemnify, ‘the insurer is generally required to furnish a defense, leaving the issue of indemnification to be settled after establishment of the insured’s liability.’”<sup>2555</sup> As to the distinction between marks, on the one hand, and titles and slogans, on the other hand, the court held that the carrier’s proposed interpretation of “title” was “unduly restrictive given New York’s rule[s] of insurance policy construction”<sup>2556</sup> and that the challenged uses included “stars and symbols,” which the court concluded “may . . . reasonably constitute ‘slogans.’”<sup>2557</sup> Likewise, “[t]he alleged injury, construing the complaint [in the underlying action] liberally, arose out of an offense incurring [sic] ‘in the course of advertising.’”<sup>2558</sup>

That left the carrier’s argument that the knowledge-of-falsity and first-publication exclusions barred coverage. As to the former, the court held that the allegations of intentional conduct in the underlying complaint did not trigger the exclusion because “[the insured] may very well be found liable for an ‘advertising injury’ without committing intentional misconduct.”<sup>2559</sup> And, as to the latter, it dismissed the carrier’s invocation of declaration testimony suggesting that the insured had used the allegedly infringing marks prior to the policy period on the grounds that “one declaration in a lawsuit cannot be said to resolve this factual dispute with certainty”<sup>2560</sup> and that the insured had held “a nearly identical insurance policy” on the date the carrier alleged the prior sale had taken place.<sup>2561</sup> Coverage therefore was appropriate “until it is definitively resolved that the . . . [p]olicy does not apply.”<sup>2562</sup>

California law’s favorable treatment of insureds led to summary judgment being entered against a different carrier.<sup>2563</sup> In its original iteration, the complaint in the underlying action

---

2554. *Id.* at 449 (alterations in original) (quoting *Automobile Ins. Co. of Hartford v. Cook*, 850 N.E.2d 1152, 1155 (N.Y. 2006)) (internal quotation marks omitted).

2555. *Id.* at 450 (quoting *Village of Sylvan Beach, N.Y. v. Travelers Indem. Co.*, 55 F.3d 114, 115 (2d Cir. 1995)).

2556. *Id.* at 451.

2557. *Id.*

2558. *Id.* at 452 (quoting *Century 21, Inc. v. Diamond State Ins. Co.*, 442 F.3d 79, 83-84 (2d Cir. 2006)).

2559. *Id.*

2560. *Id.* at 453.

2561. *See id.*

2562. *See id.*

2563. *See Michael Taylor Designs, Inc. v. Travelers Prop. Cas. Co. of Am.*, 761 F. Supp. 2d 904 (N.D. Cal. 2011).

accused the insured of producing and distributing furniture that was likely to be confused with, and to tarnish, the trade dress of the plaintiff's competitive furniture;<sup>2564</sup> an amendment to that pleading, however, added a cause of action for disparagement. It was undisputed that the insured's policy required coverage for the defense of the new allegation, but the carrier balked at reimbursing the insured for the insured's investment into the case before the amendment. The insured filed suit, relying on the principle that "the duty to defend[] 'does not depend on the labels given to the causes of action in the third party complaint; instead it rests on whether the *alleged facts* or *known extrinsic facts* reveal a *possibility* that the claim may be covered by the policy.'"<sup>2565</sup>

The court sided with the insured on the parties' cross-motions for summary judgment. Even if the attorneys for the plaintiff in the underlying action "did not have a claim for disparagement or trade libel at the forefront of their legal theories,"<sup>2566</sup> the court held that "the very essence of the injury they were alleging was damage to the reputation of [the plaintiff's] products that would result from consumers encountering 'cheap synthetic knock-offs' and believing them to be products manufactured by [the plaintiff]."<sup>2567</sup> This had two consequences for the carrier's effort to escape coverage, the first of which was that "[b]ecause [the plaintiff] was expressly alleging that the reputation of her goods was harmed by [the insured's] conduct, the mere fact that it was labeled as trade dress infringement does not preclude the possibility of a disparagement claim."<sup>2568</sup> The second was that "[t]he amended complaint may have articulated the new legal *theory* of 'Slander of Goods,' and liberally sprinkled the term 'disparagement' throughout, but it did so without adding substantially new or different factual allegations . . . , or fundamentally altering the nature of the injury being alleged."<sup>2569</sup> Because "even the factual allegations of the original . . . complaint were sufficient to reveal the possibility of a covered claim, . . . [the carrier] had a duty to provide [the insured] a defense from the time that complaint was tendered."<sup>2570</sup>

---

2564. A rider to the insured's policy expressly excluded coverage for the defense of allegations of trade dress infringement: Although the insured sought to invalidate the exclusion on the ground that it had been insufficiently disclosed, the court rejected this argument. *See id.* at 913.

2565. *Id.* at 910 (quoting *Atlantic Mut. Ins. Co. v. J. Lamb, Inc.*, 123 Cal. Rptr. 2d 256, 268 (Ct. App. 2002)).

2566. *See id.* at 911.

2567. *Id.*

2568. *Id.* at 912.

2569. *Id.*

2570. *Id.*



### *b. Cases Declining to Order Coverage*

Although opening the door for some insureds, the existence of coverage for the infringement of slogans did not result in a duty to defend in all actions, and, indeed, one insured that attempted to avail itself of the treatment by Missouri law of the issue came up empty.<sup>2571</sup> The complaint in the underlying action was replete with allegations of “trademark infringement” and “unfair competition,” the defense of which fell within the scope of an exclusion in the insured’s policy. Coverage for the defense of slogan infringement was not excluded, however, and the insured therefore argued that the complaint’s express characterization of the plaintiff’s claims was not dispositive. In particular, it contended that “slogan” could be defined as a “brief attention-getting phrase used in advertising or promotion,”<sup>2572</sup> in which case the mark at issue in the underlying action—NATURE’S OWN for baked goods—qualified as a slogan and its alleged infringement therefore triggered coverage.

The court was unconvinced. Noting that “all house, product, or brand names would qualify as slogans” under the insured’s definition,<sup>2573</sup> it entered summary judgment in the carrier’s favor on the ground that:

Renaming the trademark infringement and unfair competition claims pled in the [underlying] litigation “slogan infringement” in an effort to afford policy coverage would render the policy meaningless. Under [the insured’s] theory, any claim involving the alleged misuse of a trademarked name would be covered by the policy as a potential cause of action for slogan infringement. Such an interpretation is contrary to the plain language of the policy and standard rules of contract interpretation. Thus, the Court concludes that, in the circumstances of this case, . . . allegations that [the insured’s] conduct infringed on the product mark “Nature’s Own” cannot be read as alleging infringement of a slogan.<sup>2574</sup>

The court then addressed and rejected the insured’s alternative argument that the complaint in the underlying action alleged infringement of a title, a circumstance that also would lead to coverage. The court acknowledged that at least some past cases had treated trademarks as titles for purposes of advertising injury clauses. Nevertheless, unlike the policies governing the disposition of those cases, “the policy at issue in this case specifically excluded

---

2571. See *Interstate Bakeries Corp. v. OneBeacon Ins. Co.*, 773 F. Supp. 2d 799 (W.D. Mo. 2011).

2572. *Quoted in id.* at 814.

2573. *Id.*

2574. *Id.* at 815-16.

coverage for ‘infringement or dilution of trademark, trade name, trade dress, service mark or service name or unfair competition arising therefrom . . . .’<sup>2575</sup> Particularly because the policy defined “title” in a way that did not contemplate the word as a synonym for “trademark,” “the rationale of cases interpreting policies with entirely different provisions provides no support for [the insured’s] argument that contrary to the specific policy terms and definitions, the term infringement of ‘title’ should be interpreted to mean ‘infringement of a trademark.’”<sup>2576</sup>

The court also found that the insured’s own representations when applying for a later policy and during discovery in the underlying action precluded coverage. The underlying action had been pending for over a month when the insured applied for a new policy from its carrier, yet the insured responded “no” to inquiries in the application as to whether it was aware “of any situation that could give rise to a claim” and whether it or its subsidiaries had been “involved in a lawsuit or claim in the past five years arising from advertising activities.”<sup>2577</sup> The court was unwilling to give dispositive significance to these responses; still, however, they were “evidence, that at that time, [the insured] did not believe the [underlying] litigation was a claim arising from ‘advertising activities’ within the meaning of the policy.”<sup>2578</sup>

In a final holding, the court rejected the insured’s argument that the policy would be a nullity if it did not provide for coverage. As to that issue, the court held that:

The fact that there is no coverage and hence no duty to defend the unfair competition claims raised in the [underlying] litigation does not render the policy coverage a “sham” or “illusory.” The coverage purchased covers claims of unfair competition and claims under . . . the Lanham Act or similar state statutes, but only when alleged with causes of action for defamation, infringement of copyright, piracy, plagiarism and misappropriation of ideas or infringement of title or slogan. The allegations brought in the [underlying] litigation are not within the coverage provisions, but fall squarely within the policy exclusions.<sup>2579</sup>

---

2575. *Id.* at 818 (alteration in original).

2576. *Id.*

2577. *Quoted in id.* at 819. Although the carrier’s showing on this point was not accorded appreciable weight, the insured additionally responded to a document request in the underlying action by representing to the plaintiff that “[d]efendant does not anticipate that any insurance policy will be called upon to satisfy a judgment, if any, entered in this case.” *Quoted in id.* at 806.

2578. *Id.* at 819.

2579. *Id.* at 822.

Summary judgment in a carrier's favor also held in a case in which the insureds, although armed with a standard advertising injury clause in their policy, were unable to demonstrate that they engaged in advertising within the meaning of the clause.<sup>2580</sup> The insureds admitted that they had not advertised their goods in the traditional sense. Instead, the underlying trade dress action had been filed after the insureds "invited 75 to 100 retailers to their showroom to view their prototype . . . products and packaging,"<sup>2581</sup> in response to which "[t]he retailers made individual appointments to view [the insureds'] products and received personal presentations about the products displayed."<sup>2582</sup> The insureds argued that this conduct qualified as advertising on the theory that the retailers were "a 'specific market segment' of the general public under the policy's definition of 'advertisement.'"<sup>2583</sup>

The court disagreed, noting that the policy defined "advertisement" as "a notice that is broadcast or published to the general public or specific market segments' about the insured's goods or services. In addition to establishing to whom the notice was directed, an insured must also establish that the notice was 'broadcast or published.'"<sup>2584</sup> The insureds' showroom event failed to make the grade: "In this case, [the insureds] have not established that their notice[, *i.e.*, the unveiling of their new goods and packaging,] was 'broadcast or published' and, therefore, cannot satisfy the policy's definition of 'advertisement.' Rather, their conduct was akin to personal solicitation, which is not advertising."<sup>2585</sup> This conclusion foreclosed the insureds from making the backup argument that the plaintiff in the underlying action could have suffered an advertising injury even in the absence of an advertisement. As the court explained, "[t]he advertisement is inherent in the nature of the injury; we cannot separate those concepts."<sup>2586</sup>

Another, and more aggressive, disposition of a bid for coverage came on a motion to dismiss for failure to state a claim.<sup>2587</sup> The policy at issue extended coverage to the defense of allegations of injury "arising out of . . . [i]nfringement of copyright, title or

---

2580. See *Santa's Best Craft, L.L.C. v. Zurich Am. Ins. Co.*, 941 N.E.2d 291 (Ill. App. Ct. 2010).

2581. See *id.* at 302.

2582. *Id.* at 305.

2583. See *id.* at 302.

2584. *Id.* at 303.

2585. *Id.* at 304.

2586. *Id.* at 306.

2587. See *Priceless Clothing Co. v. Travelers Cas. Ins. Co. of Am.*, 100 U.S.P.Q.2d 1398 (N.D. Ill. 2011).

slogan,”<sup>2588</sup> but the complaint in the underlying action sounded in trade dress infringement and unfair competition. Defending its bid for coverage under Illinois law, the insured argued unsuccessfully that the allegedly infringed trade dress constituted a title within the meaning of the policy. According to the court, it might be true that “a policy provision providing coverage for infringement of title encompasses claims for trademark infringement.”<sup>2589</sup> Nevertheless, the absence from the complaint of allegations of trademark infringement rendered that rule inapposite:

The Underlying Complaint alleges a laundry list of acts infringing on [the plaintiff’s] trade dress, including [the insured’s] color scheme, exterior signage, and logo displays. Because the Underlying Complaint does not allege the infringement of any name or related trademark, [the carrier] had no obligation to defend [the insured] against the Underlying Complaint.”<sup>2590</sup>

A final noteworthy opinion denying coverage turned on a far more accessible issue, namely, whether the insured had provided its carrier with timely notice of the underlying action against the insured.<sup>2591</sup> It was undisputed that the policy in question required notice of an incoming suit “as soon as practicable,”<sup>2592</sup> that the complaint in the underlying action was faxed to the insured on June 27, 2008, and that the carrier itself was notified of the underlying action on October 1, 2008; the insured and the carrier differed, however, on whether the insured’s oral report of the underlying action to its insurance broker on August 19, 2008, constituted notice to the carrier.<sup>2593</sup> Applying New York law, the court held as a matter of law that it did not. As it explained, “an insurance broker is the agent of the *insured*, not the insurance company, and notice to an insurance broker, absent exceptional circumstances, is not notice to the insurer.”<sup>2594</sup> In particular, “merely ‘procuring a policy from an insurer is insufficient to cause a broker to become an agent of the insurer.’”<sup>2595</sup> Because no

---

2588. *Quoted in id.* at 1399.

2589. *Id.*

2590. *Id.*

2591. *See* Rockland Exposition, Inc. v. Great Am. Assurance Co., 746 F. Supp. 2d 528 (S.D.N.Y. 2010), *aff’d*, No. 10-4276-CV, 2011 WL 5176188 (2d Cir. Nov. 2, 2011).

2592. *Quoted in id.* at 530.

2593. Following the oral report, the insured forwarded a copy of the complaint to its broker on August 30, 2010; the broker in turn forwarded it to the carrier following day. *See id.* at 531.

2594. *Id.* at 534 (quoting Philadelphia Indem. Ins. Co. v. Horowitz, Greener & Stengel, LLP, 379 F. Supp. 2d 442, 457 (S.D.N.Y. 2005) (alteration omitted) (internal quotation marks omitted).

2595. *Id.* (quoting Philadelphia Indem. Ins., 379 F. Supp. 2d at 458 n.7).

exceptional circumstances existed that would render the broker an agent of the carrier and, additionally, because the insured did not have an excuse for the three-month delay in the carrier receiving notice,<sup>2596</sup> the carrier was excused from coverage.

### *c. Coverage to Be Determined*

Although the interpretation of written documents is ordinarily a question of law to be decided by the court, that does not mean that disputes over insurance coverage are always candidates for resolution on motions for summary judgment. One dispute that wasn't turned on the issue of whether the insured had made material misrepresentations in its application for coverage by failing to disclose the existence of actual or impending trademark-related disputes.<sup>2597</sup> The salient question in the application, which was governed by Michigan law, inquired about the insured's awareness of "any actual or alleged fact, circumstances, situation or error or omission arising out of the activities described in this application that may reasonably be expected to result in a claim being made against the [insured]."<sup>2598</sup> At the time the insured answered this question negatively, it was prosecuting an opposition proceeding against a competitor's trademark application and, additionally, had registered a pair of domain names apparently based on the competitor's claimed mark. Within five days of the policy's effective date, the insured became embroiled in a cascade of cybersquatting and false advertising litigation with the competitor, a circumstance that predictably triggered an argument by the carrier that the insured's application for coverage had been void *ab initio*.

The court was willing to entertain this theory but not to enter summary judgment in the carrier's favor. For one thing, it held, the reference to "activities" in the key question swept in the insured's "advertising efforts and the content of its websites" but not necessarily cybersquatting.<sup>2599</sup> For another, it was unclear from the summary judgment record when the insured had decided to undertake the advertising that the competitor ultimately challenged as false.<sup>2600</sup> As a consequence, "[w]hether the insurance contract is void *ab initio* due to any material misrepresentations

---

2596. *See id.* at 540-43.

2597. *See* Axis Ins. Co. v. Innovation Ventures, LLC, 737 F. Supp. 2d 685 (E.D. Mich. 2010).

2598. *Quoted in id.* at 692.

2599. *See id.* at 693.

2600. *See id.* at 693-94.

by [the insured] in the insurance application will be determined at trial.”<sup>2601</sup>

### 9. State Taxation of Income Produced by Trademark Licenses

The hit parade of state revenue departments successfully taxing income generated within their jurisdictions by licensees of out-of-state mark owners continued, with that of Iowa taking the lead.<sup>2602</sup> At issue were royalty payments made by Iowa franchisees to their Kentucky-based restaurant franchisor, which owned no restaurants in Iowa and had no employees in the state. In an appeal to the Supreme Court of Iowa, the franchisor invoked *Quill Corp. v. North Dakota*,<sup>2603</sup> in which the United States Supreme Court held that the collection by North Dakota of sales and use taxes from entities lacking a presence in that state was an unconstitutional burden on interstate commerce.<sup>2604</sup> According to the franchisor, *Quill* necessarily precluded the collection of state *income* taxes from nonresident domiciliaries lacking physical presences in the state.

In a scholarly opinion that surveyed *Quill* and its progeny at length, the Supreme Court of Iowa disagreed. It concluded that the outcome in *Quill* had not been driven by rational considerations—according to the court, “[t]he use of a ‘physical presence’ test does, of course, limit the power of the state to tax out-of-state taxpayers, but it does so in an irrational way”<sup>2605</sup>—but instead by stare decisis principles. Based on this reading of *Quill*, the court held that:

[A] physical presence is not required under the dormant Commerce Clause of the United States Constitution in order for the Iowa legislature to impose an income tax on revenue earned by an out-of-state corporation arising from the use of its intangibles by franchisees located within the State of Iowa. We hold that, by licensing franchises within Iowa, [the franchisor] has received the benefit of an orderly society within the state and, as a result, is subject to the payment of income taxes that otherwise meet the requirements of the dormant Commerce Clause.<sup>2606</sup>

---

2601. See *id.* at 694.

2602. See *KFC Corp. v. Iowa Dep’t of Revenue*, 792 N.W.2d 308 (Iowa 2010), *cert. denied*, 132 S. Ct. 97 (2011).

2603. 504 U.S. 298 (1992).

2604. See *KFC Corp.*, 792 N.W.2d at 317-18.

2605. *Id.* at 326.

2606. *Id.* at 328.

A Massachusetts intermediate appellate court also affirmed the taxation of royalty income received by a trademark licensor but for a different reason.<sup>2607</sup> At a meeting of its board of directors, the licensor's parent corporation approved a proposal to transfer ownership of the company's "world logo" to the licensor. Following that vote, however, no steps were taken to effect a formal assignment of the logo, and, indeed, the parent corporation continued to hold itself out as the logo's owner in the USPTO and in foreign trademark offices.<sup>2608</sup> During the disputed tax years in question, the licensor undertook no apparent activities beyond the collection of income from licenses, the investment of that income, and the leasing of an "office suite" in Delaware for \$250 per month.<sup>2609</sup> Moreover, and of equal significance, the licensor's parent corporation regularly helped itself to poorly documented loans from the licensor's coffers that were "only sporadically and partially repaid."<sup>2610</sup> Based on these considerations, the court had no difficulty concluding that the putative transfer of the logo constituted a sham transaction that exposed the corporate parent to tax liability for the income it had received from the licensor.<sup>2611</sup>

---

---

2607. *See* IDC Research, Inc. v. Comm'r of Revenue, 937 N.E.2d 1266 (Mass. App. Ct. 2010), *review denied*, 942 N.E.2d 183 (Mass. 2011).

2608. *Id.* at 354-55.

2609. *See id.* at 355-56.

2610. *See id.* at 356-57.

2611. *See id.* at 358-59.





## TABLE OF CASES\*

1-800 Contacts, Inc. v. Lens.com, Inc., 755 F. Supp. 2d 1151 (D. Utah 2010) .....	94, 124, 125, 135, 143, 177, 178, 244, 245, 246, 397
<i>In re</i> 1800Mattress.com IP, LLC, 586 F.3d 1359 (Fed. Cir. 2009) .....	89
3M Co. v. Intertape Polymer Grp., 423 F. Supp. 2d 958 (D. Minn. 2006) .....	265
A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc., 237 F.3d 198 (3d Cir. 2000), <i>cert. denied</i> , 131 S. Ct. 960 (2011) .....	97, 98
Abraham v. Alpha Chi Omega, 271 F.R.D. 556 (N.D. Tex. 2010) .....	394, 395
Advertise.com, Inc. v. AOL Adver., Inc., 616 F.3d 974 (9th Cir. 2010) .....	81, 88
<i>In re</i> Aerospace Optics Inc., 78 U.S.P.Q.2d 1861 (T.T.A.B. 2006) .....	40
Agence France Presse v. Morel, 769 F. Supp. 2d 295 (S.D.N.Y. 2011) .....	204
Air et Chaleur, S.A. v. Janeway, 757 F.2d 489 (2d Cir. 1985) .....	267
Ale House Mgmt., Inc. v. Raleigh Ale House, Inc., 205 F.3d 137 (4th Cir. 2000) .....	91, 380
Alliance Bank v. New Century Bank, 742 F. Supp. 2d 532 (E.D. Pa. 2010) .....	4, 101, 102, 141, 149, 150, 248, 268, 275, 321, 327, 328
All-Star Mktg. Grp. v. Media Brands Co., 775 F. Supp. 2d 613 (S.D.N.Y. 2011) .....	291
Alzheimer's Found. of Am., Inc. v. Alzheimer's Disease & Related Disorders Ass'n, 796 F. Supp. 2d 458 (S.D.N.Y. 2011) .....	160
Am. Eyewear, Inc. v. Peeper's Sunglasses & Accessories, Inc., 106 F. Supp. 2d 895 (N.D. Tex. 2000) .....	360
Am. Gold Star Mothers, Inc. v. Nat'l Gold Star Mothers, Inc., 191 F.2d 488 (D.C. Cir. 1951) .....	288
<i>In re</i> Am. Online Inc., 77 U.S.P.Q.2d 1618 (T.T.A.B. 2009) .....	24
Am. Velcro, Inc. v. Charles Mayer Studios, Inc., 177 U.S.P.Q. 149 (T.T.A.B. 1973) .....	28

---

\* References are to page numbers.

Amazon Techs, Inc. v. Wax, 95 U.S.P.Q.2d 1865 (T.T.A.B. 2010) .....	6, 54, 55, 76
AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341 (9th Cir. 1979) .....	143
<i>In re</i> Analog Devices, Inc., 6 U.S.P.Q.2d 1808 (T.T.A.B. 1988), <i>aff'd</i> , 871 F.2d 1097 (Fed. Cir. 1989) .....	26
Anderson v. Upper Keys Bus. Grp., 61 So. 3d 1162 (Fla. Dist. Ct. App. 2011) .....	96, 103
Angel Flight of Ga., Inc. v. Angel Flight Am., Inc., 522 F.3d 1200 (11th Cir. 2008) .....	175
<i>In re</i> Anpath Grp., Inc., 95 U.S.P.Q.2d 1377 (T.T.A.B. 2010) .....	39, 40
Ansel Adams Publ'g Rights Trust v. PRS Media Partners LLC, 99 U.S.P.Q.2d 1295 (N.D. Cal. 2011) .....	343, 344
Anthony's Pizza & Pasta Int'l, Inc. v. Anthony's Pizza Holding Co., 95 U.S.P.Q.2d 1271 (T.T.A.B. 2009), <i>aff'd per curiam</i> Appeal No. 2010-1191 (Fed. Cir. Nov. 18, 2010).....	7, 8, 55, 56, 68
Antounian v. Louis Vuitton Malletier, 117 Cal. Rptr. 3d 3 (Ct. App. 2010) .....	340, 341
Apple Inc. v. Samsung Elecs. Co., 768 F. Supp. 2d 1040 (N.D. Cal. 2011) .....	143, 393, 394
Architectural Mailboxes LLC v. Epoch Design LLC, 99 U.S.P.Q.2d 1799 (S.D. Cal. 2011) .....	207, 259, 260
Arnold v. Ambulance Serv. of Bristol, Inc., No. 2:06-CV-105, 2007 WL 5117409, at *1 (E.D. Tenn. Aug. 21, 2007) .....	383
Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863 (8th Cir. 1994) .....	132
Aronson v. Dog Eat Dog Films, Inc., 738 F. Supp. 2d 1104 (W.D. Wash. 2010) .....	4, 234, 335, 336
Asian and Western W. Classics B.V. v. Selkow, 92 U.S.P.Q.2d 1478 (T.T.A.B. 2009) .....	42
Assurant, Inc. v. Medassurant, Inc., No. 3:08-CV-569-RJC-DCK, 2010 WL 3489129, at *6 (W.D.N.C. July 26, 2010) .....	82
Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc., 718 F.2d 1201 (1st Cir. 1983) .....	197
Atlantic Mut. Ins. Co. v. J. Lamb, Inc., 123 Cal. Rptr. 2d 256 (Ct. App. 2002) .....	416
Automedx, Inc. v. Artivent Corp., 95 U.S.P.Q.2d 1976 (T.T.A.B. 2010) .....	53
Automobile Ins. Co. of Hartford v. Cook, 850 N.E.2d 1152 (N.Y. 2006) .....	415
Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc., 457 F.3d 1062 (9th Cir. 2006) .....	131

Axis Ins. Co. v. Innovation Ventures, LLC, 737 F. Supp. 2d 685 (E.D. Mich. 2010) .....	421, 422
B & B Hardware, Inc. v. Hargis Indus., 736 F. Supp. 2d 1212 (E.D. Ark. 2010) .....	142, 182, 183, 319, 320
Baby Buddies, Inc. v. Toys “R” Us, Inc., 611 F.3d 1308 (11th Cir. 2010) .....	205, 206
Baden Sports, Inc. v. Molten USA, Inc., 556 F.3d 1300 (Fed. Cir. 2009) .....	205
Baidu, Inc. v. Register.com, Inc., 760 F. Supp. 2d 312 (S.D.N.Y. 2010) .....	244
Baroid Drilling Fluids Inc. v. Sun Drilling Prods., 24 U.S.P.Q.2d 1048 (T.T.A.B. 1992) .....	10
Bauer Bros. v. Nike Inc., 98 U.S.P.Q.2d 1160 (S.D. Cal. 2011) .....	4, 327
Bayer Consumer Care AG v. Belmora LLC, 90 U.S.P.Q.2d 1587 (T.T.A.B. 2009) .....	57
be2 LLC v. Ivanov, 642 F.3d 555 (7th Cir. 2011) .....	368
Belfor USA Grp. v. Ins. Reconstruction, LLC, 755 F. Supp. 2d 812 (E.D. Mich. 2010) .....	284, 285
Benedict v. Super Bakery, Inc., Appeal No. 2010-1085 (Fed. Cir., Mar. 3, 2010).....	66
Benn v. Seventh-Day Adventist Church, 304 F. Supp. 2d 716 (D. Md. 2004) .....	381
Berklee College of Music, Inc. v. Music Indus. Educators, Inc., 733 F. Supp. 2d 204 (D. Mass. 2010) .....	362, 365, 366
Best v. Berard, 776 F. Supp. 2d 752 (N.D. Ill 2011) .....	4, 336
Binder v. Disability Grp., 772 F. Supp. 2d 1172 (C.D. Cal. 2011) .....	143, 156, 247, 248, 286, 287, 290, 293, 303, 403
Blackhorse v. Pro Football Inc., 98 U.S.P.Q.2d 1633 (T.T.A.B. 2011) .....	74, 75
Blackwall Grp. v. Sick Boy, LLC, 771 F. Supp. 2d 1322 (M.D. Fla. 2011) .....	103, 144, 173
Blom ASA v. Pictometry Int’l Corp., 757 F. Supp. 2d 238 (W.D.N.Y. 2010) .....	270
Blue Athletic Inc. v. Nordstrom Inc., 97 U.S.P.Q.2d 1706 (D.N.H. 2010) .....	320, 348
Blue Nile, Inc. v. Ice.com, Inc., 478 F. Supp. 2d 1240 (W.D. Wash. 2007). .....	202
Bodum USA, Inc. v. La Cafetiere, Inc., 621 F.3d 624 (7th Cir. 2010) .....	384, 404
Boise Cascade Corp. v. Cascade Coach Co., 168 U.S.P.Q. 795 (T.T.A.B. 1970) .....	61

Bongrain Int'l v. Delice de France, 811 F.2d 1479, 1 U.S.P.Q.2d 1775 (Fed. Cir. 1987) .....	38
Bonner v. City of Prichard, 661 F.2d 1206 (11th Cir. 1981) (en banc) .....	256
Books on Tape Inc. v. Booktape Corp., 836 F.2d 519, 5 U.S.P.Q.2d 1301 (Fed. Cir. 1987) .....	75
Borescopes R Us v. 1800Endoscope.com, LLC, 728 F. Supp. 2d 938 (M.D. Tenn. 2010) .....	79, 90, 142, 199, 200
<i>In re</i> Bose Corp., 580 F.3d 1240 (Fed. Cir. 2009) .....	4, 41, 330
Bosem v. Musa Holdings, Inc., 46 So. 3d 42 (Fla. 2010).....	287
<i>In re</i> Boston Beer Co. L.P., 53 U.S.P.Q.2d 1056 (Fed. Cir. 1999) .....	28
Boston Prof'l Hockey Ass'n v. Dallas Cap & Emblem Mfg. Inc., 510 F.2d 1004 (5th Cir. 1975) .....	202
<i>In re</i> Boyd Gaming Corp., 57 U.S.P.Q.2d 1944 (T.T.A.B. 2000) .....	35
Brand v. Menlove Dodge, 796 F.2d 1070 (9th Cir. 1986) .....	370
Brewski Beer Co. v. Brewski Bros. Inc., 47 U.S.P.Q.2d 1281 (T.T.A.B. 1998) .....	7
Brill v. Walt Disney Co., 246 P.3d 1099 (Okla. Civ. App. 2010) .....	2, 117, 128, 129, 206, 237, 238
Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp., 174 F.3d 1036 (9th Cir. 1999) .....	167
<i>In re</i> Brouwerij Bosteels, 96 U.S.P.Q.2d 1414 (T.T.A.B. 2010) .....	29, 30, 31
Brown & Brown, Inc. v. Cola, 745 F. Supp. 2d 588 (E.D. Pa. 2010) .....	97, 120, 141, 161, 246, 248, 364, 403, 404
Brown Bark II, L.P. v. Dixie Mills, LLC, 732 F. Supp. 2d 1353 (N.D. Ga. 2010) .....	97, 107, 116, 117, 138, 239, 400, 401
Brown v. It's Entm't, Inc., 34 F. Supp. 2d 854 (E.D.N.Y. 1999) .....	201
Burger King Corp. v. Mason, 710 F.2d 1480 (11th Cir. 1983) .....	301
Burger King Corp. v. Mason, 855 F.2d 779 (11th Cir. 1988) .....	296
Burger King Corp. v. Rudzewicz, 471 U.S. 462 (1985) .....	359
Byer Cal. v. Clothing for Modern Times Ltd., 95 U.S.P.Q.2d 1175 (T.T.A.B. 2010) .....	77
Cable v. Agence France Presse, 728 F. Supp. 2d 977 (N.D. Ill. 2010) .....	204
Cain v. Strachan, 68 So. 3d 854 (Ala. 2011).....	311
Calder v. Jones, 465 U.S. 783 (1984) .....	362, 363, 364, 365, 369
<i>In re</i> California Innovations Inc., 66 U.S.P.Q.2d 1853 (Fed. Cir. 2003) .....	35

Career Agents Network, Inc. v. careeragentsnetwork.biz, 722 F. Supp. 2d 814 (E.D. Mich. 2010) .....	309, 310
Carefirst of Md., Inc. v. Carefirst Pregnancy Ctrs., 334 F.3d 390 (4th Cir. 2003) .....	364
Carefirst of Md., Inc. v. FirstHealth of the Carolinas Inc., 77 U.S.P.Q.2d 1492 (T.T.A.B. 2005) .....	3
Carl Karcher Enters., Inc. v. Carl's Bar & Delicatessen, Inc., 98 U.S.P.Q.2d 1370 (T.T.A.B. 2011) .....	71
Cent. Mfg., Inc. v. Brett, 492 F.3d 876 (7th Cir. 2007) .....	307
Century 21 Real Estate Corp. v. Lendingtree, Inc., 425 F.3d 211 (3d Cir. 2005) .....	173
Century 21, Inc. v. Diamond State Ins. Co., 442 F.3d 79 (2d Cir. 2006) .....	415
Cerveceria Centroamericana, S.A. v. Cerveceria India, Inc., 892 F.2d 1021 (Fed. Cir. 1989) .....	331
CGS Indus. v. Charter Oak Fire Ins. Co., 751 F. Supp. 2d 444 (E.D.N.Y. 2010) .....	414, 415
Chacanaca v. Quaker Oats Co., 752 F. Supp. 2d 1111 (N.D. Cal. 2010) .....	357
Champagne Louis Roederer v. J. Garcia Carrión, S.A., 732 F. Supp. 2d 836 (D. Minn. 2010) .....	98, 99, 142, 158, 159, 185, 186, 193, 278, 279, 280, 306, 307
Chase Fed. Sav. & Loan Ass'n v. Chase Manhattan Fin. Serv. Inc., 681 F. Supp. 2d 771 (S.D. Fla. 1987) .....	124
Chem. N.Y. Corp. v. Conmar Form Sys., Inc., 1 U.S.P.Q.2d 1139 (T.T.A.B. 1986) .....	56
Chen v. Cayman Arts, Inc., 757 F. Supp. 2d 1294 (S.D. Fla. 2010) .....	238
Cherry River Music Co. v. Simitar Entm't, Inc., 38 F. Supp. 2d 310 (S.D.N.Y. 1999) .....	276
<i>In re</i> Chevron Intellectual Prop. Grp. LLC, 96 U.S.P.Q.2d 2026 (T.T.A.B. 2010) .....	20, 21
<i>In re</i> Chippendales USA, Inc., 90 U.S.P.Q.2d 1535 (T.T.A.B. 2009) .....	18, 19
<i>In re</i> Chippendales USA, Inc., 622 F.3d 1346 (Fed. Cir. 2010) .....	19
Church of Scientology Int'l v. Elmira Mission of Church of Scientology, 794 F.2d 38 (2d Cir. 1986) .....	269, 294
Citigroup Inc. v. Capital City Bank Grp., Inc., 94 U.S.P.Q.2d 1645 (T.T.A.B. 2010) .....	15
Citigroup, Inc. v. Capital City Bank Grp., Inc., 637 F.3d 1344 (Fed. Cir. 2011) .....	15, 16

Clamp Mfg. Co. v. Enco Mfg. Co., 870 F.2d 512 (9th Cir. 1989) .....	127
Click's Billiards, Inc. v. Sixshooters, Inc., 251 F.3d 1252 (9th Cir. 2001) .....	131
CLT Logistics v. River W. Brands, 777 F. Supp. 2d 1052 (E.D. Mich. 2011) .....	274, 275, 379, 402
Cmty. of Christ Copyright Corp. v. Devon Park Restoration Branch of Jesus Christ's Church, 634 F.3d 1005 (8th Cir. 2011) .....	81, 92, 142, 153, 248, 249, 269, 277, 303, 313, 331
CNA Cas. of Cal. v. Seaboard Sur. Co., 222 Cal. Rptr. 276 (Ct. App. 1986) .....	413
<i>In re</i> CNS, Inc., No. 76250116, 2005 WL 3175107, at *6 n.11 (T.T.A.B. Nov. 18, 2005) .....	127
Coach Inc. v. Gata Corp., 98 U.S.P.Q.2d 1911 (D.N.H. 2011) .....	245
Coach Servs., Inc. v. Triumph Learning LLC, 96 U.S.P.Q.2d 1600 (T.T.A.B. 2010) .....	3, 17, 45, 51, 52
Coach, Inc. v. Kmart Corps., 756 F. Supp. 2d 421 (S.D.N.Y. 2010) .....	260, 264, 266, 267
Coca-Cola Co. v. Purdy, 382 F.3d 774 (8th Cir. 2004) .....	229
Coca-Cola Co. v. Rodriguez Flavoring Syrups, Inc., 89 U.S.P.Q. 36 (Comm'r Pats. 1951) .....	202
Cold War Museum, Inc. v. Cold War Air Museum, Inc., 586 F.3d 1352 (Fed. Cir. 2009) .....	331
Coldwell Banker Real Estate, LLC v. Brian Moses Realty, Inc., 752 F. Supp. 2d 148 (D.N.H. 2010) .....	163
Colorado River Water Conservation District v. United States, 424 U.S. 800 (1976) .....	378, 379
Comedy III Prods., Inc. v. Gary Saderup, Inc., 21 P.3d 797 (Cal. 2001) .....	333
<i>In re</i> Commercial Money Ctr., Inc. Equip. Lease Litig., 248 F.R.D. 532 (N.D. Ohio 2008) .....	393
Commodore Elecs. Ltd. v. CBM Kabushiki Kaisha, 26 U.S.P.Q.2d 1503 (T.T.A.B. 1993) .....	47
Consultants & Designers, Inc. v. Control Data Corp., 221 U.S.P.Q. 635 (T.T.A.B. 1984) .....	67
<i>In re</i> Coors Brewing Co., 68 U.S.P.Q.2d 1059 (Fed. Cir. 2003) .....	18
Corporacion Habanos, S.A. v. Annas, Inc., 88 U.S.P.Q.2d 1785 (T.T.A.B. 2008) .....	210
Cosmetic Warriors, Ltd. v. Abrahamson, 723 F. Supp. 2d 1102 (D. Minn. 2010) .....	377, 378

Coton v. Televised Visual X-Ography, Inc., 740 F. Supp. 2d 1299 (M.D. Fla. 2010) .....	288, 293
Cottonwood Fin. Ltd. v. Cash Store Fin. Servs., Inc., 778 F. Supp. 2d 726 (N.D. Tex. 2011) .....	3, 136, 137, 196, 197, 268, 276, 277
Crystal Entm't & Filmworks, Inc. v. Jurado, 643 F.3d 1313 (11th Cir. 2011) .....	255
CSC Holdings, LLC v. Optimum Networks, Inc., 731 F. Supp. 2d 400 (D.N.J. 2010) .....	81, 83, 141, 232
CSK Transp., Inc. v. Brotherhood of Maintenance of Way Employees, 327 F.3d 1309 (11th Cir. 2003) .....	380
Cunningham v. Laser Golf Corp., 222 F.3d 943 (Fed. Cir. 2000) .....	8
Curtis v. Herb Chambers I-95, Inc., 940 N.E.2d 413 (Mass. 2011) .....	235
Cvent, Inc. v. Eventbrite, Inc., 739 F. Supp. 2d 927 (E.D. Va. 2010) .....	204
Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200 (2d Cir. 1979) .....	161
Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23 (2003) .....	200, 201, 203, 204
DC Comics, Inc. v. Filimation Assocs., 486 F. Supp. 1273 (S.D.N.Y. 1980) .....	201
DeGidio v. W. Grp., 355 F.3d 506 (6th Cir. 2004) .....	111
DeSena v. Beekley Corp., 729 F. Supp. 2d 375 (D. Me. 2010) .....	92, 93, 133, 134, 139, 179, 180, 211, 219, 223
Deston Therapeutics LLC v. Trigen Labs., 723 F. Supp. 2d 665 (D. Del. 2010) .....	207, 209, 215
<i>In re Dial-A-Mattress Operating Corp.</i> , 240 F.3d 1341 (Fed. Cir. 2001) .....	31
Digital Equip. Corp. v. AltaVista Tech., Inc., 960 F. Supp. 456 (D. Mass. 1997) .....	362
Disc Golf Ass'n v. Champion Discs, Inc., 158 F.3d 1002 (9th Cir. 1998) .....	130
DocMagic, Inc. v. Ellie Mae, Inc., 745 F. Supp. 2d 1119 (N.D. Cal. 2010) .....	120, 129, 161, 162, 207, 210, 211
Doctor's Assocs. v. Subway.SY LLC, 733 F. Supp. 2d 1083 (D. Minn. 2010) .....	268, 277, 292, 306, 312
Door Sys., Inc. v. Pro-Line Door Sys., Inc., 83 F.3d 169 (7th Cir. 1996) .....	83
Dorman Prods., Inc. v. Dayco Prods., LLC, 749 F. Supp. 2d 630 (E.D. Mich. 2010) .....	241

Dr. JKL Ltd. v. HPC IT Educ. Ctr., 749 F. Supp. 2d 1038 (N.D. Cal. 2010) .....	144, 359
Dr. Seuss Enters. v. Penguin Books USA, Inc., 109 F.3d 1394 (9th Cir. 1997) .....	203
DSPT Int'l, Inc. v. Nahum, 624 F.3d 1213 (9th Cir. 2010) .....	2, 228, 229, 230, 286
<i>In re</i> E.I. du Pont de Nemour & Co., 177 U.S.P.Q. 563 (C.C.P.A. 1973) .....	8, 10, 13, 15, 17, 38, 39
E.R.R. Presidents Conference v. Noerr Motor Freight, Inc., 365 U.S. 875 (1961) .....	308, 338
<i>In re</i> Eagle Crest, Inc., 96 U.S.P.Q.2d 1227 (T.T.A.B. 2010) ..	28, 29
Eagles, Ltd. v. Am. Eagle Found., 356 F.3d 724 (6th Cir. 2004) .....	310
Eastern Rail Road Presidents Conference v. Noerr Motor Freight, Inc., 365 U.S. 875 (1961) .....	338
eBay Inc. v. MercExchange, L.L.C., 547 U.S. 388 (2006) .....	267, 268, 269, 270, 278
Edge Games, Inc. v. Elec. Arts, Inc., 745 F. Supp. 2d 1101 (N.D. Cal. 2010) .....	143, 172, 251, 252, 269, 273, 321, 324, 325
Edvisors Network, Inc. v. Educ. Advisors, Inc., 755 F. Supp. 2d 272 (D. Mass. 2010) .....	363
Empresa Cubana Exportadora de Alimentos y Productos Varios v. U.S. Dep't of Treasury, 638 F.3d 794 (D.C. Cir. 2011) .....	343, 408
Enduracoat Techs., Inc. v. Watson Bowman ACME Corp., 42 So. 3d 1107 (La. Ct. App. 2010) .....	342
<i>In re</i> Ennco Display Sys. Inc., 56 U.S.P.Q.2d 1279 (T.T.A.B. 2000) .....	23, 51
Entrepreneur Media, Inc. v. Smith, 279 F.3d 1135 (9th Cir. 2002) .....	163
Enzymotec Ltd. v. NBTY, Inc., 754 F. Supp. 2d 527 (E.D.N.Y. 2010) .....	355, 356
Eppley v. Iacovelli, 99 U.S.P.Q.2d 1040 (S.D. Ind. 2010) ...	198, 199
ERBE Elektromedizin GmbH v. Canady Tech. LLC, 629 F.3d 1278 (Fed. Cir. 2010) .....	2, 79, 112, 113, 127, 128
Erie Railroad v. Tompkins, 304 U.S. 64 (1938) .....	241
Esch v. Universal Pictures Co., 97 U.S.P.Q.2d 1237 (N.D. Ala. 2010) .....	4, 337
Esquire, Inc. v. Esquire Slipper Mfg. Co., 243 F.2d 540 (1st Cir. 1957) .....	261
Estate of Biro v. Bic Corp., 18 U.S.P.Q.2d 1382 (T.T.A.B. 1991) .....	57



Estate of P.D. Beckwith, Inc. v. Comm’r of Patents, 252 U.S. 538 (1920) .....	103
Eva’s Bridal Ltd. v. Halanick Enters., 639 F.3d 788 (7th Cir. 2011) .....	253, 254
<i>In re</i> Ex Parte Pocket Books, Inc., 91 U.S.P.Q. 182 (Chief Examiner 1951) .....	25
Experience Hendrix, L.L.C. v. HendrixLicensing.com, LTD, 766 F. Supp. 2d 1122 (W.D. Wash. 2011) .....	114, 334, 339, 344, 345, 347, 348
Eyal R.D. Corp. v. Jewelex N.Y. Ltd., 784 F. Supp. 2d 441 (S.D.N.Y. 2011) .....	192, 234, 235, 240, 241
Fabrica Inc. v. El Dorado Corp., 697 F.2d 890 (9th Cir. 1983) .....	131
Fagnelli Plumbing Co. v. Gillece Plumbing & Heating Inc., 98 U.S.P.Q.2d 1997 (W.D. Pa. 2011) .....	97, 110, 111, 140, 154, 155, 231
Fair Isaac Corp. v. Experian Info. Solutions, Inc., 650 F.3d 1139 (8th Cir. 2011) .....	4, 93, 94, 207, 224, 256, 309, 322, 323
Famous Horse Inc. v. 5th Ave. Photo Inc., 624 F.3d 106 (2d Cir. 2010) .....	160, 161, 351, 352, 353
Faulkner Press, L.L.C. v. Class Notes, L.L.C., 756 F. Supp. 2d 1352 (N.D. Fla. 2010) .....	237
Fed. Express Corp. v. United Parcel Serv., Inc., 765 F. Supp. 2d 1011 (W.D. Tenn. 2010) .....	207, 208, 218, 225, 226
Fed. Treasury Enter. Sojuzplodoimport v. Spirits Int’l N.V., 623 F.3d 61 (2d Cir. 2010) .....	357, 358, 401, 402
Feldman v. Twentieth Century Fox Film Corp., 723 F. Supp. 2d 357 (D. Mass. 2010) .....	234
Ferrari S.p.A. v. Roberts, 944 F.2d 1235 (6th Cir. 1991) .....	132
Fiat Grp. Autos. SpA. v. ISM, Inc., 94 U.S.P.Q.2d 1111 (T.T.A.B. 2010) .....	58
Fiji Water Co. v. Fiji Mineral Water USA, LLC, 741 F. Supp. 2d 1165 (C.D. Cal.2010) .....	80, 105, 106, 109, 125, 129, 130, 143, 147, 148, 188
Filipino Yellow Pages, Inc. v. Asian Journal Publ’ns, Inc., 198 F.3d 1143 (9th Cir. 1999) .....	114, 115
Fin. Inv. Co. (Bermuda) Ltd. v. Geberit AG, 165 F.3d 526 (7th Cir. 1998) .....	307
Finanz St. Honore, B.V. v. Johnson & Johnson, 85 U.S.P.Q.2d 1478 (T.T.A.B. 2007) .....	59
First Brands Corp. v. Fred Meyer, Inc., 809 F.2d 1378 (9th Cir. 1987) .....	131

First Niagara Ins. Brokers, Inc. v. First Niagara Fin. Grp., Inc., 476 F.3d 867 (Fed. Cir. 2007) .....	58, 84
Fitzpatrick v. Sony-BMG Music Entm't Inc., 99 U.S.P.Q.2d 1052 (S.D.N.Y. 2010) .....	138
Flash & Partners S.p.A. v. I. E. Mfg. LLC, 95 U.S.P.Q.2d 1813 (T.T.A.B. 2010) .....	60, 61
Fleischer Studios, Inc. v. A.V.E.L.A., Inc., 636 F.3d 1115 (9th Cir.), <i>withdrawn and superseded</i> , 654 F.3d 958 (9th Cir. 2011) .....	1, 131, 200, 201, 204
Fleischer Studios, Inc. v. A.V.E.L.A., Inc., 654 F.3d 958 (9th Cir. 2011) .....	5, 79, 80, 82, 114, 115, 121, 131, 132, 133, 163, 200, 203
Flowserve Corp. v. Hallmark Pump Co., 98 U.S.P.Q.2d 1979 (S.D. Tex. 2011) .....	204, 207, 277, 312
Forest River, Inc. v. Heartland Recreational Vehicles, LLC, 753 F. Supp. 2d 753 (N.D. Ind. 2010) .....	175
Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt., Inc., 618 F.3d 1025 (9th Cir. 2010) .....	143, 163, 257 258, 383, 384
<i>In re</i> Four Seasons Hotels Ltd., 987 F.2d 1565 (Fed. Cir. 1993) .....	38
Frederick Warne & Co. v. Book Sales, Inc., 481 F. Supp. 1191 (S.D.N.Y. 1979) .....	202
FreesycleSunnyvale v. FreeCycle Network, 626 F.3d 509 (9th Cir. 2010) .....	252, 253
Fuld Bros., Inc. v. Carpet Tech. Serv. Inst., Inc., 174 U.S.P.Q. 473 (T.T.A.B. 1972) .....	56
Ga.-Pac. Consumer Prods. LP v. Kimberly-Clark Corp., 647 F.3d 723 (7th Cir. 2011) .....	2, 83, 126, 127, 265
Ga.-Pac. Consumer Prods. LP v. Myers Supply, Inc., 621 F.3d 771 (8th Cir. 2010) .....	184, 243, 244
Ga.-Pac. Consumer Prods., LP v. Von Drehle Corp., 618 F.3d 441 (4th Cir. 2010) .....	141, 243
Gen. Conference Corp. of Seventh-day Adventists v. McGill, 617 F.3d 402 (6th Cir. 2010) .....	3, 82, 142, 153, 332, 381, 411
General Council of the Assemblies of God v. Heritage Music Found., 97 U.S.P.Q.2d 1890 (T.T.A.B. 2011) .....	77
General Mills Inc. v. Healthy Valley Foods, 24 U.S.P.Q.2d 1270 (T.T.A.B. 1992) .....	53
Genesee Brewing Co. v. Stroh Brewing Co., 124 F.3d 137 (2d Cir. 1997) .....	132
Giant Food, Inc. v. Standard Terry Mills, Inc., 229 U.S.P.Q. 955 (T.T.A.B. 1986) .....	55, 67

<i>In re Giovanni Food Co.</i> , 97 U.S.P.Q.2d 1990 (T.T.A.B. 2011) .....	17, 18
Glassybaby LLC v. Provide Gifts Inc., 100 U.S.P.Q.2d 1547 (W.D. Wash. 2011) .....	119, 125, 143, 160
Globetrotter Software, Inc. v. Elan Computer Grp., 362 F.3d 1367 (Fed. Cir. 2004) .....	342
GMA Accessories, Inc. v. BOP, LLC, 765 F. Supp. 2d 457 (S.D.N.Y. 2011) .....	190, 285
GmbH, 85 U.S.P.Q.2d 2021 (T.T.A.B. 2008) .....	23
GoSMiLE, Inc. v. Dr. Jonathan Levine, D.M.D. P.C., 769 F. Supp. 2d 630 (S.D.N.Y. 2011) .....	102, 140, 169, 187, 188
<i>In re Gould Paper Corp.</i> , 834 F.2d 1017 (Fed. Cir. 1987) .....	25
Grand Gen. Accessories Mfg. v. United Pac. Indus., 732 F. Supp. 2d 1014 (C.D. Cal. 2010) .....	115
Graphic Design Mktg., Inc. v. Xtreme Enters., 772 F. Supp. 2d 1029 (E.D. Wis. 2011) .....	105, 144, 271
Great Neck Saw Mfrs., Inc. v. Star Asia U.S.A., LLC, 727 F. Supp. 2d 1038 (W.D. Wash. 2010) .....	2, 79, 113, 127, 177
Green Edge Enters. v. Rubber Mulch Etc., LLC, 620 F.3d 1287 (Fed. Cir. 2010) .....	297, 298, 346, 347, 350, 351
<i>In re Greenliant Sys., Ltd.</i> , 97 U.S.P.Q.2d 1078 (T.T.A.B. 2010) .....	25, 26, 27
Grip-Pak, Inc. v. Illinois Tool Works, Inc., 694 F.2d 466 (7th Cir. 1982) .....	308
Grissom v. Mills Corp., 549 F.3d 313 (4th Cir. 2008) .....	314
Growth Horizons, Inc. v. Del. Cnty., 983 F.2d 1277 (3d Cir. 1993) .....	358
Guantanamo Cigar Co. v. Corporacion Habanos, S.A., 729 F. Supp. 2d 246 (D.D.C. 2010) .....	318, 319
Guantanamo Cigar Co. v. Corporacion Habanos, S.A., 750 F. Supp. 2d 31 (D.D.C. 2010) .....	285
Gucci Am., Inc. v. Guess? Inc., 97 U.S.P.Q.2d 1500 (S.D.N.Y. 2010) .....	391
Gucci Am., Inc. v. Guess?, Inc., 271 F.R.D. 58 (S.D.N.Y. 2010) .....	391, 392
H.D. Lee Co. v. Maidenform Inc., 87 U.S.P.Q.2d 1715 (T.T.A.B. 2008) .....	61
Halliburton Co. v. Schlumberger Tech. Corp., 925 F.2d 1435 (Fed. Cir. 1991) .....	323
Hard Rock Cafe Licensing Corp. v. Elsea, 48 U.S.P.Q.2d 1400 (T.T.A.B. 1998) .....	71, 76
Harold H. Huggins Realty, Inc. v. FNC, Inc., 634 F.3d 787 (5th Cir. 2011) .....	353, 354

Hart v. Elec. Arts, Inc., 740 F. Supp. 2d 658 (D.N.J. 2010)	236, 240
Haygood v. Younger, 769 F.2d 1350 (9th Cir. 1985) (en banc).....	344
Healix Infusion Therapy, Inc. v. Helix Health, LLC, 737 F. Supp. 2d 648 (S.D. Tex. 2010) .....	141, 163
Healix Infusion Therapy, Inc. v. Helix Health, LLC, 747 F. Supp. 2d 730 (S.D. Tex. 2010) .....	278, 398
Healy v. Beer Inst., 491 U.S. 324 (1989) .....	345
<i>In re HerbalScience Grp., LLC</i> , 96 U.S.P.Q.2d 1321 (T.T.A.B. 2010) .....	16
Heritage Cmty. Bank v. Heritage Bank, N.A., No. 08-4322 (JAG), 2008 WL 5170190, at *7 (D.N.J. Dec. 9, 2008) .....	149
Hiraga v. Arena, 90 U.S.P.Q.2d 1102 (T.T.A.B. 2009) .....	323
<i>In re Hoefflin</i> , 97 U.S.P.Q.2d 1174 (T.T.A.B. 2010) .....	32, 33
Homeowner Options for Mass. Elders, Inc. v. Brookline Bancorp, Inc., 754 F. Supp. 2d 201 (D. Mass. 2010) .....	139, 163
Honestech, Inc. v. Sonic Solutions, 725 F. Supp. 2d 573 (W.D. Tex. 2010) .....	118, 119, 315, 316, 317
<i>In re Hotels.com</i> , 573 F.3d 1300 (Fed. Cir. 2009) .....	89
Hot-Hed, Inc. v. Safehouse Habitats (Scotland), Ltd., 333 S.W.3d 719 (Tex. App. Ct. 2011) .....	91, 92, 301, 321
Howell v. Tanner, 650 F.2d 610 (5th Cir. 1981) .....	374
Hudson Ins. Co. v. Colony Ins. Co., 624 F.3d 1264 (9th Cir. 2010) .....	412, 413
Hunt Control Sys., Inc. v. Koninklijke Philips Elec. N.V., 98 U.S.P.Q.2d 1558 (T.T.A.B. 2011) .....	12, 13, 56, 73
Hydro-Dynamics, Inc. v. George Putnam & Co., Inc., 811 F.2d 1470 (Fed. Cir. 1987) .....	78
<i>In re I. Lewis Cigar Mfg. Co.</i> , 98 U.S.P.Q. 265 (C.C.P.A. 1953) .....	33, 34
IDC Research, Inc. v. Comm'r of Revenue, 937 N.E.2d 1266 (Mass. App. Ct. 2010), <i>review denied</i> , 942 N.E.2d 183 (Mass. 2011) .....	423
IMO Indus. v. Kiekert AG, 155 F.3d 254 (3d Cir. 1998) .....	364
Innovation Ventures, LLC v. N.V.E., Inc., 747 F. Supp. 2d 853 (E.D. Mich. 2010) .....	142, 181, 207, 208, 224, 322
Innovation Ventures, LLC v. N2G Distrib., Inc., 779 F. Supp. 2d 671 (E.D. Mich. 2011) .....	111, 112, 124, 239
<i>In re Int'l Flavors &amp; Fragrances Inc.</i> , 183 F.3d 1361 (Fed. Cir. 1999) .....	75
Int'l Jensen, Inc. v. Metrosound U.S.A., Inc., 4 F.3d 819 (9th Cir. 1993) .....	125

Int'l Order of Job's Daughters v. Lindeburg & Co., 633 F.2d 912 (9th Cir. 1980) .....	130, 131
Int'l Order of Job's Daughters v. Lindeburg & Co., 727 F.2d 1087 (Fed. Cir. 1984) .....	75, 131, 330
Int'l Shoe Co. v. Washington, 326 U.S. 310 (1945) .....	360
Intellimedia Sports, Inc. v. Intellimedia Corp., 43 U.S.P.Q.2d 1203 (T.T.A.B. 1997) .....	327
Interpace Corp. v. Lapp, Inc., 721 F.2d 460 (3d Cir. 1983) .....	140
Interplay Entm't Corp. v. Topware Interactive, Inc., 751 F. Supp. 2d 1132 (C.D. Cal. 2010) .....	143, 144, 268
Interstate Bakeries Corp. v. OneBeacon Ins. Co., 773 F. Supp. 2d 799 (W.D. Mo. 2011) .....	417, 418
<i>In re</i> Interstate Bakeries Corp., 447 B.R. 879 (W.D. Mo. 2011) .....	405, 408, 409
Interstate Brands Corp. v. Celestial Seasonings, Inc., 576 F.2d 926 (C.C.P.A. 1978) .....	55
Intertape Polymer Corp. v. Inspired Techs., Inc., 725 F. Supp. 2d 1319 (M.D. Fla. 2010) .....	138, 144, 171, 172, 207, 208, 211, 212, 219, 320
Inwood Labs., Inc. v. Ives Labs., Inc., 456 U.S. 844 (1982) .....	243
<i>In re</i> Iolo Techs., LLC, 95 U.S.P.Q.2d 1498 (T.T.A.B. 2010) .....	8
Irwin Indus. Tool Co. v. Worthington Cylinders Wis., LLC, 747 F. Supp. 2d 568 (W.D.N.C. 2010) .....	158, 208, 268, 279, 280, 281, 301, 305, 313, 314, 317, 318
Jacobs v. Int'l Multifoods Corp., 212 U.S.P.Q. 641 (C.C.P.A. 1982) .....	17
Jagex Ltd. v. Impulse Software, 750 F. Supp. 2d 228 (D. Mass. 2010) .....	174, 268, 273, 361, 362, 375
Jarrow Formulas, Inc. v. Nutrition Now, Inc., 304 F.3d 829 (9th Cir. 2002) .....	261
Jay Franco & Sons, Inc. v. Franek, 615 F.3d 855 (7th Cir. 2010) .....	132
Jet, Inc. v. Sewage Aeration Sys., 223 F.3d 1360 (Fed. Cir. 2000) .....	62, 63, 64, 66
Jewelers Vigilance Comm. Inc. v. Ullenberg Corp., 823 F.2d 490 (Fed. Cir. 1987) .....	75
Ji v. Bose Corp., 626 F.3d 116 (1st Cir. 2010) .....	288, 289, 312
John C. Flood of Va., Inc. v. John C. Flood, Inc., 642 F.3d 1105 (D.C. Cir. 2011) .....	256
John H. Harland Co. v. Clarke Checks, Inc., 711 F.2d 966 (11th Cir. 1983) .....	132

Johnson & Johnson and RoC Int'l S.A.R.L. v. Obschestvo s ogranichennoy; otvetstvennostiu "WDS," 95 U.S.P.Q.2d 1567 (T.T.A.B. 2010) .....	76
Johnson & Johnson Merck Consumer Pharm. Co. v. SmithKline Beecham Corp., 960 F.2d 294 (2d Cir. 1992) .....	223
Johnson v. Arden, 614 F.3d 785 (8th Cir. 2010) .....	368, 369
<i>In re</i> Jonathan Drew, Inc., 97 U.S.P.Q.2d 1640 (T.T.A.B. 2011) .....	34, 35
Joseph S. Finch & Co. v. E. Martinoni Co., 157 U.S.P.Q. 394 (T.T.A.B. 1968) .....	56
JPS Elastomerics Corp. v. Specialized Tech. Res., Inc., 769 F. Supp. 2d 17 (D. Mass. 2011) .....	208, 210
JTH Tax, Inc. v. Gouneh, 721 F. Supp. 2d 132 (N.D.N.Y. 2010) .....	246
Jules Jordan Video, Inc. v. 144942 Canada Inc., 617 F.3d 1146 (9th Cir. 2010) .....	234, 235, 236
<i>In re</i> Jump Designs, LLC, 80 U.S.P.Q.2d 1370 (T.T.A.B. 2006) .....	75
Jurin v. Google Inc., 768 F. Supp. 2d 1064 (E.D. Cal. 2011) .....	162
Kastanis v. Eggstacy LLC, 752 F. Supp. 2d 842 (N.D. Ill. 2010) .....	101, 142, 171
Kenneth Jay Lane, Inc. v. Heavenly Apparel, Inc., No. 03 Civ. 2132, 2006 WL 728407, at *6 (S.D.N.Y. Mar. 21, 2006) .....	291
Keurig, Inc. v. Strum Foods, Inc., 769 F. Supp. 2d 699 (D. Del. 2011) .....	173, 174, 216, 223
KFC Corp. v. Iowa Dep't of Revenue, 792 N.W.2d 308 (Iowa 2010), <i>cert. denied</i> , 132 S. Ct. 97 (2011) .....	422
King Candy Co. v. Eunice King's Kitchen, Inc., 496 F.2d 1400 (C.C.P.A. 1974) .....	7, 13
Kingsbridge Med. Ctr., P.C. v. Hill, 357 F. Supp. 2d 754 (S.D.N.Y. 2005) .....	294
King-Seeley Thermos Co. v. Aladdin Indus., Inc. (2d Cir. 1963) .....	25
Kistner Concrete Prods., Inc. v. Contech Arch Techs., Inc., 97 U.S.P.Q.2d 1912 (T.T.A.B. 2011) .....	2, 48, 49
Knight Textile Corp. v. Jones Investment Co., 75 U.S.P.Q.2d 1313 (T.T.A.B. 2005) .....	12
Kos Pharm., Inc. v. Andrx Corp., 369 F.3d 700 (3d Cir. 2004) .....	275
KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111 (2004) .....	84, 258

Krispy Kreme Doughnut Corp. v. Satellite Donuts, LLC, 725 F. Supp. 2d 389 (S.D.N.Y. 2010) .....	144, 269
Kuhmo Tire Co. v. Carmichael, 526 U.S. 137 (1999) .....	383
<i>In re Kysela Pere et Fils, Ltd.</i> , 98 U.S.P.Q.2d 1261 (T.T.A.B. 2011) .....	13, 14
L & L Wings, Inc. v. Marco-Destin Inc., 756 F. Supp. 2d 359 (S.D.N.Y. 2010) .....	292, 294
L.D. Kichler Co. v. Davoil, Inc., 192 F.3d 1349 (Fed. Cir. 1999) .....	132
La. Granite Yard, Inc. v. LA Granite Countertops, L.L.C., 47 So. 3d 573 (La. Ct. App. 2010) .....	84, 88, 94, 97, 112, 144
Lahoti v. Vericheck, Inc., 636 F.3d 501 (9th Cir. 2011) .....	98, 143, 156, 157, 303, 304, 320, 321
Land's End, Inc. v. Manbeck, 797 F. Supp. 511 (E.D. Va. 1992) .....	40
Lane Capital Mgmt., Inc v. Lane Capital Mgmt., Inc., 192 F.3d 337 (2d Cir. 1999) .....	81
Larami Corp. v. Talk To Me Programs Inc., 36 U.S.P.Q.2d 1840 (T.T.A.B. 1995) .....	66
Lasikplus Murphy, M.D., P.A. v. LCA-Vision, Inc., 776 F. Supp. 2d 886 (E.D. Ark. 2011) .....	238
Leatherman Tool Grp. v. Cooper Indus., 199 F.3d 1009 (9th Cir. 1999) .....	130
Leonel & Noel Corp. v. Cerveceria Centro Americana, S.A., 758 F. Supp. 2d 596 (N.D. Ill. 2010) .....	174, 183
Lever Bros. v. Procter & Gamble Co., 23 F. Supp. 2d 208 (D. Conn. 1998) .....	378
Levi Strauss & Co. v. Abercrombie & Fitch Trading Co., 633 F.3d 1158 (9th Cir. 2011) .....	3, 194, 195, 196
Life Techs. Corp. v. AB Sciex Pte. Ltd., 99 U.S.P.Q.2d 1785 (S.D.N.Y. 2011) .....	273
Lifestyle Lift Holding, Inc. v. Prendiville, 768 F. Supp. 2d 929 (E.D. Mich. 2011) .....	369
Lindy Pen Co. v. Bic Pen Corp., 982 F.2d 1400 (9th Cir. 1993) .....	299, 300, 301
Lipton Indus., Inc. v. Ralston Purina Co., 213 U.S.P.Q. 184 (C.C.P.A. 1982) .....	57
Lloyd's Food Prods., Inc. v. Eli's, Inc., 987 F.2d 766 (Fed. Cir. 1993) .....	18
Long John Silver's Inc. v. Lou Scharf Inc., 213 U.S.P.Q. 263 (T.T.A.B. 1982) .....	61
Lorillard Tobacco Co. v. Chester, Willcox & Saxbe, LLP, 546 F.3d 752 (6th Cir. 2008) .....	381

Lorillard Tobacco Co. v. Engida, 213 F. App'x 654 (10th Cir. 2007) .....	311
Lorillard Tobacco Co. v. Engida, 611 F.3d 1209 (10th Cir. 2010) .....	311
Lou v. Otis Elevator Co., 933 N.E.2d 140 (Mass. App. Ct. 2010) .....	406
Love v. Assoc. Newspapers, Ltd., 611 F.3d 601 (9th Cir. 2010) .....	309, 366, 367, 283, 383
Lucas Nursery & Landscaping, Inc. v. Grosse, 359 F.3d 806 (6th Cir. 2004) .....	309
Luv N' Care v. Insta-Mix, Inc., 438 F.3d 465 (5th Cir. 2006) .....	359
Lyons P'ship v. Giannoulas, 179 F.3d 384 (5th Cir. 1999) .....	141
Lyons P'ship, L.P. v. Morris Costumes, Inc., Inc., 243 F.3d 789 (4th Cir. 2001) .....	279
M.C.I. Foods, Inc. v. Bunte, 96 U.S.P.Q.2d 1544 (T.T.A.B. 2010) .....	4, 9, 42, 43
Made in the USA Found. v. Phillips Foods, Inc., 365 F.3d 278 (4th Cir. 2004) .....	355
Mag Instrument, Inc. v. Brinkmann Corp., 96 U.S.P.Q.2d 1701 (T.T.A.B. 2010), <i>aff'd per curiam without op.</i> , No. 2011-1052, 2011 WL 5400095 (Fed. Cir. Nov. 9, 2011) .....	2, 9, 10, 50, 51, 69
Mainstreet Collection, Inc. v. Kirkland's, Inc., 270 F.R.D. 238 (E.D.N.C. 2010) .....	395
MarbleLife, Inc. v. Stone Res., Inc., 759 F. Supp. 2d 552 (E.D. Pa. 2010) .....	144, 192, 194, 268
Maremont v. Susan Fredman Design Grp., 772 F. Supp. 2d 967 (N.D. Ill. 2011) .....	206, 207, 238
Marks Org., Inc. v. Joles, 784 F. Supp. 2d 322 (S.D.N.Y. 2011) .....	97, 108, 109, 140, 145, 249, 270, 271, 273, 274, 399, 400
Martha Elizabeth Inc. v. Scripps Networks Interactive LLC, 100 U.S.P.Q.2d 1799 (W.D. Mich. 2011) .....	100, 142, 146, 147, 274, 334, 335
Martin v. Carter Hawley Hale Stores, Inc., 206 U.S.P.Q. 931 (T.T.A.B. 1979) .....	32
Marvel Entm't, Inc. v. KellyToy (USA), Inc., 769 F. Supp. 2d 520 (S.D.N.Y. 2011) .....	139, 295, 404, 405
Marvel Worldwide, Inc. v. Kirby, 756 F. Supp. 2d 461 (S.D.N.Y. 2010) .....	204
Marvin Lumber & Cedar Co. v. PPG Indus., 401 F.3d 901 (8th Cir. 2005) .....	289



Masters Software, Inc. v. Discovery Commc'ns, Inc., 725 F. Supp. 2d 1294 (W.D. Wash. 2010) .....	100, 143, 145, 146, 269, 272, 273, 275, 276
Masters v. UHS of Del., Inc., 631 F.3d 464 (8th Cir.), <i>cert. denied</i> , 131 S. Ct. 2920 (2011) .....	134, 135, 156, 265, 296, 300
<i>In re</i> Masucci, 179 U.S.P.Q. 829 (T.T.A.B. 1973) .....	33
Mattel Inc. v. MCA Records, Inc., 296 F.3d 894 (9th Cir. 2002) .....	334
Mattel Inc. v. Walking Mountain Prods., 353 F.3d 792 (9th Cir. 2003) .....	143
Mattel, Inc. v. MGA Entm't, Inc., 616 F.3d 904 (9th Cir. 2010) .....	282
Mattel, Inc. v. MGA Entm't, Inc., 782 F. Supp. 2d 911 (C.D. Cal. 2011) .....	2, 107, 108, 115, 116, 128, 134, 143, 180, 192, 193, 195, 321
<i>In re</i> Mavety Media Grp. Ltd., 33 F.3d 1367 (Fed. Cir. 1994) .....	75
Mayer/Berkshire Corp. v. Berkshire Fashions Inc., 424 F.3d 1229 (Fed. Cir. 2005) .....	64, 66
McConnell v. Critchlow, 661 F.2d 116 (9th Cir. 1981) .....	304
Mead Data Cent., Inc. v. Toyota Motor Sales, U.S.A., Inc., 875 F.2d 1026 (2d Cir. 1989) .....	195
Meckatzer Löwenbräu Benedikt Weiß KG v. White Gold, LLC, 95 U.S.P.Q.2d 1185 (T.T.A.B. 2010) .....	4, 41, 42
MedImmune, Inc. v. Genentech, Inc., 549 U.S. 118 (2007) .....	345, 346, 347
Melwani v. Allegiance Corp., 97 U.S.P.Q.2d 1537 (T.T.A.B. 2010) .....	6, 70, 78
Mercado-Salinas v. Bart Enters. Int'l, Ltd., 747 F. Supp. 2d 275 (D.P.R. 2010) .....	236, 401
Mercatus Grp. v. Lake Forest Hosp., 641 F.3d 834 (7th Cir. 2011) .....	308
MetLife Investors USA Ins. Co. v. Zeidman, 734 F. Supp. 2d 304 (E.D.N.Y. 2010), <i>aff'd</i> , 442 F. App'x 589 (2d Cir. 2011) .....	236
Metric & Multistandard Components Corp. v. Metric's Inc., 635 F.2d 710 (8th Cir. 1980) .....	303
Michael Taylor Designs, Inc. v. Travelers Prop. Cas. Co. of Am., 761 F. Supp. 2d 904 (N.D. Cal. 2011) .....	415, 416
Miller's Ale House, Inc. v. Boynton Carolina Ale House, LLC, 745 F. Supp. 2d 1359 (S.D. Fla. 2010) .....	91, 107, 116, 207, 221, 380
Milliken v. Meyer, 311 U.S. 457 (1940) .....	360

Mindys Cosmetics, Inc. v. Dakar, 611 F.3d 590 (9th Cir. 2010) .....	341, 342
Mirina Corp. v. Marina Biotech, 770 F. Supp. 2d 1153 (W.D. Wash. 2011) .....	101, 143, 151, 269
Miyano Mach. USA, Inc. v. Miyanohitec Mach., Inc., 576 F. Supp. 2d 868 (N.D. Ill. 2008) .....	323
Mobile Anesthesiologists Chi., LLC v. Anesthesia Assocs. of Houston Metroplex, P.A., 623 F.3d 440 (7th Cir. 2010) .....	359, 367
Modern Fence Techs., Inc. v. Qualipac Home Improvement Corp., 726 F. Supp. 2d 975 (E.D. Wis. 2010) .....	4, 323
Montblanc-Simplo GmbH v. Colibri Corp., 739 F. Supp. 2d 143 (E.D.N.Y. 2010) .....	140, 281, 282
Montecash LLC v. Anzar Enters., Inc., 95 U.S.P.Q.2d 1060 (T.T.A.B. 2010) .....	58
Morehouse Mfg. Corp. v. J. Strickland & Co., 407 F.2d 881 (C.C.P.A. 1969) .....	10
Morgan Creek Prods. Inc. v. Foria Int'l Inc., 91 U.S.P.Q.2d 1134 (T.T.A.B. 2009) .....	61
<i>In re</i> Morton-Norwich Prods. Inc., 671 F.2d 1332 (C.C.P.A. 1982) .....	36, 37, 48, 50, 125, 127, 129, 130
Moseley v. Fillmore Co., 725 F. Supp. 2d 549 (W.D.N.C. 2010) .....	360, 373
Moseley v. V Secret Catalogue, Inc., 537 U.S. 418 (2003) .....	194
Moses H. Cone Mem'l Hosp. v. Mercury Constr. Corp., 460 U.S. 1, 15 (1983) .....	378
<i>In re</i> Mucky Duck Mustard, 6 U.S.P.Q.2d 1467 (T.T.A.B. 1988) .....	18
N. Am. Med. Corp. v. Axiom Worldwide, Inc., 522 F.3d 1211 (11th Cir. 2008) .....	207, 272
Nasalok Coating Corp. v. Nylok Corp., 86 U.S.P.Q.2d 1369 (Fed. Cir. 2008) .....	64
Nasdaq Stock Mkt. Inc. v. Antartica S.r.l., 69 U.S.P.Q.2d 1718 (T.T.A.B. 2003) .....	43
Nat'l Pork Bd. v. Supreme Lobster & Seafood Co., 96 U.S.P.Q.2d 1479 (T.T.A.B. 2010) .....	3, 44, 45, 68
Nat'l Prods., Inc. v. Gamber-Johnson LLC, 734 F. Supp. 2d 1160 (W.D. Wash. 2010), <i>aff'd</i> , No. 10-35826, 2011 WL 3915603 (9th Cir. Sept. 7, 2011) .....	277, 279, 281, 299, 300
Nat'l Spiritual Assembly of the Bahá'ís of the United States of Am. Under the Hereditary Guardianship, Inc. v. Nat'l Spiritual Assembly of the Bahá'ís of the United States of Am., Inc., 628 F.3d 837 (7th Cir. 2010) .....	3, 283, 284, 332

Native Am. Arts, Inc. v. Contract Specialties, Inc., 754 F. Supp. 2d 386 (D.R.I. 2010) .....	412
Neb. <i>ex rel.</i> Counsel for Discipline of the Neb. Sup. Ct. v. Thew, 794 N.W.2d 412 (Neb. 2011) .....	407
Network Automation, Inc. v. Advanced Sys. Concepts, Inc., 638 F.3d 1137 (9th Cir. 2011) .....	102, 143, 167, 168
Newport News Holdings Corp. v. Virtual City Vision, Inc., 650 F.3d 423 (4th Cir. 2011), <i>cert. denied</i> , 132 S. Ct. 575 (2011) .....	2, 96, 228, 247, 266, 290, 291, 304, 387, 388, 390, 391
Nightingale Home Healthcare, Inc. v. Anodyne Therapy, LLC, 626 F.3d 958 (7th Cir. 2010) .....	302, 303, 306, 307, 308
No Doubt v. Activision Publ'g, Inc., 122 Cal. Rptr. 3d 397 (Ct. App. 2011) .....	4, 333
O.C. Seacrets, Inc. v. Hotelplan Italia S.p.A., 95 U.S.P.Q.2d 1327 (T.T.A.B. 2010) .....	73
Ocean Garden, Inc. v. Marktrade Co., 953 F.2d 500 (9th Cir. 1991) .....	382
Ohio State Univ. v. Thomas, 738 F. Supp. 2d 743 (S.D. Ohio 2010) .....	142, 150, 151, 189, 258, 268, 271
Optigen, LLC v. Int'l Genetics, Inc., 777 F. Supp. 2d 390 (N.D.N.Y. 2011) .....	205
Optimum Techs., Inc. v. Home Depot U.S.A., Inc., 217 Fed. App'x 899 (11th Cir. 2007) .....	297
Oriental Fin. Grp. v. Cooperativa de Ahorro y Crédito Oriental, 750 F. Supp. 2d 396 (D.P.R. 2010) .....	103, 139, 150, 192, 228, 270
Orouba Agrifoods Processing Co. v. United Food Imp., 97 U.S.P.Q.2d 1310 (T.T.A.B. 2010) .....	62, 63
Osment Models Inc. v. Mike's Train House Inc., 97 U.S.P.Q.2d 1395 (W.D. Mo. 2010) .....	289
Osmose, Inc. v. Viance, LLC, 612 F.3d 1298 (11th Cir. 2010) .....	207, 208, 213, 227, 272, 335
<i>In re</i> Osmotica Holdings Corp., 95 U.S.P.Q.2d 1666 (T.T.A.B. 2010) .....	40
<i>In re</i> Outsidewall Tire Litig., 748 F. Supp. 2d 543 (E.D. Va. 2010) .....	298, 299
<i>In re</i> Owens-Corning Fiberglas Corp., 774 F.2d 1116 (Fed. Cir. 1985) .....	21
<i>In re</i> P.J. Fitzpatrick, Inc., 95 U.S.P.Q.2d 1412 (T.T.A.B. 2010) .....	33
Pac. Emp'rs Ins. Co. v. Indus. Accidental Comm'n, 306 U.S. 493 (1939) .....	344

Packaging Supplies Inc. v. Harley-Davidson Inc., 100 U.S.P.Q.2d 1348 (N.D. Ill. 2011) .....	142, 155
Paddington Corp. v. Attiki Imps. & Distribs., Inc., 996 F.2d 577 (2d Cir. 1993) .....	104
Pamlab LLC v. Seton Pharm. LLC, 97 U.S.P.Q.2d 1475 (S.D.N.Y. 2010) .....	207, 208, 212, 216, 217
Parklane Hosiery Co. v. Shore, 439 U.S. 322 (1979) .....	62, 63
Parks v. LaFace Records, 329 F.3d 437 (6th Cir. 2003) .....	334
Passport Health Inc. v. Travel Med Inc., 98 U.S.P.Q.2d 1344 (E.D. Cal. 2011) .....	143, 154, 231
Patsy's Italian Rest., Inc. v. Banas, 658 F.3d 254 (2d Cir. 2011) .....	84, 85, 86, 88, 254, 255, 280, 301, 322, 323, 324
PBM Prods., LLC v. Mead Johnson & Co., 639 F.3d 111 (4th Cir. 2011) .....	207, 208, 223, 224, 225, 263, 264
PC Connection, Inc. v. Crabtree, 754 F. Supp. 2d 317 (D.N.H. 2010) .....	371
Pebble Beach Co. v. Tour 18 I Ltd., 155 F.3d 526 (5th Cir. 1998) .....	122, 132
<i>In re</i> Penthouse Int'l Ltd., 565 F.2d 679 (C.C.P.A. 1977) .....	202
People v. Ebelechukwu, 937 N.E.2d 222 (Ill. App. Ct. 2010) .....	234
People v. Hong Wu, 917 N.Y.S.2d 234 (App. Div. 2011) .....	190
People v. Levy, 940 N.E.2d 547 (N.Y. 2010) .....	191
Peoples Fed. Sav. Bank v. People's United Bank, 750 F. Supp. 2d 217 (D. Mass. 2010) .....	79, 95, 96, 111, 139, 169, 170, 268
Perfetti Van Melle USA v. Cadbury Adams USA LLC, 732 F. Supp. 2d 712 (E.D. Ky. 2010) .....	99, 100, 142, 170, 274, 386
Pernod Ricard USA, LLC v. Bacardi U.S.A., Inc., 653 F.3d 241 (3d Cir. 2011) .....	207, 208, 209, 210, 223
Petróleos Mexicanos v. Intermix S.A., 97 U.S.P.Q.2d 1403 (T.T.A.B. 2010) .....	57, 58
Peviani v. Hostess Brands, Inc., 750 F. Supp. 2d 1111 (C.D. Cal. 2010) .....	357
Philadelphia Indem. Ins. Co. v. Horowitz, Greener & Stengel, LLP, 379 F. Supp. 2d 442 (S.D.N.Y. 2005) .....	420
Philip Morris USA Inc. v. Tammy's Smoke Shop, Inc., 726 F. Supp. 2d 223 (E.D.N.Y. 2010) .....	291, 292
Philips Elecs. N. Am. Corp. v. BC Tech., 773 F. Supp. 2d 1149 (D. Utah 2011) .....	388, 389
Pinzone v. Papa's Wings, Inc., 72 So. 3d 620 (Ala. Civ. App. 2010).....	398, 399
Pioneer Inv. Servs. Co. v. Brunswick Assoc. Ltd. P'ship, 507 U.S. 380 (1993) .....	78

Pizzeria Uno Corp. v. Temple, 747 F.2d 1522 (4th Cir. 1984) .....	141
Planet Techs., Inc. v. Planit Tech. Grp., 735 F. Supp. 2d 397 (D. Md. 2010) .....	246, 247, 359, 364, 365
Playboy Enters. v. Welles, 279 F.3d 796 (9th Cir. 2002) .....	195
Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492 (2d Cir. 1961) .....	140
<i>In re</i> Pollak Steel Co., 314 F.2d 566 (C.C.P.A. 1963) .....	132
Polo Fashions, Inc. v. Craftex, Inc., 816 F.2d 145 (4th Cir. 1987) .....	248
Pom Wonderful LLC v. Organic Juice USA, Inc., 769 F. Supp. 2d 188 (S.D.N.Y. 2011) .....	207, 222, 223, 224
Pom Wonderful LLC v. Welch Foods, Inc., 737 F. Supp. 2d 1105 (C.D. Cal. 2010) .....	262
Pretty Girl, Inc. v. Pretty Girl Fashions, Inc., 778 F. Supp. 2d 261 (E.D.N.Y. 2011) .....	81, 140, 144, 270, 271
Priceless Clothing Co. v. Travelers Cas. Ins. Co. of Am., 100 U.S.P.Q.2d 1398 (N.D. Ill. 2011) .....	419, 420
Prince of Peace Enters. v. Top Quality Food Mkt., LLC, 760 F. Supp. 2d 384 (S.D.N.Y. 2011) .....	174, 183, 189, 190, 356, 357, 396, 397
Pro Football Inc. v. Harjo, 90 U.S.P.Q.2d 1593 (D.C. Cir. 2009) .....	74
Process Controls Int'l, Inc. v. Emerson Process Mgmt., 753 F. Supp. 2d 912 (E.D. Mo. 2010) .....	207, 212
Procter & Gamble Co. v. Amway Corp., 242 F.3d 539 (5th Cir. 2001) .....	354
Procter & Gamble Co. v. Colgate-Palmolive Co., No. 96 CIV. 9123 (RPP), 1998 WL 788802, at*82 (S.D.N.Y. Nov. 9, 1998) .....	186
Productos Lacteos Tocumbo S.A. de C.V. v. Paleteria La Michoacana, Inc., 98 U.S.P.Q.2d 1921 (T.T.A.B. 2011) .....	11, 61, 70, 76
Prof'l Golfers Ass'n of Am. v. Bankers Life & Cas. Co., 514 F.2d 665 (5th Cir. 1975) .....	256
Prof'l Real Estate Investors, Inc. v. Columbia Pictures Indus., 508 U.S. 49 (1993) .....	308, 338
PSK, LLC v. Hicklin, 757 F. Supp. 2d 836 (N.D. Iowa 2010) .....	90, 91, 121, 122, 142, 165, 199, 207, 221, 222, 223
Pumpkin Ltd. v. The Seed Corps, 43 U.S.P.Q.2d 1582 (T.T.A.B. 1997) .....	78
Quill Corp. v. North Dakota, 504 U.S. 298 (1992) .....	422

QVC, Inc. v. Your Vitamins, Inc., 714 F. Supp. 2d 291 (D. Del. 2010) .....	207, 208, 216, 223, 224
QVC, Inc. v. Your Vitamins, Inc., 753 F. Supp. 2d 428 (D. Del. 2010) .....	375
Qwest Commc'ns, Int'l v. Cyber-Quest, Inc., 124 F. Supp. 2d 297 (M.D. Pa. 2000) .....	161
R.F.M.A.S., Inc. v. So, 271 F.R.D. 13 (S.D.N.Y. 2010) .....	302, 389, 390
R.F.M.A.S., Inc. v. So, 748 F. Supp. 2d 244 (S.D.N.Y. 2010) .....	383, 384, 385, 386
R.J. Ants, Inc. v. Marinelli Enters., 771 F. Supp. 2d 475 (E.D. Pa. 2011) .....	80, 88, 93, 97, 118, 141, 181, 182, 192, 268
<i>In re</i> R.M. Smith, Inc., 734 F.2d 1482 (Fed. Cir. 1984) .....	22
<i>In re</i> Ratny, 24 U.S.P.Q.2d 1713 (Comm'r Pats. & Trademarks 1992) .....	402
Ray Commc'ns, Inc. v. Clear Channel Commc'ns, 760 F. Supp. 2d 544 (E.D.N.C. 2010) .....	264
Realex Chem. Corp. v. S.C. Johnson & Son, Inc., 849 F.2d 299 (8th Cir. 1988) .....	64
Rebelution, LLC v. Perez, 732 F. Supp. 2d 883 (N.D. Cal. 2010) .....	4, 143, 166, 167, 333, 334
Reckitt Benckiser Inc. v. Motomco Ltd., 760 F. Supp. 2d 446 (S.D.N.Y. 2011) .....	207, 208, 213, 214, 215, 270
<i>In re</i> Reed Elsevier Props. Inc., 482 F.3d 1376 (Fed. Cir. 2007) .....	89
Reed v. Amoco Oil Co., 225 U.S.P.Q. 876 (M.D. Tenn. 1984) .....	28
Republic Molding Corp. v. B.W. Photo Utils., 319 F.2d 347 (9th Cir. 1963) .....	261
Ricks v. BMEzine.com, LLC, 727 F. Supp. 2d 936 (D. Nev. 2010) .....	80, 95, 109, 232, 233, 262, 263, 311, 328, 329
Riddell, Inc. v. Schutt Sports, Inc., 724 F. Supp. 2d 963 (W.D. Wis. 2010) .....	207, 208, 219, 220, 221, 223, 226
Rio Props., Inc. v. Rio Int'l Interlink, 284 F.3d 1007 (9th Cir. 2002) .....	303
Ritchie v. Gano, 754 F. Supp. 2d 605 (S.D.N.Y. 2010) .....	310, 311
Ritchie v. Gano, 756 F. Supp. 2d 581 (S.D.N.Y. 2010) .....	314, 315
RNA Corp. v. Procter & Gamble Co., 747 F. Supp. 2d 1008 (N.D. Ill. 2010) .....	104, 142, 159
Rocket Trademarks Pty Ltd. v. Phard S.p.A., 98 U.S.P.Q.2d 1066 (T.T.A.B. 2011) .....	12, 68, 72
Rockland Exposition, Inc. v. Great Am. Assurance Co., 746 F. Supp. 2d 528 (S.D.N.Y. 2010), <i>aff'd</i> , No. 10-4276-CV, 2011 WL 5176188 (2d Cir. Nov. 2, 2011) .....	420, 421
Rogers v. Grimaldi, 875 F.2d 994 (2d Cir. 1989) .....	333, 334

Rolls-Royce Motors, Ltd. v. A & A Fiberglass, Inc., 428 F. Supp. 689 (N.D. Ga. 1976) .....	202
Ruggers, Inc. v. United States, 736 F. Supp. 2d 336 (D. Mass. 2010) .....	137, 138
Rutledge v. Ariz. Bd. of Regents, 660 F.2d 1345 (9th Cir. 1985) (en banc).....	344
S. Indus. v. Centra 2000, Inc., 249 F.3d 625 (7th Cir. 2001) .....	307
Sabinsa Corp. v. Creative Compounds, LLC, 609 F.3d 175 (3d Cir. 2010) .....	97, 98, 140, 152
Salehoo Grp. v. ABC Co., 722 F. Supp. 2d 1210 (W.D. Wash. 2010) .....	4, 337, 338
Salinger v. Colting, 607 F.3d 68 (2d Cir. 2010) .....	269, 270
<i>In re Sambado &amp; Son Inc.</i> , 45 U.S.P.Q.2d 1312 (T.T.A.B. 1997) .....	75
San Juan Prods., Inc. v. San Juan Pools, Inc., 849 F.2d 468 (10th Cir. 1988) .....	302
Santa's Best Craft, L.L.C. v. Zurich Am. Ins. Co., 941 N.E.2d 291 (Ill. App. Ct. 2010) .....	419
Santa's Best Craft, LLC v. St. Paul Fire & Marine Ins. Co., 611 F.3d 339 (7th Cir. 2010) .....	413, 414
Santander Consumer USA Inc. v. Walsh, 762 F. Supp. 2d 217 (D. Mass. 2010) .....	3, 122, 139, 164, 165, 193, 196, 197, 233, 340
Sara Lee Corp. v. Kraft Foods Inc., 273 F.R.D. 416 (N.D. Ill. 2011) .....	392, 393
<i>In re Sauer</i> , 27 U.S.P.Q.2d 1073 (T.T.A.B. 1993), <i>aff'd</i> , 26 F.3d 140 (Fed. Cir. 1994) .....	32
Saul Zaentz Co. v. Bumb, 95 U.S.P.Q.2d 1723 (T.T.A.B. 2010) .....	5, 46, 47
Schering Corp. v. Pfizer Inc., 189 F.3d 218 (2d Cir. 1999) .....	212
Schwan's IP, LLC v. Kraft Pizza Co., 460 F.3d 971 (8th Cir. 2006) .....	93
Schwarzenegger v. Fred Martin Motor Co., 374 F.3d 797 (9th 2004) .....	367
Scooter Store, Inc. v. SpinLife.com, LLC, 777 F. Supp. 2d 1102 (S.D. Ohio 2011) .....	4, 216, 326, 327
Scotch Whisky Ass'n v. Majestic Distilling Co., 958 F.2d 594 (4th Cir. 1992) .....	304
SDS Korea Co. v. SDS USA, Inc., 732 F. Supp. 2d 1062 (S.D. Cal. 2010) .....	370, 371, 377
Seabrook Foods, Inc. v. Bar-Well Foods, Ltd., 568 F.2d 1342 (C.C.P.A. 1977) .....	19, 20, 30, 105, 106, 107

Seller Agency Council, Inc. v. Kennedy Ctr. for Real Estate Educ., Inc., 621 F.3d 981 (9th Cir. 2010) .....	261, 265
Sengoku Works v. RMC Int'l, 96 F.3d 1217 (9th Cir. 1996) .....	87
Sensient Techs. Corp. v. SensoryEffects Flavor Co., 613 F.3d 754 (8th Cir. 2010), <i>cert. denied</i> , 131 S. Ct. 1603 (2011) .....	3, 103, 136, 142, 176, 177, 197, 198
Shalom Children's Wear Inc. v. In-Wear A/S, 26 U.S.P.Q.2d 1516 (T.T.A.B. 1993) .....	52
<i>In re</i> Shea, 906 N.Y.S.2d 582 (N.Y. App. Div. 2010) .....	406, 407
Shell Trademark Mgmt. B.V. v. Warren Unilube, Inc., 765 F. Supp. 2d 884 (S.D. Tex. 2011) .....	106, 122, 123, 124, 141, 165, 166, 186, 241, 242
Sherwin-Williams Co. v. Holmes Cnty., 343 F.3d 383 (5th Cir. 2003) .....	350
Shymatta v. Papillon, 99 U.S.P.Q.2d 1854 (D. Idaho 2011) .....	369, 370
Sinatra v. Nat'l Inquirer, Inc., 854 F.2d 1191 (9th Cir. 1988) .....	382
Sinclair v. StudioCanal, S.A., 709 F. Supp. 2d 496 (E.D. La. 2010) .....	349, 350, 359, 360, 372
Sine v. Local No. 992 Int'l Bhd. of Teamsters, 882 F.2d 913 (4th Cir. 1989) .....	388
Singer Mfg. Co. v. Briley, 207 F.2d 519 (5th Cir. 1953) .....	91
Sinochem Int'l Co. v. Malaysia Int'l Shipping Corp., 549 U.S. 422 (2007) .....	374, 376
SmithKline Beecham Corp. v. Omnisource DDS, LLC, 97 U.S.P.Q.2d 1300 (T.T.A.B. 2010) .....	5, 47
Sosa v. DIRECTV, Inc., 437 F.3d 923 (9th Cir. 2006) .....	339
Sound Surgical Techs., LLC v. Leonard A. Rubenstein, M.D., P.A., 734 F. Supp. 2d 1262 (M.D. Fla. 2010) .....	2, 6, 82, 84, 144, 230, 231, 271
Southco, Inc. v. Penn Eng'g & Mfg. Corp., 768 F. Supp. 2d 715 (D. Del. 2011) .....	325
Specht v. Google Inc., 758 F. Supp. 2d 570 (N.D. Ill. 2010) .....	87, 154, 248, 249, 250, 251, 322
<i>In re</i> Specht, 622 F.3d 697 (7th Cir. 2010) .....	387
Spell v. McDaniel, 824 F.2d 1380 (4th Cir. 1987) .....	314
Spin Master, Ltd. v. Zobmondo!! Entm't LLC, 778 F. Supp. 2d 1052 (C.D. Cal. 2011) .....	4, 329, 330, 331
<i>In re</i> Spirits Int'l N.V., 563 F.3d 1347 (Fed. Cir. 2009) .....	35, 319
Sports Auth. Mich. Inc. v. PC Auth. Inc., 63 U.S.P.Q.2d 1782 (T.T.A.B. 2001) .....	72



Stafford Urgent Care, Inc. v. Garrisonville Urgent Care, P.C., 224 F. Supp. 2d 1062 (E.D. Va. 2002) .....	246
Stayart v. Yahoo! Inc., 623 F.3d 436 (7th Cir. 2010) .....	354, 355
<i>In re</i> Steak & Ale Rests. of Am., Inc., 185 U.S.P.Q. 447 (T.T.A.B. 1975) .....	33
<i>In re</i> Steelbuilding.com, 415 F.3d 1293 (Fed. Cir. 2005) .....	51
Stephen Slesinger, Inc. v. Disney Enters., Inc., 98 U.S.P.Q.2d 1890 (T.T.A.B. 2011) .....	65, 66
<i>In re</i> Sumitomo Elec. Indus., Ltd., 184 U.S.P.Q. 365 (T.T.A.B. 1974) .....	39
Sun Oil Co. v. Wortman, 486 U.S. 717 (1988) .....	344
Super Bakery, Inc. v. Benedict, 96 U.S.P.Q.2d 1134 (T.T.A.B. 2010) .....	66, 67
Superior Seafoods, Inc. v. Tyson Foods, Inc., 620 F.3d 873 (8th Cir. 2010) .....	397, 398
Sylvania Elec. Prods., Inc. v. Dura Elec. Lamp Co., 247 F.2d 730 (3d Cir. 1957) .....	132
<i>In re</i> T.S. Designs, Inc., 95 U.S.P.Q.2d 1669 (T.T.A.B. 2010) .	27, 28
Tana v. Dantanna's, 611 F.3d 767 (11th Cir. 2010) .....	97, 144, 175, 176, 236, 237
Tecnimed SRL v. Kidz-Med, Inc., 763 F. Supp. 2d 395 (S.D.N.Y. 2011) .....	86, 87, 104, 148, 149, 270, 271, 276
Tempo Commc'ns, Inc. v. Colombian Art Works, Inc., 223 U.S.P.Q. 721 (N.D. Ill. 1983) .....	202
Tempur-Pedic Int'l, Inc. v. Go Satellite Inc., 758 F. Supp. 2d 366 (N.D. Tex. 2010) .....	246, 360, 365, 366, 376
Tequila Cuervo La Rojena S.A. de C.V. v. Jim Beam Brands Co., 95 U.S.P.Q.2d 1574 (S.D.N.Y. 2010) .....	348, 349
Test Masters Educ. Servs., Inc. v. Singh, 428 F.3d 559 (5th Cir. 2005) .....	380
Teter v. Glass Onion, Inc., 723 F. Supp. 2d 1138 (W.D. Mo. 2010) .....	97, 142, 163, 192, 194, 356
Texas Dep't of Transp. v. Tucker, 95 U.S.P.Q.2d 1241 (T.T.A.B. 2010) .....	6, 7
Therasense, Inc. v. Becton, Dickinson & Co., 649 F.3d 1276 (Fed. Cir. 2011) (en banc) .....	4, 323
Thermal Design, Inc v. Am. Soc'y of Heating, Refrigerating & Air-Conditioning Eng'rs, Inc., 775 F. Supp. 2d 1082 (E.D. Wis. 2011) .....	207, 208, 209, 242
THOIP v. Walt Disney Co., 690 F. Supp. 2d 218 (S.D.N.Y. 2010) .....	178
THOIP v. Walt Disney Co., 736 F. Supp. 2d 689 (S.D.N.Y. 2010) .....	104, 105, 140, 178, 179

THOIP v. Walt Disney Co., 788 F. Supp. 2d 168 (S.D.N.Y. 2011) .....	140, 178, 179, 184, 185
<i>In re</i> Thomas Nelson, Inc., 97 U.S.P.Q.2d 1712 (T.T.A.B. 2011) .....	22
Threshold.TV, Inc. v. Metronome Enters., Inc., 96 U.S.P.Q.2d 1031 (T.T.A.B. 2010) .....	69, 70, 78
Through The Country Door Inc. v. J.C. Penny Co., 83 U.S.P.Q.2d 1538 (W.D. Wis. 2007) .....	202
Tiffany Inc. v. eBay, Inc., 600 F.3d 93 (2d Cir. 2010), <i>cert. denied</i> , 131 S. Ct. 647 (2010) .....	245
Time Warner Cable, Inc. v. DIRECTV, Inc., 497 F.3d 144 (2d Cir. 2007) .....	222, 223
Tiramisu Int'l LLC v. Clever Imps. LLC, 741 F. Supp. 2d 1279 (S.D. Fla.2010) .....	154, 227, 296, 297, 298, 301, 305, 313, 315, 317
Tire Kingdom, Inc. v. Morgan Tire & Auto, Inc., 253 F.3d 1332 (11th Cir. 2001) .....	305
Toro Co. v. ToroHead Inc., 61 U.S.P.Q.2d 1164 (T.T.A.B. 2001) .....	45
Tortoise Island Homeowners Ass'n v. Tortoise Island Realty, Inc., 790 So. 2d 525 (Fla. Dist. Ct. App. 2001) .....	96
Toyota Motor Sales, U.S.A., Inc. v. Tabari, 610 F.3d 1171 (9th Cir. 2010) .....	259
TraFFix Devices, Inc. v. Mktg. Displays, Inc., 532 U.S. 23 (2001) .....	37, 123, 126
<i>In re</i> Trek 2000 Int'l Ltd., 97 U.S.P.Q.2d 1106 (T.T.A.B. 2010) .....	23, 24, 25, 75
Trinity Christian Ctr. of Santa Ana, Inc. v. New Frontier Media, Inc., 761 F. Supp. 2d 1322 (M.D. Fla. 2010) .....	374, 375
Tristate HVAC Equip. LLP v. Big Belly Solar, Inc., 752 F. Supp. 2d 517 (E.D. Pa. 2010) .....	358
Turbon Int'l, Inc. v. Hewlett-Packard Co., 769 F. Supp. 2d 262 (S.D.N.Y. 2011) .....	207, 215, 216, 223
Twentieth Century Fox Film Corp. v. Entm't Distrib., 34 F. App'x 312 (9th Cir. 2002) .....	201
Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992) .....	132
Ty Inc. v. Softbelly's Inc., 353 F.3d 528 (7th Cir. 2003) .....	24
U.S. Sporting Prods., Inc. v. Johnny Stewart Game Calls, Inc., 865 S.W.2d 214 (Tex. Ct. App. 1993) .....	242
uBid, Inc. v. GoDaddy Grp., 623 F.3d 421 (7th Cir. 2010) .....	360, 361
UMG Recordings Inc. v. O'Rourke, 92 U.S.P.Q.2d 1042 (T.T.A.B. 2009) .....	56

United Bank v. Peoplesbank, No. 3:08cv01858 (PCD), 2010 WL 2521069, at*4 (D. Conn. Jun. 17, 2010) .....	96
United Mine Workers v. Pennington, 381 U.S. 657 (1965) .....	308, 338
Universal Furniture Int'l Inc. v. Collezione Europa USA, Inc., 618 F.3d 417 (4th Cir. 2010) .....	203, 204
V.F. Trust, Inc. v. First Flight Ltd. P'ship, 306 F.3d 126 (4th Cir. 2002) .....	247
Valu Eng'g Inc. v. Rexnord Corp., 278 F.3d 1268 (Fed. Cir. 2002) .....	48
Van Dyne-Crotty, Inc. v. Wear-Guard Corp., 926 F.2d 1156 (Fed. Cir. 1991) .....	31
<i>In re</i> Van Valkenburgh, 97 U.S.P.Q.2d 1757 (T.T.A.B. 2011) .....	2, 22, 23, 36, 37
Venture Tape Corp. v. McGills Glass Warehouse, 292 F. Supp. 2d 230 (D. Mass. 2003) .....	362, 363
Vienna Beef Ltd. v. Red Hot Chi. Inc., 100 U.S.P.Q.2d 1773 (N.D. Ill. 2011) .....	142, 207, 208, 223, 258
Village of Sylvan Beach, N.Y. v. Travelers Indem. Co., 55 F.3d 114 (2d Cir. 1995) .....	415
Viña Casa Tamaya S.A. v. Oakville Hills Cellar Inc., 784 F. Supp. 2d 391 (S.D.N.Y. 2011) .....	351
Vital Pharms., Inc. v. Am. Body Bldg. Prods., LLC, 511 F. Supp. 2d 1303 (S.D. Fla. 2007) .....	116
Vitaline Corp. v. General Mills Inc., 891 F.2d 273 (Fed. Cir. 1989) .....	63
Voest-Alpine Int'l Corp. v. Chase Manhattan Bank, N.A., 707 F.2d 680 (2d Cir. 1983) .....	267
Voice of the Arab World Inc. v. MDTV Med. News Now, Inc., 645 F.3d 26 (1st Cir. 2011) .....	269, 273
<i>In re</i> Volvo Cars of N. Am. Inc., 46 U.S.P.Q.2d 1455 (T.T.A.B. 1998) .....	28, 206, 237
Vuitton et Fils S.A. v. J. Young Enters., 644 F.2d 769 (9th Cir. 1981) .....	131
<i>In re</i> Wacker Neuson SE, 97 U.S.P.Q.2d 1408 (T.T.A.B. 2010) .....	38, 39
Wal-Mart Stores, Inc. v. Samara Bros., Inc., 529 U.S. 205 (2000) .....	20, 22, 30, 106
Walt Disney Co. v. Powell, 698 F. Supp. 10 (D.D.C. 1988), <i>vacated in part on other grounds</i> , 897 F.2d 565 (D.C. Cir. 1990) .....	201
Ward E. Benedict v. Super Bakery, Inc., 101 U.S.P.Q.2d 1089 (Fed. Cir. 2011) .....	67
Warner Bros. v. Gay Toys, Inc., 724 F.2d 327 (2d Cir. 1983) .....	132

Warren Corp. v. Goldwert Textile Sales, Inc., 581 F. Supp. 2d 897 S.D. ....	209
Watkins v. U.S. Bureau of Customs & Border Prot., 643 F.3d 1189 (9th Cir. 2011) .....	409, 410, 411
Weatherford/Lamb, Inc. v. C&J Energy Servs., Inc., 96 U.S.P.Q.2d 1834 (T.T.A.B. 2010) .....	52
Weinstein Design Grp. v. Fielder, 884 So. 2d 990 (Fla. Dis. Ct. App. 2004) .....	293
Welding Servs. v. Forman, 301 Fed. App'x 862 (11th Cir. 2008) .....	305
<i>In re Wella A.G.</i> , 5 U.S.P.Q.2d 1359 (T.T.A.B. 1987), <i>rev'd</i> <i>and remanded on other grounds</i> , <i>In re Wella A.G.</i> , 8 U.S.P.Q.2d 1365 (Fed. Cir. 1988) .....	39
Wiley v. Am. Greetings Corp., 762 F.2d 139 (1st Cir. 1985) .....	108
Wilhelm Pudenz, GmbH v. Littlefuse, Inc., 177 F.3d 1204 (11th Cir. 1999) .....	132
Wilson v. Parker, Covert & Chidester, 50 P.3d 733 (Cal. 2002) .....	342
Winter v. Natural Resources Defense Council, 555 U.S. 7 (2008) .....	267, 269
WMS Gaming, Inc. v. WPC Prods. Ltd., 542 F.3d 601 (7th Cir. 2008) .....	298
WorldCare Ltd. v. World Ins. Co., 767 F. Supp. 2d 341 (D. Conn. 2011) .....	372, 373, 377, 378
WWP, Inc. v. Wounded Warriors Family Support, Inc., 628 F.3d 1032 (8th Cir. 2011) .....	157, 158, 189, 240, 287, 383
Yamaha Int'l Corp. v. Hoshino Gakki Co., 840 F.2d 1572 (Fed. Cir. 1988) .....	21
Yamaha Int'l Corp. v. Stevenson, 196 U.S.P.Q. 701 (T.T.A.B. 1979) .....	56
Young Eng'rs, Inc. v. U.S. Int'l Trade Comm'n, 721 F.2d 1305 (Fed. Cir. 1983) .....	62
Younger v. Harris, 401 U.S. 37 (1971) .....	378
Z Prods., Inc. v. SNR Prods., Inc., No. 8:10-CV-966-T- 23MAP, 2011 WL 3754693, at *4 (M.D. Fla. Aug. 18, 2011) .....	82
Zenith Elecs. Corp. v. Exzec, Inc., 182 F.3d 1340 (Fed. Cir. 1999) .....	342
Z-Man Fishing Prods., Inc. v. Renosky, 790 F. Supp. 2d 418 (D.S.C. 2011) .....	113, 141, 167
Zoba Int'l Corp. v. DVD Format/LOGO Licensing Corp., 98 U.S.P.Q.2d 1106 (T.T.A.B. 2011) .....	63, 64

Zobmondo Entm't, LLC v. Falls Media, LLC, 602 F.3d 1108  
    (9th Cir. 2010) ..... 331

Zurco, Inc. v. Sloan Valve Co., 785 F. Supp. 2d 476 (W.D.  
    Pa. 2011) ..... 140, 164, 248, 261, 262, 266, 267, 285

Zynga Game Network Inc. v. Williams, 100 U.S.P.Q.2d  
    1550 (N.D. Cal. 2011) .....153, 303, 312

# INTA's 134<sup>th</sup> Annual Meeting

Washington  
**DC**

May 5-9  
**2012**



From valuable skill-building workshops and educational sessions, to benchmarking and networking opportunities, INTA's Annual Meeting is the centerpiece event for the trademark industry and is attended by more than 9,000 individuals from 140 countries.

Online registration closes Friday, April 20.  
Learn more at [www.inta.org/AnnualMeeting](http://www.inta.org/AnnualMeeting)



## Introducing INTA's Mentor Program

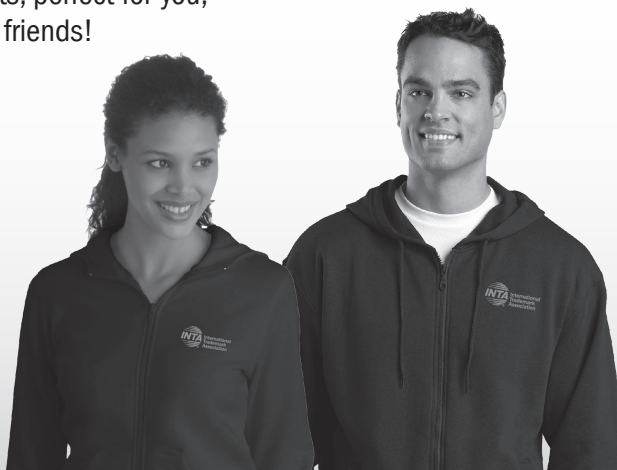
INTA members build meaningful relationships that can boost a career and change a life!

From professional development to leadership development, connect with other trademark professionals, trademark professors or law students.

Visit [www.inta.org/mentorprogram](http://www.inta.org/mentorprogram)

## Check out the latest in INTA Merchandise!

INTA apparel and gifts, perfect for you, your colleagues and friends!



Visit [www.inta.org/store](http://www.inta.org/store)