

# The Trademark Reporter®



## The Law Journal of the International Trademark Association

If the IP Fits, Wear It: IP Protection for Footwear—A U.S. Perspective

*Jonathan Hyman, Charlene Azema, and Loni Morrow*

El Principio de Primacía de la Realidad en la Jurisprudencia Sobre Propiedad Industrial del Tribunal de Justicia de la Comunidad Andina

*Hugo R. Gómez Apac*

The Principle of Primacy of Reality in Judicial Precedent on Industrial Property of the Court of Justice of the Andean Community

*Hugo R. Gómez Apac*

Ex Parte Seizure Orders Under 15 U.S.C. § 1116(d) (Section 34 of the Lanham Act): Recent Developments in Case Law

*Brian W. Brokate and Maja Szumarska*

La Marca en la Industria Farmacéutica: El Uso de la Marca del Laboratorio Innovador Para la Promoción del Medicamento Genérico, en el Derecho Español

*Blas A. González Navarro*

Trademarks in the Pharmaceutical Industry: Use of the Innovative Laboratory's Trademark to Advertise the Generic Drug in Spanish Law

*Blas A. González Navarro*

*Commentary: Rethinking Post-Sale Confusion*

*Kal Raustiala and Christopher Jon Sprigman*

*Commentary: Trademark Strength and Fame: The Federal Circuit Corrects the Trademark Trial and Appeal Board*

*J. Thomas McCarthy*

*Book Review: Kane on Trademark Law: A Practitioner's Guide.* Siegrun D. Kane.

*Raffi Zerounian*

*Book Review: You Don't Own Me: How Mattel v. MGA Entertainment Exposed Barbie's Dark Side.* Orly Lobel.

*Pamela Chestek*

# INTERNATIONAL TRADEMARK ASSOCIATION

*Powerful Network Powerful Brands*

655 Third Avenue, New York, NY 10017-5646

Telephone: +1 (212) 642-1733

email: [wknox@inta.org](mailto:wknox@inta.org)

Facsimile: +1 (212) 768-7796

## OFFICERS OF THE ASSOCIATION

TISH L. BERARD ..... *President*  
DAVID LOSSIGNOL ..... *President Elect*  
AYALA DEUTSCH ..... *Vice President*  
TIKI DARE ..... *Vice President*  
ZEEGER VINK ..... *Treasurer*  
JOMARIE B. FREDERICKS ..... *Secretary*  
ANNA CARBONI ..... *Counsel*  
ETIENNE SANZ DE ACEDO ..... *Chief Executive Officer*

## *The Trademark Reporter* Committee

### EDITORIAL BOARD

#### EDITOR-IN-CHIEF, CHAIR

JESSICA ELLIOTT CARDON

#### STAFF EDITOR-IN-CHIEF

WILLARD KNOX

#### Senior Editors

GLENN MITCHELL

RAFFI V. ZEROUNIAN

FABRIZIO MIAZZETTO

PAMELA S. CHESTEK

BRYAN K. WHEELLOCK

ELISABETH KASZMAR FEKETE

ANDREW J. GRAY IV

#### Senior Staff Editor

BEVERLY HARRIS

#### Editors

TARA AARON

GUY HEATH

GEORGE W. MOXON II

GIULIA ABBAGNALE

JANET L. HOFFMAN

AMANDA NYE

BRUCE W. BABER

BARRY R. HORWITZ

BRENDAN O'CALLAGHAN

JOLIEN BARBIER

BRUCE ISAACSON

BRANDON M. RESS

MARTIN J. BERAN

E. DEBORAH JAY

MICHEL RIJSDIJK

DANIEL R. BERESKIN

DANIELLE JOHNSON

JENNIFER S. SICKLER

SHELDON BURSHTEN

SIEGRUN D. KANE

RINITA SIRCAR

ROBERT H. CAMERON

PETER J. KAROL

RANDEL S. SPRINGER

SUJATA CHAUDHRI

J. MICHAEL KEYES

SARA SULEIMAN

JACQUELINE CHORN

REMCO KLÖTERS

PAUL TACKABERRY

THEODORE H. DAVIS JR.

JENNIFER KWON

IFEYINWA A. UFONDU

ANNE DESMOUSSEAUX

SCOTT J. LEBSON

MARTIN VIEFHUES

MEGHAN DILLON

JOHN LINNEKER

VERENA VON BOMHARD

KAREN L. ELBURG

NELS T. LIPPERT

JEFFREY A. WAKOLBINGER

MATTHEW EZELL

JOEL G. MACMULL

NADALINE WEBSTER

DÉSIRÉE FIELDS

DOUGLAS N. MASTERS

RITA WEEKS

ALFRED C. FRAWLEY

J. DAVID MAYBERRY

JORDAN S. WEINSTEIN

LESLEY MCCALL GROSSBERG

BRYCE J. MAYNARD

JOHN L. WELCH

MICHAEL HANDLER

J. THOMAS MCCARTHY

JIAN XU

NATHAN HARRIS

MARCOS MERCADO

JOSEPH S. YANG

#### Advisory Board

MILES J. ALEXANDER

ROBERT M. KUNSTADT

PASQUALE A. RAZZANO

WILLIAM M. BORCHARD

THEODORE C. MAX

SUSAN REISS

CLIFFORD W. BROWNING

KATHLEEN E. MCCARTHY

PIER LUIGI RONCAGLIA

LANNING G. BRYER

JONATHAN MOSKIN

HOWARD J. SHIRE

SANDRA EDELMAN

VINCENT N. PALLADINO

JERRE B. SWANN, SR.

ANTHONY L. FLETCHER

JOHN B. PEGRAM

STEVEN M. WEINBERG

ROBERT L. RASKOPF

The views expressed in *The Trademark Reporter* are those of the individual authors and do not necessarily reflect those of INTA.

*The Trademark Reporter* (ISSN 0041-056X) is published electronically six times a year by the International Trademark Association, 655 Third Avenue, New York, NY 10017-5646 USA. INTA, the INTA logo, INTERNATIONAL TRADEMARK ASSOCIATION, POWERFUL NETWORK POWERFUL BRANDS, THE TRADEMARK REPORTER, and [inta.org](http://inta.org) are trademarks, service marks, and/or registered trademarks of the International Trademark Association in the United States and certain other jurisdictions.

## COMMENTARY

### TRADEMARK STRENGTH AND FAME: THE FEDERAL CIRCUIT CORRECTS THE TRADEMARK TRIAL AND APPEAL BOARD

*By J. Thomas McCarthy\**

#### INTRODUCTION

In May 2017, the Court of Appeals for the Federal Circuit in the *Joseph Phelps Vineyards* case reversed the decision of the United States Patent and Trademark Office's Trademark Trial and Appeal Board (TTAB) for improperly applying the "strength" factor as a yes/no decision when analyzing the likelihood of confusion issue.<sup>1</sup> Rather, strength should be a sliding scale. This commentary explores the meaning and significance of the *Joseph Phelps Vineyards* decision.

#### TRADEMARK "STRENGTH" IS A KEY ISSUE

Trademark "strength" is a critical factor in determining if there is a likelihood of confusion. For almost a century, American trademark law has used the strength of the senior user's trademark as a key factor in the analysis of the likelihood of confusion issue.<sup>2</sup> All of the federal circuit courts of appeal treat the determination of strength as an important and key factor in the determination of whether there will be a likelihood of confusion.<sup>3</sup> The Court of

---

\* Author of *McCarthy on Trademarks and Unfair Competition* (5th ed. 2018 rev.) (Thomson Reuters).

<sup>1</sup> *Joseph Phelps Vineyards, LLC v. Fairmont Holdings LLC*, 857 F.3d 1323, 122 U.S.P.Q.2d 1733 (Fed. Cir. 2017).

<sup>2</sup> The 1938 Restatement of Torts included "degree of distinctiveness" as one of its nine factors to determine likelihood of confusion. Restatement of Torts § 731 (1938). "Distinctiveness" is a term of art in trademark law and is a synonym for "strength"—that is, the more "distinctiveness" a mark has, the greater is its "strength." The 1995 Restatement of Unfair Competition treats "distinctiveness" and "strength" as synonyms. Restatement (Third) of Unfair Competition § 21, cmt. i (1995) ("The distinctiveness or 'strength' of a mark measures its capacity to indicate the source of the goods or services with which it is used. . . . 'Strong' marks that have a high degree of distinctiveness are thus protected against the use of similar marks on a wider range of goods or services than are 'weak' designations that have less distinctiveness or market recognition.").

<sup>3</sup> See, e.g., *Boston Duck Tours, LP v. Super Duck Tours, LLC*, 531 F.3d 1, 27-28 (1st Cir. 2008) ("[T]he strength determination . . . weigh[s] heavily in our consideration of the other . . . factors."); *Sabinsa Corp. v. Creative Compounds, LLC*, 609 F.3d 175, 189 (3d Cir. 2010) ("The most important factors [are] mark similarity and mark strength. . . ."); *Grayson O Co. v. Agadir Int'l LLC*, 856 F.3d 307, 314 122 U.S.P.Q.2d 1646, 1649 (4th

Appeals for the Federal Circuit has gone further, stressing that the strength factor plays a “dominant role” in determining whether confusion is likely.<sup>4</sup>

But unlike all other courts in the nation, the Federal Circuit and the TTAB usually use the word “fame” instead of “strength.” This has led the TTAB to ask if the senior user’s mark is or is not in a category of “famous” marks, rather than asking if the mark is strong enough that the junior user’s mark is likely to cause confusion.

The federal anti-dilution law mandates that a mark must be so widely known to everyone across the United States as to be in the category of “famous” marks.<sup>5</sup> But for traditional trademark infringement, the “strength” of a mark is measured on a graduated scale and not by two categories of “strong” and “weak.”

Trademark “strength” has two dimensions: conceptual strength and commercial strength. Conceptual strength is the place of the mark on the traditional spectrum of marks<sup>6</sup> and commercial strength is a measure of the amount of marketplace recognition of the mark.<sup>7</sup>

### NOT ALL MARKS ARE EQUAL

Trademark strength is somewhat like the renown of people. Only a few very famous people are widely known and recognized around the world. Most people are known and recognized only by a small circle of family and friends. Similarly, some trademarks are “strong,” in the sense they are widely known and recognized.

---

Cir. 2017) (“The first factor—the strength of [plaintiff’s] mark—is ‘paramount’ in determining the likelihood of confusion.”); *Groeneveld Transp. Efficiency, Inc. v. Lubecore Int’l, Inc.*, 730 F.3d 494, 531 (6th Cir. 2013) (“[T]he most important . . . factors are similarity and strength of the mark. . .”).

<sup>4</sup> *Kenner Parker Toys Inc. v. Rose Art Indus., Inc.*, 963 F.2d 350, 352, 22 U.S.P.Q.2d 1453, 1456 (Fed. Cir. 1992) (“The fifth *DuPont* factor, fame of the prior mark, plays a dominant role in cases featuring a famous or strong mark. Famous or strong marks enjoy a wide latitude of legal protection.”); *Bridgestone Americas Tire Operations, LLC v. Federal Corp.*, 673 F.3d 1330, 1334, 102 U.S.P.Q.2d 1061, 1063 (Fed. Cir. 2012) (“The fame of the opposer’s mark plays a ‘dominant role in the process of balancing the *DuPont* factors, . . .”).

<sup>5</sup> J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 24:104 (5th ed. 2018) (hereinafter “McCarthy”) (What is a “famous” mark under the anti-dilution law?).

<sup>6</sup> The traditional spectrum of word marks is generic, descriptive, suggestive, arbitrary, and coined. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768, 120 L. Ed. 2d 615, 112 S. Ct. 2753, 23 U.S.P.Q.2d 1081, 1083 (1992) (approving of the use of a spectrum of marks).

<sup>7</sup> Conceptual strength focuses on the inherent potential of the term at the time of its first use. Commercial strength evaluates the degree of actual customer recognition of the mark at the time registration is sought or at the time the mark is asserted in litigation to prevent another’s use. Commercial strength can be proven by evidence of the duration and amount of advertising and promotion of the mark and by its recognition by the media and trade. McCarthy, *supra* note 5, § 11:83.

Exceptionally strong marks are those like APPLE for computers and mobile phones, GOOGLE for a search engine, COCA-COLA for beverages, and TOYOTA for vehicles. Some trademarks may be strong and well-known only in a certain market niche (e.g., skiing gear, high voltage electrical equipment, or military airplane electronics equipment) but little-known and weak outside that field.

### THE STRONGER A MARK, THE WIDER THE SCOPE OF ITS PROTECTION

The stronger a mark, the deeper is the impression it creates upon the public's consciousness. It is a well-settled principle that the stronger the senior user's mark, the greater the ranges are of variations of junior users' marks and their goods or services that can trigger a likelihood of confusion.<sup>8</sup> "Stronger" marks are given "stronger" protection—protection over a wider range of related products and services and a greater spectrum of variations on visual appearance and format.<sup>9</sup> As the Second Circuit noted, "Widespread consumer recognition of a mark previously used in commerce increases the likelihood that consumers will assume it identifies the previously familiar user, and therefore increases the likelihood of consumer confusion if the new user is in fact not related to the first."<sup>10</sup>

Conversely, relatively weaker marks are given a relatively narrow range of protection both as to the breadth of products and format variations. For example, a mark may be weak because it is merely one in a crowded market of similar marks. For a hypothetical example, in a metropolitan area where there are almost two dozen unconnected "JOE's" restaurants and cafes, the strength of any one of those marks will be weak and the scope of protection will be narrow.<sup>11</sup>

---

<sup>8</sup> "The greater the distinctiveness of the mark, the greater the likelihood that prospective purchasers will associate the same or a similar designation found on other goods, services, or businesses with the prior user. 'Strong' marks that have a high degree of distinctiveness are thus protected against the use of similar marks on a wider range of goods or services than are 'weak' designations that have less distinctiveness or market recognition." Restatement (Third) of Unfair Competition § 21, cmt. i (1995).

<sup>9</sup> See McCarthy, *supra* note 5, § 11:73; *contra* Barton Beebe & C. Scott Hemphill, *The Scope of Strong Marks: Should Trademark Law Protect the Strong More Than the Weak?* 92 N.Y.U. L. Rev. 1339, 1339 (2017) (challenging the accepted rule of law by arguing that "as a mark achieves very high levels of strength, the relation between strength and confusion turns negative. The very strength of such a super strong mark operates to ensure that consumers will not mistake other marks for it.").

<sup>10</sup> *Virgin Enter. Ltd. v. Nawab*, 335 F.3d 141, 148, 67 U.S.P.Q.2d 1420, 1426 (2d Cir. 2003); *accord*, *La Quinta Worldwide LLC v. Q.R.T.M., S.A. de C.V.*, 762 F.3d 867, 874, 111 U.S.P.Q.2d 2065, 2069 (9th Cir. 2014) ("The strength of a mark determines the level of trademark protection it is given. . . . The stronger a mark . . . the greater the protection it is accorded by the trademark laws.").

<sup>11</sup> See *Original Joe's Inc. v. Pinsonneault Holdings, LLC*, 93 U.S.P.Q.2d 1156, 2009 WL 4254434 (N.D. Cal. 2009) (denying a preliminary injunction in a suit brought by

## WAYS TO MEASURE TRADEMARK STRENGTH

There are two ways to measure trademark strength:

- (1) *Absolute strength.* A mark is determined to be in one of two categories—it is either strong or weak. This is the yes/no test used in evaluating the gateway requirement of federal anti-dilution law that a mark must be in the category of “famous” marks. In the context of the anti-dilution statute, a mark is either “famous” or “not famous.”<sup>12</sup>
- (2) *Relative strength.* A mark is evaluated in a likelihood of confusion infringement analysis to see if this mark is “strong enough” to make it more probable that the accused mark is likely to cause confusion.<sup>13</sup>

### IN THE LIKELIHOOD OF CONFUSION INFRINGEMENT ANALYSIS, RELATIVE TRADEMARK “STRENGTH” IS A SCALE, NOT A CATEGORY

“Strength” of a trademark in likelihood of confusion analysis is a scale, like “speed,” “weight,” or “temperature.” Unlike anti-dilution law, in evaluating strength when determining if there is a likelihood of confusion, marks should not be separated into two discrete categories of “strong” marks and “weak” marks. In the confusion context, the strength of the senior user’s trademark is an indicator of how likely it is that confusion will result from the challenged mark. The issue is whether the senior user’s mark is strong enough that this junior user’s mark will create customer confusion when used in a different format and appearance, when used on a different line of goods, or when used in a different territorial area.

For example, a relatively strong mark can leap vast product line differences at a single bound to create confusion (e.g., the AMAZON online sales portal versus a hypothetical AMAZON stock brokerage service), but a relatively weak mark, like the JOE’S café hypothetical above, can barely prove a likelihood of confusion when a direct competitor adopts a mark almost identical in appearance in a nearby location.

---

“Original Joe’s” in San Francisco against “Uptown Joe’s,” also in San Francisco, noting that the mark “is not very strong in the marketplace.”)

<sup>12</sup> To be classified as “famous” for anti-dilution protection, a mark must be “widely recognized by the general consuming public of the United States” as a designation indicating a single source of goods or services. United States Trademark Act of 1946, as amended (“Lanham Act”), § 43(c)(2), 15 U.S.C. § 1125(c)(2) (2012). *See also* McCarthy, *supra* note 5, § 24:104.

<sup>13</sup> *See* McCarthy, *supra* note 5, § 11:74.

## THE STRUCTURE OF THE U.S. APPELLATE FEDERAL COURTS

There are thirteen “circuits” in the federal court system, each with a court of appeals to review federal trial court decisions. The jurisdiction of twelve of these circuits is defined by geography, and one is defined by subject matter. For example, the Court of Appeals for the Ninth Circuit hears cases from federal courts in nine western states such as California, Washington, and Arizona. The Court of Appeals for the Second Circuit is located in New York City and hears cases from federal courts in the three eastern states of New York, Connecticut, and Vermont.

The only appellate court whose jurisdiction is defined by subject matter and not geography is the Court of Appeals for the Federal Circuit, located in Washington, D.C., near the White House. The Court of Appeals for the Federal Circuit has jurisdiction to review all patent infringement cases decided by federal trial courts across the nation, as well as Trademark Trial and Appeal Board appeals and other specialized subject matter cases.

## THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT AND THE DEGREE OF “FAME” FOR EVALUATING LIKELIHOOD OF CONFUSION

Each of the courts of appeals in the thirteen federal circuits has developed a multi-factor test to evaluate the key issue of whether there is a likelihood of confusion.<sup>14</sup> Among the thirteen circuits, these multi-factor tests are similar but not identical. The first such list of factors was developed in the Second Circuit in 1961 and is still used and known as the *Polaroid* test. In the *Polaroid* test, the strength of the mark is listed first in an eight-factor list.<sup>15</sup> All of the lists of factors of the federal circuits, except for the list used by the Court of Appeals for the Federal Circuit, include an evaluation of the “strength” of the senior user’s mark.<sup>16</sup>

The list of factors used by the Court of Appeals for the Federal Circuit is known as the *Du Pont* test. This thirteen-point test is used to evaluate likelihood of confusion in TTAB *ex parte* rejections of applications to register based on prior rights, as well as *in inter partes* oppositions and cancellations. This test differs from those

---

<sup>14</sup> See McCarthy, *supra* note 5, § 24:30.

<sup>15</sup> *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495, 128 U.S.P.Q. 411, 413 (2d Cir. 1961) (listing the eight factors in the *Polaroid* test as the strength of his mark, the degree of similarity between the two marks, the proximity of the products, the likelihood that the prior owner will bridge the gap, actual confusion, defendant’s good faith, the quality of defendant’s product and the sophistication of the buyers.). See also McCarthy, *supra* note 5, § 24:57.

<sup>16</sup> The lists of factors used by the thirteen federal circuits are discussed in McCarthy, *supra* note 5, § 24:30–24:43.

used by all the other circuits in that it uses the word “fame” rather than “strength.” This eccentric usage can be traced back to the original 1973 *Du Pont* precedent. There, the court listed as the fifth factor the “fame” of the mark, not the “strength” of the mark.<sup>17</sup>

On occasion the Court of Appeals for the Federal Circuit has treated the terms “famous” and “strong” as synonymous.<sup>18</sup> Unfortunately, the court’s eccentric use of the word “fame” instead of “strength” has led both the court and the Board to ask if the senior user’s mark is or is not in a category of “famous” marks.<sup>19</sup> This usage improperly implies that in the context of determining likelihood of confusion, measuring for “strength” (or “fame”) results in only two categories of marks: “famous” and “not famous.” But on other occasions, the court has properly observed that “[w]hile dilution fame is an either/or proposition—fame either does or does not exist—likelihood of confusion fame ‘varies along a spectrum from very strong to very weak.’”<sup>20</sup> Thus, the Court of Appeals for the Federal Circuit for years has been inconsistent as to how it chose to treat its “fame” factor. I think it is the word “fame” that lends itself to erroneous “yes, it is famous” or “no, it isn’t famous” thinking. But the word “strength” as used by all the other circuit courts naturally leads to viewing strength of a mark as a scale, not a category.

---

<sup>17</sup> In re E. I. Du Pont de Nemours & Co., 476 F.2d 1357, 1361, 177 U.S.P.Q. 563, 567 (C.C.P.A. 1973) (listing as a factor “[T]he fame of the prior mark (sales, advertising, length of use.)”).

<sup>18</sup> See, e.g., *Kenner Parker Toys Inc. v. Rose Art Indus., Inc.*, 963 F.2d 350, 352, 22 U.S.P.Q.2d 1453, 1456 (Fed. Cir. 1992) (“The fifth *DuPont* factor, fame of the prior mark, plays a dominant role in cases featuring a famous or strong mark. Famous or strong marks enjoy a wide latitude of legal protection.”); *Bridgestone Americas Tire Operations, LLC v. Federal Corp.*, 673 F.3d 1330, 1334, 102 U.S.P.Q.2d 1061, 1063 (Fed. Cir. 2012) (“The fame of the opposer’s mark plays a ‘dominant role in the process of balancing the *DuPont* factors,’ . . . A strong mark is one ‘with extensive public recognition and renown.’ . . . The Board found that there is no commercial strength or fame of the POTENZA and TURANZA marks independent of the mark BRIDGESTONE.”).

<sup>19</sup> See, e.g., *Kenner Parker Toys*, 963 F.2d at 353, 22 U.S.P.Q.2d at 1456 (“The driving designs and origins of the Lanham Act demand the standard consistently applied by this court—namely, more protection against confusion for famous marks.”); *Recot, Inc. v. Becton*, 214 F.3d 1322, 1327, 54 U.S.P.Q.2d 1894, 1897 (Fed. Cir. 2000) (“Famous marks are accorded more protection precisely because they are more likely to be remembered and associated in the public mind than a weaker mark . . . [W]e hold that the fame of the mark must always be accorded full weight when determining the likelihood of confusion.”); *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 1367, 101 U.S.P.Q.2d 1713, 1720 (Fed. Cir. 2012) (“The fame of the registered mark plays a ‘dominant’ role in the *DuPont* analysis, as famous marks ‘enjoy a wide latitude of legal protection.’ . . . [A] strong mark . . . casts a long shadow which competitors must avoid’ . . . A famous mark is one that has ‘extensive public recognition and renown.’”).

<sup>20</sup> *Palm Bay Imps., Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 1375, 73 U.S.P.Q.2d 1689, 1694 (Fed. Cir. 2005); quoted in *Midwestern Pet Foods, Inc. v. Societe des Produits Nestle S.A.*, 685 F.3d 1046, 1053, 103 U.S.P.Q.2d 1435, 1440 (Fed. Cir. 2012).

## THE TRADEMARK TRIAL AND APPEAL BOARD'S VIEW OF "FAME" AS A YES/NO QUESTION

The use by the Court of Appeals for the Federal Circuit of the term "fame" and its inconsistent treatment of what "fame" means led the Board into sometimes framing the issue as whether the senior user's mark was or was not in a category of "famous" marks. Although for the more common likelihood of confusion analyses "fame" should be a range of strength, and not two discrete categories, the TTAB has sometimes categorized marks as either "famous" or "not famous."<sup>21</sup> Thus, unless a mark achieved the high status of a "famous" mark, the strength factor was discounted. To try to ameliorate this, occasionally the TTAB held that a mark was "famous" only as to some goods and services, but not as to others.<sup>22</sup>

### THE 2017 JOSEPH PHELPS DECISION: THE FEDERAL CIRCUIT CORRECTS THE TRADEMARK TRIAL AND APPEAL BOARD

In its 2017 *Joseph Phelps Vineyards* decision, the Federal Circuit made it clear that the TTAB was in error when it "applied a legally incorrect standard in applying an all-or-nothing measure of 'fame,' more akin to dilution analysis."<sup>23</sup> That is, it is incorrect to

<sup>21</sup> See, e.g., *Leading Jewelers Guild, Inc. v. LJOW Holdings, LLC*, 82 U.S.P.Q.2d 1901, 1904, 2007 WL 749713, \*5 (T.T.A.B. 2007) ("In this case, the evidence falls far short of establishing that the MEMBER LEADING JEWELERS GUILD mark is famous. Therefore, this *DuPont* factor is neutral."); *Eveready Battery Co. v. Green Planet, Inc.*, 91 U.S.P.Q.2d 1511, 1516, 2009 WL 2176668, \*6 (T.T.A.B. 2009) ("[W]e find that the evidence establishes that opposer's SCHICK mark is famous for purposes of our likelihood of confusion determination. . . ."); *Promark Brands Inc. v. GFA Brands, Inc.*, 114 U.S.P.Q.2d 1232, 1247, 2015 WL 1646447, \*14 (T.T.A.B. 2015) ("[T]he evidence falls short of 'clear proof' of fame of the mark and, therefore, we find that this factor is neutral. . . ."); *Anheuser-Busch, LLC v. Innvopak Sys. Pty. Ltd.*, 115 U.S.P.Q.2d 1816, 1822 n.7, 2015 WL 5316485, \*7 n.7 (T.T.A.B. 2015) ("[T]he fact that a mark is famous can never diminish the scope of protection afforded it."); *North Face Apparel Corp. v. Sanyang Indus. Co.*, 116 U.S.P.Q.2d 1217, 1226, 2015 WL 6467820, \*8 (T.T.A.B. 2015) ("Because of the extreme deference that we accord a famous mark in terms of the wide latitude of legal protection it receives, and the dominant role fame plays in the likelihood of confusion analysis, it is the duty of the party asserting that its mark is famous to clearly prove it.").

<sup>22</sup> See *Inter Ikea Systems B.V. v. Akea, LLC*, 110 U.S.P.Q.2d 1734, 1740, 2014 WL 1827031, \*5 (T.T.A.B. 2014) ("[W]e find that for purposes of the likelihood of confusion analysis, the IKEA mark is famous for 'retail store services in the field of furniture, housewares and home furnishings' and otherwise a strong mark for the furniture, housewares, home furnishings, food products, and restaurant services themselves" but found that the mark was not famous as to nutritional supplements); *Harry Winston, Inc. v. Bruce Winston Gem Corp.*, 111 U.S.P.Q.2d 1419, 1438, 2014 WL 3686875, \*23 (T.T.A.B. 2014) ("We find that opposers have demonstrated that the word mark HARRY WINSTON is famous, for purposes of analysis under Trademark Act § 2(d), in the field of jewelry.").

<sup>23</sup> *Joseph Phelps Vineyards, LLC v. Fairmont Holdings LLC*, 857 F.3d 1323, 1325, 122 U.S.P.Q.2d 1733, 1734 (Fed. Cir. 2017). The Court of Appeals reversed the TTAB on this ground. The petitioner, owner of the registered mark INSIGNIA for wine, petitioned to

ask if a mark does or does not fit within a category of “famous” marks. The court made it clear that the proper test is to ask if the mark is relatively stronger or weaker in the context of this case. What I think the Board should be doing after the *Joseph Phelps Vineyards* decision is to ask: is the senior user’s mark a relatively stronger or weaker mark in the context of the case?

To what extent will the court’s decision in *Joseph Phelps* change the result of Board decisions in determining if confusion is likely? In several unpublished decisions,<sup>24</sup> the Board has utilized the nuanced test mandated by the *Joseph Phelps* case. For example, the Board held in an unpublished decision that “The fame of a mark is not ‘an all-or-nothing measure’ when considered in the context of likelihood of confusion.”<sup>25</sup> To the date of writing this commentary, only two published and precedential decisions of the Trademark Board have applied the *Joseph Phelps* precedent.<sup>26</sup> For a senior user’s mark that is only moderately strong in the marketplace, change brought about by the *Joseph Phelps* decision could

cancel the registration of ALEC BRADLEY STAR INSIGNIA for cigars. The TTAB denied the petition, finding no likelihood of confusion. On the issue of the “strength” or “fame” of the petitioner’s mark, the TTAB said that “while it appears that Petitioner’s INSIGNIA branded wine has met with success in the marketplace, we are not persuaded on this record that Petitioner’s mark is a famous mark.” *Joseph Phelps Vineyards, LLC v. Fairmont Holdings LLC*, No. 92057240, 2015 WL 4658975, \*4 (T.T.A.B. July 6, 2015).

<sup>24</sup> Trademark Trial and Appeal Board Manual of Procedure § 101.03 (June 2017) (“Decisions that are designated by the Board ‘citable as precedent,’ . . . are citable as precedent. Decisions which are not so designated . . . are not binding on the Board but may be cited for whatever persuasive weight to which they may be entitled.”).

<sup>25</sup> *E. & J. Gallo Winery v. Wade*, No. 92063116, 2017 WL 2876830, \*6 (T.T.A.B. June 7, 2017) (granting petition filed by the Gallo winery, owner of a registration for MIRASSOU for wine, to cancel the registration for MIMOSA for beer, holding that confusion was likely and finding that Gallo’s mark MIRASSOU for wine was “very well known, and is a mark of considerable strength.”). *See also* *3 Square, Inc. v. San Pasqual Casino Dev. Grp., Inc.*, No. 92056703, 2017 WL 3034060, \*14 (T.T.A.B. Apr. 20, 2017) (granting petition filed by the owner of the common law mark BLD for restaurant services to cancel the registration for BLD for restaurant services, holding that confusion was likely: “Petitioner’s BLD marks are conceptually suggestive, and therefore inherently distinctive; and are of moderate to average commercial strength. The relative strength of its marks weighs somewhat in favor of finding a likelihood of confusion.”); *’47 Brand, LLC v. Contrast Imps., Inc.*, No. 91223256, 2017 WL 3717937, \*6 (T.T.A.B. Aug. 25, 2017) (sustaining opposition filed by the owner of the registered mark “47” for wearing apparel against the application for “47” for silver jewelry, holding that confusion was likely: “The fame of a mark is not ‘an all-or-nothing measure’ when considered in the context of likelihood of confusion. . . . [T]he commercial and conceptual strengths of Opposer’s 47 marks weigh in favor of a finding of likelihood of confusion.”).

<sup>26</sup> *Tao Licensing LLC v. Bender Consulting Ltd.*, 125 U.S.P.Q.2d 1043, 1059, 2017 WL 6336243, \*14 (T.T.A.B. 2017) (finding that petitioner’s TAO mark for restaurants and night clubs was “famous, weighing in favor of a likelihood of confusion” with registrant’s mark TAO for alcoholic beverages and granting petition to cancel.); *Bell’s Brewery, Inc. v. Innovation Brewing*, 125 U.S.P.Q. 2d 1340, 1352, 2017 WL 6525233 (T.T.A.B. 2017) (looking to the “strength” of the opposer’s mark and finding that opposer’s INSPIRED BREWING mark for beer was to be given “the normal scope of protection to which inherently distinctive marks are entitled.” No likelihood of confusion was created by applicant’s INNOVATION BREWING for beer because the marks were so dissimilar.)

strengthen the claim that a challenged application or registration is likely to cause confusion.

---