Fall 2013

Barton Beebe – Trademark Law – Attack Outline

Elements: Ownership, Valid Trademark (Consider: genericness and limitations), Used in Commerce, Infringed, No Defense

Is the Mark Inherently Distinctive? 4

If not Inherently Distinctive, Does it have Secondary Meaning? 6

Has the Mark become Generic (Verbal Functionality)? 7

Primarily geographically descriptive 8

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1. **INTRODUCTION/POLICY**
   1. **Generally**
      1. Two basic causes of action – Likelihood of confusion and dilution
      2. Trademark originates in the Commerce Clause – Regulation of “fair competition”
         1. Posner – Encourages innovation and brand investment, reduces search costs
         2. Brown – Creates monopolies, false signal of quality, focus on socially wasteful “status” goods
         3. Problem – IP is non-rivalrous, non-excludable, and free-rider problems
      3. **Basic requirements** – Distinctive, not barred, used in commerce
   2. **Cases**
      1. *Kate Spade v. Saturdays Surf NYC*
         1. Priority
            1. Aug. 2009 – SSNYC opens, Dec. 2009 – SSNYC starts selling apparel
            2. July 2010 – Kate Spade files Intent to Use (ITU) application with PTO
            3. April 2011 – SSNYC files in PTO
         2. § 7(c) – Priority is filing date, reserves prior user right
         3. Court applies *Polaroid* likelihood of confusion and finds no infringement
         4. Analysis
            1. Kate Spade is a strong brand, unlikely to cause confusion, different customers, crowded field of “Saturday” brands, highly sophisticated customers
            2. Marks are very similar – font, store location, timing is suspicious with SSNYC’s recent success
      2. *San Francisco Arts & Athletics, Inc. v. US Olympic Committee* (1987) (holding the IOC can prevent SF from making the “gay Olympics” despite existence of “special” and “para-Olympics”)
      3. *Pro-Football, Inc. v. Harjo* (DC Cir. 2009) (holding native American challenging use of “Redskins” as pro football team name is barred by laches)
      4. *Gucci-America, Inc. v. Guess? Inc.* (SDNY 2012) (holding that Guess’s use of a 4-G pattern was confusingly similar to Gucci’s 2-G pattern 🡪 infringement)
         1. Theory was post-sale confusion and brand dilution – customer is not confused, but people that later see it may be – dilutes the brand by letting peons have Gucci
   3. **Comparison Between Copyright, Trademark, and Patent**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Copyright | Utility Patent | Trademark |
| Protectable Subject Matter | Works of Authorship | Process, machine, manufacture, composition of matter, or improvement thereof | Any symbol or device capable of identifying the source of the goods |
| Primary threshold for protection | Originality | Novelty, nonobviousness, utility, and written description | Distinctiveness |
| Principal Exclusions | Ideas, facts | Abstract ideas, laws of nature, algorithms | Functional matter, generic terms |
| How to acquire rights | Fixation | Patent | Using the mark in commerce |
| Form of notice | © with year and name | “Pat.” + Patent # | ® or ™ |
| Benefits of complying with formalities | Required to sue for infringement, notice and registration affect remedies | Notice affects remedies | Notice affects remedies |
| Scope of Rights | Exclusive right to make copies and control derivative works | Right to exclude others from making, using, offering for sale, selling or importing the invention | Right to stop unauthorized use of the same or similar mark in ways that will cause confusion |
| International protection | Protected without formalities | Country-by-country basis, or through PCT | Centralized mechanism like the Madrid Protocol |

1. **DISTINCTIVENESS – *ABERCROMBIE***
   1. **Analysis**
      1. A mark must be **distinctive** (inherently or acquired) to be protectable
      2. ***Abercrombie Spectrum***
         1. **Fanciful** – Coined/made up term (“Polaroid” camera)
         2. **Arbitrary** – Arbitrary link to product (“Congress” spring water, “Sun” bank)
         3. **Suggestive** – Link to product requires imagination (“Q-Tip” cotton swabs)
         4. **Descriptive** – Requires secondary meaning for protection (“iPhone”)
         5. **Generic** – Unprotectable (“Thermos,” “Aspirin”)
            1. § 14(c) – If a mark *becomes* common descriptive for an article, it is generic and no longer protectable
      3. Note: Fanciful, Arbitrary, and Suggestive marks are Inherently Distinctive
      4. Note: Descriptive marks can acquire distinctiveness through secondary meaning, generic marks *cannot*
      5. **Test for Inherent Distinctiveness** (*Zatarains*)
         1. Dictionary Definition – Does it describe the product?
         2. Imagination Test – Imagination required to find the link between mark/product
            1. Did Δ include descriptive information in addition to the mark? (*Zobmondo*)
         3. Competitive Need – Whether it is *needed* by (vs. *useful* to) competitors (reasonably alternatives?)
         4. 3rd Party Uses – Extent the term is already used
      6. Note: Does the word convey an immediate idea of qualities/properties of the product?
         1. Or would consumers immediately recognize it as a designation of source?
   2. **Generally**
      1. Two Dividing lines – Inherent/Acquired distinctiveness, Verbal/non-verbal marks
      2. Spectrum battles – Generic/Descriptive, Descriptive/Suggestive
      3. **Basic Lanham Act**
         1. § 1 (15 U.S.C. § 1051) – Actual use & intent to use registration process
         2. § 2 (15 U.S.C. § 1052) – Bars to registration
         3. § 32 (15 U.S.C. § 1114) – Infringement of registered marks
         4. § 43(a) (15 U.S.C. § 1125(a)) – Infringement of unregistered marks
         5. § 43(c) (15 U.S.C. § 1125(c)) – Dilution of registered/unregistered marks
         6. § 45 (15 U.S.C. § 1127) – Definitions
      4. **Advantages of Registration** (*Qualitex*)
         1. Prevent importation of confusingly similar goods (15 U.S.C. § 1124)
         2. Constructive notice of ownership (15 U.S.C. § 1072)
         3. Incontestable status (15 U.S.C. § 1065)
         4. *Prima facie* evidence of validity and ownership (15 U.S.C. § 1057(b))
   3. **Cases**
      1. *Abercrombie & Fich Co. v. Hunting World, Inc.* (2d Cir. 1976)
         1. “*Abercrombie* spectrum” to determine if a mark is inherently distinctive
      2. *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.* (5th Cir. 1983)
         1. Holding: “Fish-Fri” is a descriptive mark
      3. *Surfvivor Media v. Survivor Productions* (9th Cir. 2005) (holding that the fact that a mark consists of a coined term doesn’t automatically render it fanciful – Finding “Surfvivor” is highly evocative of beach-related products 🡪 suggestive)
      4. *Spex v. Joy of Spex* (N.D. Ill. 1994) (holding that “Spex” for eyeglasses is suggestive – mere fact of misspelling doesn’t change the analysis)
      5. *Innovation Ventures, LLC v. N.V.E., Inc.* (6th Cir. 2012)
         1. Extremely Π-friendly imagination test reasoning
            1. How will 5-hours of energy be delivered? – Food? Drink? Injection?
            2. What kind of energy? – Calories? Electrical? Nuclear?
            3. “5-hour energy” in isolation may refer to batteries and not energy drink
         2. Held: Requires imagination – Suggestive mark
            1. Criticism – Court must consider the mark *in connection with the product*
      6. *Zobmondo Entertainment, LLC v. Falls Media, LLC* (9th Cir. 2010)
         1. Game of “would you rather”
         2. Imagination test – Sufficient that the mark describes some aspect of the product
            1. Δ had to include further descriptive information on the offending product to inform consumers what it was
            2. Competitive need – Example of 135 possible alternative names

Many were synonyms of “rather”

1. **DISTINCTIVENESS – ACQUIRED SECONDARY MEANING**
   1. **Analysis – Acquired Distinctiveness/Secondary Meaning (*JT Colby citing Genesee Brewing* (2d Cir.))**
      1. Advertising expenditures (“Look for” advertising, *Makers Mark*)
      2. Consumer surveys linking mark and source (50%+ of respondents)
         1. Consider: Non-volunteer/paid surveys (*Louboutin*), mall intercept, telephone, etc.
      3. Unsolicited media coverage of the product
      4. Sales success
      5. Attempts to plagiarize the mark (by Δ and others)
      6. Length and exclusivity of the mark’s use
      7. Note: Consumers need to ID that it comes from a single source, not Π specifically
      8. Ask: Do consumers perceive the mark as a designation of source and not product
         1. *See Inwood v. Ives*; *Bretford v. Smith*
      9. Note: If incontestable, can’t challenge as descriptive without secondary meaning!
      10. Focus on the normal consumers that would consider purchasing the product
   2. **Cases**
      1. *Frosty treats, Inc. v. Sony Computer Entertainment America* (8th Cir. 2005)
         1. Issue: Whether “Frosty Treats” had secondary meaning
         2. Held: No secondary meaning – not prominently labeled on vans, surveys don’t indicate a link, some sales success/exclusivity, but insufficient
      2. *Cartier, Inc. v. Four Star Jewelry Creations, Inc.* (SDNY 2004)
         1. Battle of experts to show secondary meaning in watch design
         2. Found Δ’s selection of survey locations and questions juiced the survey
            1. Outlier location ends up validating Π’s selection criteria
         3. Π’s survey was in a luxury watch store where people were likely to buy the watch and know the brand
      3. *Louboutin v. Yves Saint Laurent* (2d Cir. 2012)
         1. Ford Survey Example
            1. Test group shown red sole shoe drawing, control got blue sole
            2. Asked whether they’ve purchased a show like this, then whether it was from a single brand, then whether they could ID the specific brand
      4. *JT Colby & Co. v. Apple Inc.* (SDNY 2013)
         1. Π owned “iBooks Inc.” – Sued Apple to stop them from using iBooks
         2. Held: No secondary meaning
         3. Reasoning
            1. Applied factors – lack of sales success, lack of “brand association” in the book publishing industry, and non-exclusive use of the mark
            2. Focus on normal consumers that would consider purchasing
            3. Note: Dominant feature of the mark was a light bulb with an “i” in it, not “iBooks”
2. **DISTINCTIVENESS – GENERICISM**
   1. **Analysis**
      1. ***Pilates* Factors**
         1. Dictionary definition
         2. Generic use of the term by competitors and persons in the trade
            1. Competitors that change behavior in response to cease and desist letters don’t count as evidence of non-genericism
         3. Π’s own generic use (*Apple v. Amazon* – Job’s generic use of “App Store”)
         4. Generic use in the media
         5. Consumer surveys
         6. Existence of commonly used alternative means to describe the product/service
      2. Note: No dissection of the mark (*Surgi-Centers*), Foreign words translate to English
      3. **Approaches**
         1. Genus/Species test
         2. Who are you vs. What are you? (*Apple v. Amazon*)
         3. Common descriptive name test
         4. Competitive alternatives?
      4. **Surveys**
         1. *Thermos* Survey
            1. Describe general product – “Are you familiar with this type of product?”
            2. If you were going to buy one tomorrow, what type of store would you go to?
            3. When in the store, what would you tell the clerk you wanted?
            4. Can you think of any other words to describe this product?
            5. Criticism: Strong brand loyalty may prompt consumers to ask for the brand rather than provide the generic term for the product
         2. *Teflon* Survey
            1. Provide a series of names and ask whether respondent feels it is a “brand name” – *i.e.* one company – or a “common name” – *i.e.* genus of products
            2. Ask whether respondent considers “washing machine a brand name
            3. Continue with list of test items asking brand/common
   2. **Cases**
      1. *Pilates, Inc. v. Current Concepts, Inc.* (SDNY 2000)
         1. Dictionary indicated “Pilates” as a trademark and a generic method of exercise
         2. Surveys were highly leading 🡪 no weight
         3. Genus/Species – Is it “Pilates” the one exercise program (species)? Or “Pilaties,” a generic program that has many sub-disciplines (genus)?
      2. *Apple v. Amazon*
         1. Issue: Is “App Store” a generic term?
         2. Application classifies as descriptive and literally just describes what it is
            1. What are you? 🡪 App Store 🡪 Application store
            2. Who are you? 🡪 App Store 🡪 Apple’s App Store
         3. Generic use by Steve Jobs in the media
         4. Savvy businesses maintain brand and common name
            1. The “Google” search engine
            2. The “App Store” online software marketplace
         5. Holding: No preliminary injunction
3. **DISTINCTIVENESS – GEOGRAPHICALLY DESCRIPTIVE AND SURNAMES**
   1. **Analysis**
      1. **Primarily Geographically Descriptive** (§ 2(e)(2), TMEP § 1210.01(a))
         1. Primary significance of the mark is a generally known geographic location
         2. Goods or services originate in the identified place
         3. Purchasers would be likely to believe the goods or services originate there
         4. If all three 🡪 must show secondary meaning for trademark!
      2. **Surnames** – Require Secondary Meaning
         1. Whether surname is rare
         2. Whether the term is the surname of someone connected w/ the applicant
         3. Whether the term has a recognized meaning beyond the surname
         4. Whether it has the “look and feel” of a surname
         5. Whether the stylization of lettering is distinctive enough to create separate commercial impression
         6. If all factors 🡪 must show secondary meaning for trademark!
      3. **Laudatory Terms** – “Supreme,” “Best,” “Most Awesome” 🡪 Descriptive

**ASK IF THE MARK IS DECEPTIVE**

**OR CREATES A FALSE SUGGESTION OF A CONNECTION!!**

1. **DISTINCTIVENESS – TRADE DRESS**
   1. **Analysis**
      1. **Unregistered trade dress must be non-functional to maintain COA**
         1. Typically no § 32 COA because unregistered – would have to describe “overall look and feel” which can be expensive
      2. **First: Determine Packaging versus Configuration**
         1. Does the element make the product *more useful or appealing*? (*Samara*)
            1. In close cases **default rule** is to assume it is product design not packaging
         2. Examples
            1. Cuffs/bowtie on male stripper is packaging (*In re Chippendales* (FC 2010))

Product is exotic entertainment, non-inherently distinctive packaging

* + - * 1. Distinctive butt design on jeans is product design (*In re Slokevage* (FC 2006))
        2. Novelty bumper sticker is a joke (design) (*McKernan* (D. Mass. 2000))
        3. Wine store layout is packaging (*Best Cellars* (SDNY 2003))
        4. Undulating curve on AC faceplate is design (*Fedders Corp.* (SD Ill. 2003))
        5. Beer glass + stand – packaging for beer (*Brouwerij Bosteels* (TTAB 2010))
        6. Cartoon characters on t-shirts is design (*Art Attacks* (9th Cir.))
    1. **Second: Product Packaging can be Inherently Distinctive (*Samara Bros*.)**
       1. *Seabrook* Factors – Determine whether product packaging is inherently distinctive
          1. Whether it is a “common” basic shape or design

Note: 2d Cir. applies *Abercrombie*, you have to do **both** *Crombie* **and** *Seabrook*!!!

* + - * 1. Whether it is unique or unusual in a particular field
        2. Whether it was a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods or
        3. Whether it was capable of creating a commercial impression distinct from the accompanying words
      1. First two factors ask if it is common/unique, third asks whether consumers perceive it as a designation of source (*Amazing Spaces*)
         1. Non-verbal marks don’t fit *Abercrombie* – since it is almost never generic/descriptive, creates a huge presumption it is inherently distinctive

*FunDamental Too* (2d Cir. 1997) (applying *Abercrombie* to trade dress finding toilet-bank inherently distinctive – note can consider packaging with the product when the product is visible)

* + - 1. Examples
         1. *Star Indus. v. Bacardi* (2d Cir. 2005) (holding orange “O” and picture of an orange is suggestive under *Abercrombie*)
         2. *Maker’s Mark v. Diageo* (W.D. Ky. 2010) (holding red dripping wax and seal on bottles is inherently distinctive)
         3. *Imagineering v. Van Klassens* (FC 1996) (holding “Weatherend” furniture is inherently distinctive on record demonstrating furniture’s “singular appearance identified the source”)
    1. **Third: Product Configuration CANNOT be Inherently Distinctive (*Samara*)**
    2. Notes
       1. If not inherently distinctive 🡪 **show secondary meaning (*see above!!*)**; if registered under § 2(f) 🡪 requires secondary meaning
       2. **Single color** trade dress CANNOT be inherently distinctive (*Qualitex*)
  1. **Cases**
     1. *Two Pesos v. Taco Cabana* (1992)
        1. Issue: Source-distinctiveness of restaurant interior
        2. Held: Inherently distinctive trade dress can be protected w/out secondary meaning
        3. Common law protection extends to geographic area where Π used the mark
        4. Policy: Inherently distinctive marks can be protected w/out secondary meaning protects newcomers to the market
        5. **Look at**: Colors, store layout, sales techniques, shape/appearance, identifying sign, floor plan, décor, menu, uniforms, etc.
     2. *Qualitex v. Jacobson Products* (1995)
        1. Single color dress on Laundromat press-pads
        2. Issue: Source distinctiveness of a single color
        3. Held: Single color can qualify for protection, requires secondary meaning
        4. Concern: “Color depletion” – Circumstances where only some colors can meaningfully be used 🡪 functionality
        5. **Advantages of registering a mark**
           1. Prevent importation of confusingly similar goods (15 U.S.C. § 1124)
           2. Constructive notice of ownership (15 U.S.C. § 1072)
           3. Incontestable status (15 U.S.C. § 1065)
     3. *Wal-Mart Stores v. Samara Bros.* (2000)
        1. Issue: Source-distinctiveness of children’s apparel design
        2. Held: product packaging can be inherently distinctive, product configuration can’t
        3. Even super-unusual product designs – penguin shaped cocktail shaker – is intended *not to ID source*, but to render the product *more useful/appealing*
        4. Must establish non-functionality and secondary meaning for product design
     4. *Pearl Oyster Bar v. Ed’s Lobster Bar* – “Knock off” restaurant
     5. *Do the Hustle LLC v. Rogovich* – “Knock off” night club
     6. *Seabrook Foods v. Bar-Well Foods* (CCPA 1977) (holding that leaf design on vegetable packaging was not inherently distinctive)
     7. *Amazing Spaces v. Metro Mini Storage* (5th Cir. 2010)
        1. Stylized star design on self-storage facilities
        2. Criticized use of *Abercrombie* for non-verbal marks 🡪 always inherently distinctive if not generic
        3. Applied *Seabrook* – Star design was ubiquitous and ornamental in TX 🡪 can’t be a designation of source, not inherently distinctive
     8. *Fiji Water v. Fiji Mineral Water* (C.D. Cal. 2010) (Applying *Seabrook* finding the stylized hibiscus, palm fronds, and 3D effect of transparent front label were inherently distinctive)
     9. *Abercrombie* Examples
        1. *Supreme Wine v. American Distilling* (2d Cir. 1962) (laudatory words – “best” or “supreme” cannot indicate source or origin on their own)
        2. *Porsche Cars v. Lloyd Design* (N.D. Ga. 2002) (most courts hold that model numbers, whether numbers or alphanumeric designations, are descriptive)

1. **FUNCTIONALITY**
   1. **Generally**
      1. If a mark is **functional**, it is not protectable
         1. Functionality trumps consumer confusion
      2. If registered, burden is on Δ, if unregistered, burden is on Π
   2. **Analysis – Utilitarian Functionality**
      1. ***Inwood*** FN10 – A feature is **functional** if it is essential to the use or purpose of the article or if it affects the cost or quality of the article (**Engineering Need Test**)
         1. If functional under *Inwood*, no need to consider competitive need (*Trafix*)
         2. Utility patent creates strong (not *per se*) inference of functionality (*Trafix*)
         3. Cost or quality 🡪 manufacturing, or makes the product operate better
            1. Is this part of what makes the product work?
      2. ***Morton-Norwich* Factors** (Overruled by *Trafix*, considered in *Valu Engineering* (Fed. Cir.)) (**Competitive Needs Test**) (Fed. Cir., 7th Cir., others)
         1. Expired utility patent disclosing the utilitarian advantages of the purported mark
         2. Originator of the design touts its utilitarian advantages through advertising
         3. Availability of alternative designs
         4. Whether the design results from a comparatively simple or inexpensive method of manufacture (result of a manufacturing advantage
      3. *De facto* functionality refers to functionality in the “lay” sense
      4. *De jure* functionality refers to meeting a test of functionality
      5. Note: Functionality standard for design patent asks if element is dictated by functional considerations
      6. **Examples**
         1. Pipette tip ridges support shape of flange irrespective of alternatives incorporating more ridges 🡪 functional (*Eppendorf v. Ritter* (5th Cir. 2002) *citing Trafix*)
         2. Disposable water bottle with elements to make it better for use with bicycle bottle holders 🡪 functional (*Talking Rain v. S. Beach Bev.* (9th Cir. 2003)
         3. Folding chair design elements with utility patents 🡪 functional (*Specialized Seating v. Greenwich* (7th Cir. 2010))
         4. “Strap Hinge” material for photo album binding 🡪 functional under engineering needs (*Antioch v. Western Trimming* (6th Cir. 2003))
         5. Quilting on paper towels 🡪 functional under 7th Cir. factors (*Georgia-Pacific v. Kimberly Clark* (7th Cir. 2011))
   3. **Cases**
      1. *In re Morton-Norwich Products, Inc.* (CCPA 1982)
         1. Finding an infinite variety of forms for plastic spray bottles, competitor bottles all had different designs, and spray pump patent didn’t disclose the external trade dress at issue 🡪 Held: Spray pump bottle design was non-functional
      2. *In re Honeywell* (Holding that round thermostat body design was functional)
      3. *TraFix Devices v. Marketing Displays, Inc.* (2001)
         1. Dual spring sign base design originally covered by utility patent held functional
      4. *Valu Engineering v. Rexnord Corp.* (Fed. Cir. 2002)
         1. Trademark for conveyor belt guide rails held functional
         2. Reasoning that *Trafix* simply reaffirmed *Morton-Norwich* such that utility patents are a heavy presumption and competitive alternatives are lesser consideration
   4. **Analysis – Aesthetic Functionality**
      1. **Ask**: Whether allowing trademark would place competitors at a **significant non-reputation related disadvantage** (*Trafix*; *Qualitex*)
      2. Essentially an **alternative design/competitive needs** test (*Wallace Int’l Silversmiths*)
         1. Where protection of an ornamental feature would significantly hider competition because of limited alternative designs 🡪 functional
         2. Spot: Π claims one precise expression, then defends it by reading in all style elements as confusingly similar
      3. 9th Cir. – If the feature is an *important ingredient* in the commercial success of the product 🡪 functional. Non-functional if unrelated to consumer demand (*Pagliero*)
      4. Restatement (*Qualitex*)
         1. If a design’s aesthetic value lies in its ability to confer a significant benefit that can’t practically be duplicated through alternative designs 🡪 functional
         2. Ultimate test is whether recognition of the mark would hinder competition
      5. **Examples**
         1. No trademark on heart shaped boxes of chocolate
         2. No trademark on black outboard engines (*British Seagull*)
         3. No trademark on pink bandages because they match Caucasian skin (*Ferris*)
         4. No trademark on black boxes for flowers (*Florists’ Transworld* (TTAB 2013))
         5. Color of ice cream 🡪 functional – correlation with flavor; size is functional 🡪 affected taste and was direct result of manufacturing process (*Dippin Dots v. Frosty Bites* (11th Cir. 2004))
         6. Red wax seal on bottles non-functional (*Makers Mark*)
         7. Round beach towel is functional – produces benefit beyond source identification (*Jay Franco* (7th Cir. 2010))
   5. **Cases**
      1. *Wallace Intl. Silversmiths, Inc. v. Godinger Silver Art Co., Inc.* (2d Cir. 1990)
         1. Trademark on silverware design, outright rejects *Pagliero*
         2. Held: Π can’t monopolize design elements of “baroque-style” silverware
         3. Note: Level of abstraction – there are other styles of silverware besides baroque
      2. *Christian Louboutin v. Yves Saint Laurent America Holding, Inc.* (2d Cir. 2012)
         1. Aesthetic Functionality
            1. Functional if essential to the use/purpose of the article, or if it affects the cost or quality of the article

Affects cost or quality if it permits manufacture at a lower cost or constitutes an improvement in the good’s operation

* + - * 1. Aesthetically functional if recognizing trademark would put others at a significant non-reputation related disadvantage

Distinctive/arbitrary arrangements of ornamental features are non-functional – must take care that the mark’s own success in promoting its source doesn’t defeat the mark holder’s right to protect it

* + - 1. Held: Limited red sole mark to shoes with *contrasting* red sole
    1. 9th Circuit is crazy here – SEE BRIEFS p. 29

1. **DECEPTIVE MARKS**
   1. **Analysis – Non-Geographic (*In re Budge Mrg. Co., Inc.* (Fed. Cir. 1988)**
      1. Is the term misdescriptive of the character, quality, function, composition or use of the goods?
         1. If no 🡪 Term is **descriptive** 🡪 Determine **secondary meaning!**
      2. If **yes**, are prospective purchasers likely to believe that the misdescription actually describes the goods?
         1. If no 🡪 Term *may* be **inherently distinctive** (*e.g.*, “Diamond” ice cream)
      3. If **yes**, is the misdescription likely to affect the decision to purchase?
         1. If no 🡪 The term is **deceptively misdescriptive** 🡪 determine secondary meaning
         2. If yes 🡪 The term is **deceptive** 🡪 **NO TRADEMARK!**
      4. **Examples**
         1. *In re ALP of South Beach, Inc.* (TTAB 2006)
            1. “Cafeteria” restaurant
            2. Misdescriptive? 🡪 Yes, here you sit down, not wait in line
            3. People will believe it? 🡪 PTO thought so
            4. Like to affect decision? 🡪 PTO says tourists will be too embarrassed to leave

Trademark was deceptive based on initial interest confusion

* + - 1. *In re White Jasmine* (deceptive use of “White Jasmine” with tea when there was none in the tea because people think it is a healthy ingredient)
      2. *In re Phillips-Van Heusen* (“Super Silk” is deceptive when there is no silk even if label says there’s no silk)
      3. *In re Organik Technologies* (“Organick” is deceptive for clothes made from non-organic cotton)
      4. *In re Berman Bros.* (“Furniture Makers” is DM for retail furniture store that sells, but doesn’t actually make furniture)
  1. **Analysis – Geographic Marks (*In re California Innovations* (Fed. Cir. 2003))**
     1. Must deny registration under § 2(e)(3) if
        1. The primary significance of the mark is a generally known geographic location
        2. Consuming public is likely to believe the place identified by the mark indicates the origin of the goods bearing the mark, when the goods aren’t from there
        3. The misrepresentation was a material factor in the consumer’s decision
           1. TMEP § 1210.05(c)(i) – Look at evidence of probable reaction of purchasers
           2. **If yes** 🡪 **NO TRADEMARK**
           3. **If no** 🡪 Mark is most likely arbitrary, no need to show secondary meaning
     2. **Examples**
        1. *In re Lafayette Street Partners* (TTAB 2008) (reversing board decision to deny trademark to “Chinatown Brasserie” located outside Chinatown)
           1. Note: Chinatown is not actually one place even within NYC
        2. *Colorado Steakhouse* (TTAB 2004) (holding that a steak house that doesn’t serve beef from Colorado is materially misdescriptive/deceptive)
        3. *In re Miracle Tuesday* (Affirming refusal to register “JPK Paris 75” when clothes were made in Florida even though designer was French)
        4. *In re Premiere Distillery* (refusing “Real Russian” for vodka not made in Russia)
        5. *In re Glaze* (Allowing “Swisscell” for batteries because there is no goods/place association – wouldn’t influence consumers)

1. **SCANDALOUS/DISPARAGING MARKS**
   1. **Analysis – (§ 2(a))**
      1. **Scandalous marks** considers the view of the general population (*In re Marsha Fox*)
         1. Analyzed in context of contemporary attitudes, in context of the marketplace as applied to only the goods described in the application, and from the standpoint of a substantial composite of the general public
         2. If 2+ meanings – focus on the less scandalous alternative
      2. **Examples – Scandalous Marks**
         1. *Black Tail* (reasoning that insufficient evidence supported substantial population finding one or the other definition)
         2. *In re Hershey* (TTAB 1988) (holding presence of a cartoon bird on “Big Pecker” brand t-shirt was sufficient to indicate non-vulgar meaning)
         3. *But see In re Marsha Fox* (“Cock Sucker” rooster lollipop relies on double entendre for its punch line – substantial composite would think of the vulgar meaning immediately)
      3. **Disparaging marks** consider the views of the referenced group (*Harjo*)
         1. *Harjo* Test (*In re Heeb Media* (TTAB 2008))
            1. What is the likely meaning of the matter in question

Dictionary, relationship of the matter to other elements in the mark, nature of the goods/services, manner in which mark is used in marketplace

* + - * 1. If that meaning refers to identifiable persons/institutions/beliefs/national symbols – whether that meaning is disparaging to a substantial composite of the referenced group
      1. Determined based on contemporary attitudes
         1. Unless challenge is not timely (after 5y) – then consider at the time when the mark was procured (*see* § 14 – Cancellation. Must challenge a mark within 5y otherwise must show mark ***was*** obtained in contravention to § 2)
    1. **Policy** – Note no 1st Am. problem because user is free to use the mark without trademark protection

1. **FALSE SUGGESTION OF CONNECTION**
   1. § 2 – No trademark shall be refused registration on account of its nature unless it
      1. (a) Consists of matter which may **falsely suggest a connection** with persons living or dead (**celebrities**)
         1. The mark is the same as, or close approximation of, the name/identity previously used by another person
            1. *Urbano* (TTAB 1999) (refuse “Sydney 2000” false connection w/ Olympics)
            2. *Univ. of Alabama v. BAMA* (TTAB 1986) (refusing “BAMA” for shoes)
         2. The mark would be recognized as such because it points uniquely and unmistakably to that person
            1. *Univ. of Notre Dame v. Gourmet Food* (FC 1983) (allowing “Notre Dame” cheese because of other prominent uses of the mark)
         3. The person named by the mark is not connected with the activities performed by the applicant under the mark and
         4. The prior user’s name/identify is sufficiently famous that connection would be presumed when applicant’s mark is used on applicant’s goods
            1. *In re Jackson* (TTAB 2012) (refusing “The Benny Goodwin Collection” for fragrances and knickknacks)
      2. (c) Falsely suggests a connection with a **living individual** – broader 🡪 niche markets
         1. Name is deemed to ID a living individual only if the individual bearing the name will be associated with the mark as used on the goods either because
            1. Person is so well known that the public would reasonably assume connection
            2. The individual is publicly connected w/ the business in which the mark is used
      3. (d) Comprises a mark that is confusingly similar to a currently registered mark
   2. NOTE: Person identified must be currently using the mark
2. **“USE IN COMMERCE”**
   1. **Analysis – (*Mendes*; *Planetary Motion*)**
      1. Evidence showing: (1) Adoption and (2) use in a sufficiently public way to (a) identify or distinguish the marked goods (b) in an appropriate segment of the public mind as those of the adopter of the mark

Note: There is no theft in trademark if not used in commerce! *American Express v. Goetz* (2d Cir. 2008) (Δ pitched “My life. My card” to Π who turned around and ripped him off then filed DJ)

* + 1. Is competent to establish ownership even without evidence of actual sales
       1. *New West* – Promotional mailings coupled with advertiser/distributor solicitation
       2. *Planetary Motion* – Free distribution openly to a wide segment of a population
    2. **TOTC** under the **industry custom** (*Chance v. Pac-Tel* (9th Cir. 2001))
       1. Genuineness/commercial character of the use
       2. Whether the mark identified/distinguished the service to the population
       3. Scope of non-sales activity compared to what is commercially reasonable
       4. Degree of ongoing activity to conduct the business using the mark
       5. Amount of business transacted
       6. Other factors which might distinguish whether a service has actually been rendered in commerce
    3. § 45 – The term “use in commerce” means the bona fide use of a mark in the ordinary course of trade, and **not made merely to reserve a right in a mark**
       1. A mark is used in commerce
          1. (1) On goods when (A) placed on, displayed with, or on documents associated with goods and (B) the goods are sold or transported in commerce
       2. (2) On services when it is used/displayed in the sale/advertising of the service and the service is rendered in commerce, more than one state, between US/foreigners
  1. **Generally**
     1. “Use in commerce” is a jurisdictional predicate – must use a mark to get protection
        1. *Larry Harmon Pictures v. Williams Restaurant* (FC 1991) (holding that a single restaurant location in Mason, TN is rendering service in interstate commerce)
     2. ITU protects pre-use investments
     3. Basic policy surrounding trademark trolling and cybersquatting
  2. **Cases**
     1. *Aycock Engineering v. Airflite* (Fed. Cir. 2009)
        1. Π tried to launch air taxi service that never got off the ground – some advertising and contracting, but never arranged a flight
        2. Held: Insufficient evidence of use in commerce
        3. Reasoning that applicant must use the mark in sale/advertising of a service and show the service was either rendered in interstate commerce, more than one state, of in this and a foreign country, by a person engaged in commerce
     2. *In re Cedar Point* (TTAB 1983) (Held that a theme park trademark can’t be protected because it wasn’t open, despite 700k brochure advertising campaign and fact that the park was already built)
     3. *Planetary Motion v. Techsplosion* (11th Cir. 2001)
        1. Dude develops “coolmail” and offers under GNU public license, Techsplosion starts using “coolmail,” PM begins using it, gets sued by Tech, buys the rights to “coolmail” from the dude 🡪 boom, no suit
     4. *Johnny Blastoff v. LA Rams Football* (7th Cir. 1999) (holding Π failed to demonstrate UIC of “St. Louis Rams” by Feb. ’95 when Δ established local use/priority)

1. **TRADEMARK FILINGS**
   1. **Filing Basis**
      1. § 1(a) – Applicant is already making actual use of the mark in commerce
      2. § 1(b) – *Bona fide* intent to use the mark in commerce in the near future
      3. § 44(d) – Applicant filed a foreign application to register within 6mo of its application to the PTO and claims the priority date of the foreign filing
      4. § 44(e) – Applicant possesses registration in the applicant’s country of origin
      5. § 66(a) – Applicant requests extension of protection of an international registration under the Madrid System for the international registration of marks
   2. **Stages** – Application – Examination – Publication – Opposition – Registration
      1. § 1(b) requires additional “Statement of Use” before Registration
   3. **Advantages of Registration**
      1. § 7(c) – Constructive nationwide priority on filing date
      2. § 7(b) – *Prima facie* evidence of validity, ownership, and registrant’s exclusive rights
         1. § 43(a)(3) – Registrant doesn’t bear burden to show non-functionality
      3. Starts the clock on **incontestability** (§§ 15, 33)
         1. Any time after the 5th year of registration, registrant can file a “declaration of incontestability” limiting grounds where the mark’s validity can be challenged
            1. *E.g.*, can’t challenge for lack of secondary meaning
      4. § 14 – Limits cancellation
      5. Statutory damages against counterfeiters (§§ 35(c), 34(d)(1)(B)(i))
      6. § 42 – Right to request customs to bar importation of infringing goods
   4. **Maintaining Registration**
      1. Registration term is 10y (§ 8)
         1. § 8 – **Affidavit of Continuing Use** required during 6th & every 10th year
         2. § 9 – **Renewal Application** every 10th year
      2. **Affidavit of Incontestability** (§15) filed w/in 1y of any 5y period of continuous use
   5. **Cancellation**
      1. § 14 – For 5y after the date of registration, a 3rd party can petition to cancel the registration for any reason
         1. After 5y, can only petition under reasons enumerated in § 14(3)
            1. Mark is generic, functional, abandoned, fraudulently obtained, or contrary to § 2 (a)-(c)
         2. NOTE: After 5y, can’t challenge based on lack of secondary meaning, confusingly similar to previously published mark – even if not incontestable
         3. NOTE: Beebe argues also doesn’t include functionality challenge, but this is listed in the statute – careful!
2. **TERRITORIALITY**
   1. **Analysis – Domestic Territoriality**
      1. ***Tea Rose-Rectans* Rule** – Territorial scope of an unregistered mark is limited to where the mark is known and recognized by potential customers 🡪 national senior user of unregistered mark can’t prevent territorially remote good faith national junior user that was first to use the mark in that territory
      2. **Market Penetration/Remoteness (*Natural Footwear* (3d Cir. 1985))**
         1. Volume of sales of the trademarked product
         2. Growth trends in the contested area
         3. Number of persons actually purchasing the product relative to potential number
         4. The amount of product advertising in the area
      3. **Knowledge**
         1. Knowledge of senior user’s mark destroys good faith (Majority)
         2. Mere knowledge, without more, doesn’t negate good faith (Minority/Beebe)
            1. Focus on intent to benefit from rep/goodwill of senior (*GTE* (2d Cir.))
            2. Failure to search doesn’t negate good faith, but proceeding on advice of counsel often establishes good faith (*See Persons*)
      4. **Registration**
         1. § 7(c) (as of Nov. 16, 1989) – Constructive nationwide priority/notice as of *application* date, whether or not applicant is making nationwide use
            1. Pre-Application (“intermediate”) junior users are frozen to their geographic area as of application (§ 33(b)(5)) (McCarthy argues seniors are as of allowance per common law – not covered by § 33(b)(5))
         2. § 22 – pre-11/16/1985, notice is date of registration
         3. Concurrent use/registration – § 2(d) two or more parties can register similar or identical marks provided geographic use is sufficiently distinct to avoid confusion
         4. *Dawn Doughnut* (2d Cir. 1959) (holding that Π must show likelihood they will (industry standard) or are making actual use of the mark in the post-registration junior user’s area after Π’s registration is allowed in order to maintain suit)
            1. *Contra Circuit City* (6th Cir. 1999) (declined to follow *Dawn Doughnut*)
   2. **Cases – Domestic Territoriality**
      1. *United Drug v. Rectanus* (1918)
         1. Regis makes snake oil using “REX” – recorded under Mass. law, later w/ PTO
         2. UD purchased rights in KY where Rectanus had been selling his own “REX” snake oil – nationally junior to Regis – both sides using in good faith
      2. *What-A-Burger v. Whataburger* (4th Cir. 2004) (holding suit not barred by laches despite 30y delay bringing suit after notice of junior use because under *Dawn Doughtnut*, suit was not ripe for adjudication) (note: could only happen w/ small biz.)
   3. **Analysis – International Territoriality**
      1. **Generally**: Trademark is limited by borders, foreign use doesn’t give US rights
         1. Foreign use does not establish rights in the US (*Persons*)
         2. Bad faith requires more than mere knowledge of prior foreign use (*Persons*)
            1. *E.g.*, Nominal use to reserve a mark
      2. **Exception** – Under **well-known marks**, foreign use that is well-known in US can get protection within the US (*see* Paris Convention, Art. 6*bis*)
         1. *McDonald’s* (SC-South Africa) (recognizing McDonald’s as protectable well-known mark within SA even without any local locations)
         2. *Grupo Gigante* (9th Cir. 2004) – **Secondary meaning “plus”**
            1. First find secondary meaning – then must show by preponderance that a *substantial percentage* of consumers in the relevant market (where Δ is) are familiar with the foreign mark
            2. Do Δ’s customers think they’re shopping at Π’s shop?
            3. TTAB requires bad faith or desire to trade on Π’s goodwill
         3. *Punchgini* (2d Cir. 2007) – rejects well-known marks for federal COA
            1. **NY State misappropriation protection**

Consumers primarily associate mark with foreign Π

Whether Δ intentionally associated its goods with Π

Public statements/ads implying connection to Π

Direct evidence of consumer confusion

Evidence of actual overlap of customers

* + 1. **Circuit split re: Domestic Advertising Activities**
       1. *Buti v. Perosa* (2d Cir. 1998) (holding foreign restaurant advertising in US involving t-shirts/accessories insufficient to claim priority over later domestic user that opened restaurant under same mark)
       2. *International Bancorp* (4th Cir. 2003) (holding that sale of gambling services abroad to US citizens by foreign user combined with US ads meets “use in commerce” requirement – can assert § 43(a) common law claim)
  1. **Cases – International Territoriality**
     1. *Persons Co. v. Christman* (Fed. Cir. 1990)
        1. Christman goes to Japan, sees Persons business/products, comes to US and rips off everything after consulting counsel re availability of the mark
        2. Persons registers within US and begins selling goods – seeks to cancel Christman’s registration based on likelihood of confusion/abandonment/unfair competition under Paris Convention
     2. *Grupo Gigante* (9th Cir. 2004)
        1. Π owns famous mark for supermarket in Mexico, Δ made similarly named store in SD, Π later opens locations in LA – sets out 9th Cir. secondary meaning “plus” rule for well-known marks
     3. *Punchgini* (2d Cir. 2007)
        1. ITC had abandoned their mark in US, Δ opened a strikingly similar restaurant with similar name – certified issue of well-known marks to state court after rejecting federal COA – state court finds it falls under misappropriation (*see above* in analysis)

1. **REVERSE PASSING OFF**
   1. **Analysis**
      1. **Passing off** – Taking my goods and passing them off as yours
         1. *E.g.*, counterfeiting/related
      2. **Reverse passing off** – taking your goods and passing them off as mine
      3. ***Dastar v. Twentieth Century Fox* (2003)**
         1. For reverse passing off – origin of the goods is the *actual source of the goods*
            1. **Not** the ideas/expression contained within the goods
         2. Trademark protects tangible goods, not the author of an idea/concept embodied in the goods
         3. To sustain reverse passing off, Π must show Δ obtained Π’s goods and repackaged them as Δ’s goods
            1. *Zyla* – Holding that author has no claim after withdrawing from book and demanding her contributions be removed
            2. *LaPine* – Holding the mere act of publishing a written work without proper attribution to its creative source isn’t actionable under Lanham Act
            3. *Bretford* (7th Cir. 2005)– Holding that manufacturer that borrows competitor parts for purposes of display model of furniture isn’t reverse passing off

Question is who produces the finished product

* + - 1. Consider: False advertising
    1. Consider: False designation of source
       1. *Gillian* – Holding that Π could sue to have their name removed from a TV broadcast that was edited so poorly as to not be considered the same product
       2. *But see Choe* – Holding that Π’s false designation claim fails because court found that Π, not Δ, was the source of the errors in his shitty student note
  1. **Cases**
     1. *Dastar Corp. v. Twentieth Century Fox Film Corp.* (2003)
        1. Δ takes public domain footage of Π’s, makes some edits, repackages and produces their own set of video tapes
        2. Held: origin of the goods refers to the tangible goods (actual tapes produced), not the ideas/expression contained within
     2. *LaPine v. Seinfeld* (2d Cir. 2010) (holding that Π can’t sue Δ to protect attribution of her ideas/expression – Π published recipe book, Δ published a book stealing her recipes – held that this is on all fours with *Dastar* – would have to purchase Π’s book and repackage it)

1. **INFRINGEMENT**
   1. **Generally**
      1. § 32(a) – Any person who shall, without the consent of the registrant use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive
      2. § 43(a)(1) – Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which
         1. (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person
         2. Shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act
   2. **Elements**
      1. Π must prove (1) they possess a protectable trademark, (2) Δ used it in commerce, in connection with sale, offering for sale, distribution or advertising of goods or services and (3) Δ used it in a manner likely to cause confusion
   3. **Use in Commerce**
      1. **Use in commerce** – Does not require “use as a trademark”
         1. Internal use of Π’s mark in advertising sales constitutes “use in commerce” (*Rescuecom*)
         2. *But see 1-800-HOLIDAY* (holding that confusingly similar 1-800 number didn’t constitute use in commerce – note disclaimer when callers call Δ’s number)
         3. Note: Product placement within a department store would be “use in commerce”
      2. **On or in connection with goods and services (*Bosley Medical*)**
         1. Doesn’t require actual sale, does require offer of competing good/service
         2. *Bosley* (9th Cir. 2005) – Gripe site is not a “use on or in connection with goods/services” (*compare PETA* – had links to for-profit services)
         3. Policy: Orthodox trademark would allow COA if a non-commercial use caused likelihood of confusion
         4. Policy: 1st Am. doesn’t protect confusing product labels, but trademark doesn’t entitle owner to quash unauthorized use of the mark to express a point of view
      3. **Cases**
         1. *Rescuecom v. Google* (2d Cir. 2009)
            1. Expands definition of “use in commerce”
            2. *1-800-Contacts* (2d Cir. 2005) (holding that when Δ (pop-up ads) generated key term database, they didn’t use Π’s mark – merely relied on domain names – never sold keywords to clients (categories only) 🡪 not use in commerce)
            3. Google was allowing clients to purchase competitor’s trademarks as keywords for determining when to display their advertisement – use in commerce
         2. *PETA* – held that Δ’s use of Π’s mark in a domain name can deter customers from reaching Π’s site – infringement (note: had links to for-profit services)
   4. **Theories of Confusion**

Some Aspects of Infringement Analysis

* Π’s mark is protectable
* Δ is using in commerce on or in connection (commerce clause requirement)
* Establish priority as between Π/Δ
  + Consider: Registered? Common Law?
* Establishing ownership – What happens when the band breaks up?
* Determining abandonment
* Determining types of *actionable* use
* Determining fair use
  + 1. **Initial Interest Confusion**
       1. *Polaroid* factors first!

Note: Normal “forward” confusion is just “point-of-sale” confusion

* + - 1. Internet shoppers don’t form an opinion of a site until they see the landing page (*Network Automation*)
      2. Doesn’t apply to product configurations generally (*Gibson Guitar*)
      3. Consider: Does the initial interest confusion result in a lost sale to Π or do consumers end up with Π anyways?
    1. **Post-Sale Confusion**
       1. Typically “prestige brand’ cases (*Mastercrafters*; *Ferrari*)
       2. Focus on protecting reputation of manufacturers and purchasers (*Ferrari*)
       3. *Polaroid* factors remain the same
       4. Confusion focuses on *non-purchasers* arguing it affects good’s status and likelihood that someone else will buy one
       5. *Ford v. Ultra Coachbuilders* (9th Cir. 2000) (held no post-sale confusion that modified ford car-limo would not confuse people into thinking Ford made limos)
    2. **Reverse Confusion**
       1. Stronger junior mark is confusingly similar to senior mark user such that consumers think senior user’s goods are the junior user’s goods
       2. Modified *Polaroid* Factors (*A&H Sportswear*)
          1. Similarity of the marks – Focus on Π’s mark, not Δ – a Δ that disclaims connection with Π doesn’t avoid reverse confusion
          2. Strength of the mark – Helps Π if Π is commercially weaker but inherently stronger mark
          3. Actual Confusion
          4. Intent – Bad faith intent of junior user to push senior out of the market
    3. **Cases**
       1. *Network Automation v. Advanced Systems* (9th Cir. 2011) (Initial interest confusion – Π/Δ sell job scheduling/management software – Δ bought Π’s mark as search keywords, held: no likelihood of confusion)
       2. *Gibson v. Paul Reed Smith* (6th Cir. 2005) (Π sues PRS for similar guitar silhouette, conceded no point of sale confusion, based theory on broad initial interest, but extremely sophisticated customers – post-sale confusion undercut by concession that Δ’s goods were high quality and wouldn’t affect Π’s rep.)
       3. *Mastercrafters* (2d Cir. 1955) (holding declaratory Π’s knock-off clock is confusingly similar to Δ’s “Athmos” clock despite lack of POS confusion)
       4. *Ferrari v. Roberts* (6th Cir. 1991) (holding post-sale confusion liability for Δ’s fiber glass body kit that looks like Π’s cars – Π’s cars have strong secondary meaning 🡪 infringement)
       5. *Rolls-Royce v. A&A Fiberglass* (Ga. 1976) (holding post-sale confusion COA for Π when Δ made knock-off fiber glass hood for VW bug – confusion that Π would license someone to do same)
       6. *Levi Strauss* (Holding post-sale confusion arguing that people won’t buy Π’s jeans if too many people are walking around with their exclusive small red tag)
       7. *A&H Sportswear v. Victoria’s Secret Stores* (3d Cir. 2000) (Π makes “miraclesuit” swimsuit, Δ makes “the miracle bra” swimwear)
  1. **Likelihood of Confusion – Typically “Point-of-Sale” Confusion**

Policy

* Lowering consumer search costs
* Preventing likelihood of confusion
* Protecting Π’s property rights
  + 1. ***Polaroid* Factors**
       1. **Strength of Π’s mark**
          1. Inherent strength – *i.e.* where on *Abercrombie*?
          2. Acquired strength – *i.e.* secondary meaning
          3. Note: Stronger marks tend to get better protection – consider crowded market
       2. **Degree of similarity between the marks**
          1. Consider: Sight, Sound, Meaning
          2. Note: Crowded marketplace cuts against Π
       3. **Proximity of the products**
          1. Complementary, sold to same class of purchasers, similar in use/function (*Network Automation*)
          2. Channels of trade
       4. **Actual Confusion** – See *Squirt* Survey Method below
       5. **Δ’s Intent** (Empirically dispositive) – Intent to trade on Π’s good-will
       6. **Sophistication of buyers** – Not observed in 4th, 5th, and 11th Cir.
          1. Consider: Degree of care of consumers
       7. **Likelihood Π will bridge the gap**
          1. Irrelevant if Π/Δ are direct competitors
       8. **Quality of Δ’s product**
    2. ***Squirt* Survey Method (Note: 10-15% can be sufficient)**
       1. Source confusion – Do you think Δ’s goods come from Π?
       2. Collaboration confusion – Do you think Δ is collaborating with Π?
       3. Authorization confusion – Do you think that Δ had to ask Π for permission to use the mark?
       4. Criticism – Showing marks serially doesn’t replicate real life, group selection, general criticism of paid internet surveys
    3. **Cases**
       1. *Borden Ice Cream v. Borden’s Condensed Milk* (7th Cir. 1912)
          1. Holding Π/Δ weren’t selling same products so no likelihood of confusion
          2. Criticism – Products were very similar, high likelihood of bridging the gap
       2. *Polaroid v. Polarad* (2d Cir. 1961) (Π makes photo stuff, Δ makes electronics, overlap in television where both make camera lenses – barred by laches)
       3. *Virgin Enterprises v. Nawab* (2d Cir. 2003) (Π owns “Virgin” for electronics, etc., Δ registers “Virgin Mobile” in US for phones, Π sues – was bridging the gap)
       4. *A&H Sportswear v. Victoria’s Secret* (3d Cir. 2000)
          1. Π/Δ use “Miracle” in connection with swimsuits
          2. Reverse confusion – modified similarity, strength, actual confusion, and intent factors from *Polaroid*
          3. Quality of goods may increase likelihood of confusion if similar, otherwise Δ may be tarnishing Π’s rep if goods are low quality
       5. *Harlem Wizards v. NBA Properties* (DNJ 1997) (holding no reverse confusion when NBA named Wizards pro-basketball team using Π’s senior sports team mark due to channels of commerce argument)
  1. **Dilution**
     1. **Generally**
        1. Orthodox trademark holds that consumers cannot simultaneously experience confusion and dilution
        2. If consumer is confused as to source, they don’t have to think about it, they just don’t get that the product comes from a different place
        3. If consumer is not confused as to source, but Δ’s product with similar mark may dilute Π’s distinctiveness because more products are floating around with Π’s mark 🡪 have to “think for a second”
           1. Undermining the good-will of the senior mark holder
           2. Formalized COA for famous marks that get heightened protection

If Π’s mark gets heightened protection – if marks are similar – dilution

* + - 1. **Consider** – **Blurring is dilution of brand *typicality***
         1. Probability a category will be recalled given brand name as retrieval cue

Ford 🡪 truck; Nike 🡪 shoe; Rolex 🡪 watch; Virgin 🡪 ? (self-dilution)

* + - * 1. Brand dominance is the opposite – Truck 🡪 Ford, etc.
    1. **Lanham Act § 43(c) – Dilution by Blurring and Tarnishment**
       1. Owner of a ***famous mark*** that is *distinctive* (inherent/acquired), gets an injunction if *after the mark has become famous*, someone uses the mark in commerce that is likely to cause dilution by blurring or tarnishment of the mark, *regardless of the presence/absence of actual/likely confusion*, competition, or injury
       2. **Definitions**
          1. A mark is **famous** if it is widely recognized by the general consuming public of the US as a designation of source. Factors:

Duration, extent, and geographic reach of advertising/publicity

Amount, volume, geographic extent of sales of goods/services under mark

Extent of actual recognition of the mark

Whether the mark was registered

* + - * 1. **Blurring** is an association arising from similarity of the marks that impairs the distinctiveness of the famous mark. Factors:

**Start with elements on next page, then refer to statute for factors!**

Degree of similarity

Degree of inherent/acquired distinctiveness of the famous mark

Extent the owner of the famous mark is engaging in substantially exclusive use of the mark

Degree of recognition of the famous mark

Whether the user of the mark intended to create an association with the famous mark

Any actual association between the mark/trade name and the famous mark

* + - * 1. Dilution by **tarnishment** is an association arising from the similarity between the marks that harms the reputation of the famous mark
      1. **Exclusions – Not actionable dilution!!!**
         1. Fair use, used other than as a designation of source – Nominative/descriptive fair use, advertisement/promotion of goods/services, parody/criticism
         2. News reporting
         3. Noncommercial uses
    1. **Elements – Blurring (*Louis Vuitton v. Haute Diggity Dog* (4th Cir. 2007)**
       1. Π owns a famous mark that is distinctive – (apply *Abercrombie* & famous factors)
       2. Δ is using a mark as a mark, in commerce, after Π’s mark became famous
       3. Similarity gives rise to association between marks (Blurring factors)
       4. Association is likely to impair the distinctiveness of the famous mark or likely to harm the reputation of the famous mark (*i.e.* dilution of brand typicality)
          1. *Nikepal* – Assumes impairment if there is an association
          2. *Rolex*/*Wolfe’s Borough* – Requires likelihood the association will impair distinctiveness (association-plus) – almost never dilution liability

Famous mark’s strength undermines idea it can be diluted

* + - * 1. Empirical method to measure association-plus

Expose survey taker to diluting stimulus

Measure how long it takes to answer yes/no whether there is a link between that stimulus and the real one

Show “Heineken” then show shoes or beer and measure response time

* + - 1. Surveys
         1. Inform subject of the infringing mark and ask if anything comes to mind
         2. 87% respond with Π’s mark 🡪 blurring (*Nikepal*)
         3. 42% responding with Π’s mark 🡪 no blurring (*Rolex*)
         4. 30.5% responding with Π’s mark, 3.1% thinking Π would offer Δ’s product 🡪 no blurring (*Wolfe’s Borough* – note second question is LOC not blurring)
      2. Note: Under federal law, no niche fame after 2006, but state anti-dilution approximates this for fame within a state
    1. **Cases**
       1. *Moseley v. V. Secret* (2003) (reading actual dilution standard into FTDA, TDRA changes to “likelihood of dilution” in 2006)
       2. *Nike v. Nikepal* (ND Cal. 2007) (Δ sells scientific equipment, convoluted story of creating his mark, 87% of customers of Δ surveyed thought of Π when they were presented with Δ’s website)
       3. *Rolex* (42% identifying “Rolex” in association with “Roll-X” is insufficient)
       4. *V. Secret v. Moseley* (6th Cir. 2010) (Tarnishment) (holding that semantic association (no consumer surveys) alone and use of junior mark for purposes which could tarnish the senior’s reputation is sufficient to shift burden to Δ)
          1. Dissent: Only gave evidence that a single person was offended and even he indicated he wouldn’t think less of Π
       5. *Hershey v. Art Van Furniture* (ED Mich. 2008) (holding no likelihood of confusion between Π’s chocolate bar trade dress and Δ’s delivery company with brown and silver foil trade dress on side of their trucks because no one would think Π started a delivery business, BUT blurring because it would take a moment to realize it is not Π)
       6. *National Pork v. Supreme Lobster and Seafood* (TTAB 2010) (Holding “the other red meat” for salmon diluted “the other white meat” for pork)
       7. *Starbucks v. Wolfe’s Borough* (2d Cir. 2013) (finding no dilution by use of “Charbucks” coffee – minimal similarity, Starbucks famous mark, Δ intended to create association, but no evidence of confusion 🡪 no blurring)
          1. Court conflates LOC/blurring in survey evidence, intent ≠ actual association
  1. **Cybersquatting**
     1. **Lanham Act § 43(d)(1)(A)**: A person is liable in civil action by the owner of a mark, if, without regard to the goods/services of the parties, that person
        1. Has a bad faith intent to profit from that mark
           1. Bad Faith Factors (*Lamparello v. Falwell* (4th Cir. 2005); § 43(d)(1)(B)(i))

Trademark or other IP rights of Δ in the domain name

Extent the domain consists of a legal name/other name associated with Δ

Δ’s prior use of the domain in connection with *bona fide* goods/services

*Bona fide* noncommercial/fair use of mark in the site

Δ’s intent to divert Π’s customers to harm Π’s goodwill for commercial gain or intent to tarnish/disparage Π’s mark **by creating LOC as to source**, sponsorship, affiliation, or endorsement of the site

Δ’s offer to transfer/sell/assign domain to Π for financial gain without having used in connection with *bona fide* commercial use

Δ’s provision of material/misleading false contact info when registering domain, intentional failure to maintain accurate info, pattern of conduct

Registration/acquisition of multiple domains which Δ knows are identical/similar to marks of others that are distinctive/dilutive of those marks without regard to goods/services of parties

Extent the mark that incorporated in Δ’s domain name is/is not distinctive/famous within meaning of subsection (c)(1)

* + - 1. Registers, traffics in, or uses a domain that
         1. Is identical/confusingly similar to a mark that is distinctive when registered
         2. Is identical/confusingly similar to a mark that is famous at time of registration
         3. Is a trademark, word, or name protected by 18 U.S.C. § 706
      2. Court may order transfer/forfeiture of the mark, and damaged (if registered after date of the Act) (note: no sight/sound/meaning analysis – similarity alone)
    1. **Cases**
       1. *Sporty’s Farm v. Sportsman’s Market* (2d Cir. 2000)
          1. Δ gets www.sportys.com domain, Π uses “Sporty’s” in connection with their magazine selling aeronautical apparel – Δ begins selling Christmas trees through site to avoid infringement liability
          2. Bad Faith

“Sporty’s Farm” and “Omega” didn’t have IP rights in “Sporty’s”

Not a legal name of registrant

“Sporty’s Farm” was created in response to litigation, not at registration

No noncommercial/fair use

Domain sold to “Sport’s Farm” under suspicious circumstances

Mark is distinctive

Δ planned to enter direct competition with Π

* + - * 1. Held: Δ registered domain in bad faith effort to keep it from Π
      1. *Lamparello v. Falwell* (4th Cir. 2005)
         1. Δ registers www.fallwell.com as gripe site against Jerry Falwell
         2. LOC fails under *Bosley* – no use on/in connection w/ goods/services

*But see PETA* (2d Cir.) (linking to for profit is enough)

Still no LOC – home page prominently disclaimed affiliation with Π, never used in connection with goods/services

* + - * 1. No bad faith – gripe cite, no confusion, no attempt to transfer, didn’t register multiple domain names
  1. **Cybersquatting (Uniform Dispute Resolution Procedure – UDRP)**
     1. **4. Disputes for which you are required to submit to mandatory proceeding**
        1. A. When 3rd party asserts that
           1. Domain is identical/confusingly similar to Π’s trademark and
           2. Δ has no rights/legitimate interests WRT the domain name and
           3. Domain is **registered and used** in bad faith

*See especially Telstra*

* + - 1. B. Bad Faith Factors
         1. Circumstances indicating registration was for the purpose of selling/renting or transferring the domain to Π who is the owner of the mark, or competitor of Π
         2. Δ has registered the domain to prevent the owner of the mark from reflecting the mark in the domain (provided there is a pattern of such conduct)
         3. Registered in effort to disrupt the business of a competitor or
         4. By using domain, Δ intentionally attempted to create LOC and trade on Π’s goodwill by attracting Π’s customers
      2. C. Factors demonstrating legitimate rights in the domain
         1. Use/preparation to use domain connected with *bona fide* offering of services
         2. Δ is commonly known by the domain name even without trademark
         3. Δ makes legitimate noncommercial/fair use without intent for commercial gain to misleadingly divert customers/tarnish the mark
    1. **Cases**
       1. *Telstra v. Nuclear Marshmallows* (WIPO 2000)
          1. **Registered in Bad Faith** – Π is famous, Δ made deliberate effort to conceal identity, no legitimate use of the domain
          2. **Used in Bad Faith** – Passive holding of domain name is sufficient for similar reasons, especially efforts to conceal identity
       2. *Madonna Ciccone v. Dan Parisi & “Madonna.com”* (WIPO 2000)
          1. Δ registered “Madonna” mark in Tunisia, bought domain to start porn site
          2. Notice disclaiming connection to church and singer
          3. Pattern of conduct – owns other famous mark domain names
          4. Bad Faith – Disclaimer alone is insufficient, initial interest confusion, pattern of conduct, bad faith effort to transfer domain, bad faith trademark registration
       3. *Howard Jarvis Taxpayers v. Paul McCauley* (WIPO 2004)
          1. Trademark.TLD gripe site criticizing Π (hjta.com)
          2. 10y litigation between Π/Δ, noncommercial/fair use – no bad faith, not classic tarnishment (*i.e.* Δ operating porn site), excused initial interest confusion
          3. **Reverse domain name hijacking** 🡪 using UDRP in bad faith effort to deprive a domain name holder of their domain

1. **SECONDARY LIABILITY**
   1. **Analysis**
      1. **Contributory Infringement (*Tiffany v. eBay*; *Inwood*)**
         1. If Δ ***intentionally induces*** another to infringe a trademark
            1. Requires conduct that implies Δ is trying to persuade people to engage in infringing conduct (*Gucci v. Frontline*)
         2. If Δ ***continues to supply*** services to one whom it ***knows or has reason to know*** is engaging in trademark infringement (knowledge + material contribution)
            1. Requires more than generalized notice, must have **knowledge of specific instances of actual infringement**, and fail to act

No need to engage in efforts to monitor conduct (*Tiffany*)

* + - * 1. Willful Blindness – Subjective awareness of high probability of infringement and active effort to avoid obtaining specific knowledge
        2. Must show direct control and monitoring of the instrumentality used by a 3rd party to infringe Π’s mark (*Gucci v. Frontline*)

Look at extent of control over 3rd party’s means of infringement

* + - 1. Policy – Look for lowest cost enforcer of rights
    1. **Vicarious Infringement (*Gucci v. Frontline*)**
       1. Control (“right and ability to supervise” – partnership/ability to bind in K) and
          1. Puffing, like reference to customers as “partners” is not enough (*Louis Vuitton v. Akanoc* (ND Cal. 2008)
       2. Direct financial benefit from the infringement
  1. **Cases**
     1. *Tiffany v. eBay* (2d Cir. 2010)
        1. People selling counterfeit Tiffany’s goods on eBay
        2. *Inwood* – Δ intentionally induces another to infringe or continues to supply to someone it knows/has reason to know is infringing trademark 🡪 contributory
        3. Note: Δ had invested millions in attempting to staunch counterfeits
           1. VeRO (Verified Rights Owner Program) where Π can send Δ take-down notices and have products removed – includes 3-strikes program for infringers
     2. *Louis Vuitton v. Akanoc Solutions* (9th Cir. 2011)
        1. Finding contributory liability when host received multiple notifications but failed to take down listings of infringing merchandise
     3. *Gucci v. Frontline* (SDNY 2010)
        1. Three Δs involved in providing credit card services to infringing websites specializing in counterfeit goods – companies aren’t using the mark in commerce (no direct infringement)
        2. Inducement – Durango (middleman) intentionally induced when they advertised that they deal with “replica” producers and agent assisted websites in avoiding chargebacks
        3. Contributory infringement
           1. Woodforest/Frontline – Willfully blind to fact that goods were infringing; control demonstrated because infringement couldn’t occur without payments
           2. Note: 9th Cir. in *Perfect 10* – Distinguished holding that Δ couldn’t stop infringement there because infringement occurred on the website independent of any need to pay for the service (arguably not distinguished at all)

1. **FAIR USE AND OTHER EXPRESSIVE DEFENSES**
   1. **Generally**
      1. § 33(b)(4) – Defenses. Use of the name, term, or device charged to be an infringement is a use otherwise than as a mark, of the party’s individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin
      2. § 43(c)(3)(A) – Not actionable as dilution by blurring/tarnishment – Nominative or descriptive fair use including in connection with (i) advertising that permits consumers to compare goods or (ii) parody/comment of a famous mark owner/goods
   2. **Analysis – Classic/Descriptive Fair Use**
      1. Δ uses Π’s mark to describe Δ’s goods (§ 33(b)(4))
         1. *E.g.*, “We make copies quick” 🡪 Trademark “Quick Copy”
      2. **Elements** (*EMI Catalogue v. Hill, Holliday, Connor, Cosmopulos* (2d Cir. 2000))
         1. Δ uses the trademark other than as a mark
            1. Recurring themes/devices are more likely to be considered use “as a mark” rather than single iterations of a slogan (*Winfrey*)
         2. In a descriptive sense
         3. In good faith
            1. Show junior user had knowledge/constructive knowledge of senior user’s mark and chose to adopt a similar one (*Winfrey*)
            2. Failure to conduct trademark search (by itself) is not enough (*Dessert Beauty*)
   3. **Cases – Classic/Descriptive Fair Use**
      1. *KP Permanent Make-Up v. Lasting Impressions I* (2004)
         1. Mark: “Micro-colors” for use with permanent makeup
         2. Use: “Micro color pigment chart (note: strong argument it was use as a mark)
         3. SCUSA reversed 9th Cir. in scathing opinion – holding that Δ can assert fair use even if there is likelihood of confusion
      2. *Kelly-Brown v. Winfrey* (2d Cir. 2013)
         1. Δ uses “Own your power” on cover of magazine, in connection with ad campaign
         2. Π owns mark “Own your power”
         3. Threshold – Π must show Δ is using the mark in commerce (§ 45)
            1. On or in connection with goods/services
         4. Other than as a mark – systematic/repetitious use
         5. In a descriptive sense – held that the phrase didn’t describe any articles (concurring argues it describes the theme of the issue)
         6. In good faith – Notice from trademark search
      3. *Dessert Beauty v. Fox* (SDNY 2008)
         1. Mark is “Love Potion,” declaratory Π uses “deliciously kissable love potion fragrance” 🡪 Other than as a mark (statement in uniform font on bottle that contains Π’s mark as well)
         2. Descriptive – At least arguably describes product/properties of the product
         3. Held: Fair use
      4. *International Stamp v. US Postal Service* (11th Cir. 2006) (fair use of border design on greeting cards by US postal, note also prominently included their “eagle” mark)
      5. *Car-Freshner* (2d Cir. 1995) (fair use of tree shaped plug-in freshener as descriptive of Christmas season/smell, no need to consult counsel, okay they knew of Π)
   4. **Analysis – Nominative Fair Use**
      1. Δ uses Π’s mark to refer to Π’s products (§ 43(c)(3)(A))
         1. *E.g.*, “If you like Coca Cola, you’ll love Pepsi”
      2. **Simplified Likelihood of Confusion** (*Century 21 v. Lendingtree* (3d Cir. 2005))
         1. Price of the goods and other facts indicative of care/attention expected of customers when they make purchases
         2. Length of time Δ has used the mark without evidence of actual confusion
         3. Intent of the Δ in adopting the mark
         4. Evidence of actual confusion
      3. **Elements** (*New Kids on the Block v. News America* (9th Cir. 1992); *Century 21*)
         1. Product/service must not be readily identifiable without use of the mark
            1. Only need to show that ID of Π’s product would be significantly more difficult without the mark
         2. Δ must use only so much as is reasonably necessary to ID the product/service
            1. Consider how the mark is displayed – Using Π’s distinctive lettering?
            2. Using more of Π’s mark than is necessary? (*Century 21*)
         3. User must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder
            1. Presence of the mark is not enough, disclaimer is in Δ’s favor
      4. **Elements** (*Tiffany* (2d Cir. 2010))
         1. Necessary to describe Π’s product
         2. Does not imply a false affiliation or endorsement
   5. **Cases – Nominative Fair Use**
      1. *Smith v. Chanel* (9th Cir. 1968) (Holding nominative fair use when Δ uses Π’s mark “Chanel #5 in ad to claim their perfume is a perfect knock off)
      2. *Volkswagenwerk v. Church* (9th Cir.) (holding that VW couldn’t prevent repair shop from using its mark in ads they are able to repair VW cars)
      3. *Century 21 v. Lendingtree* (3d Cir. 2005) (Δ’s use of “Coldwell Bankers” in a general sense indicating an affiliation with Π on Δ’s website when, in fact, the association was with individual Π-franchisees – question is whether this is nominative fair use)
      4. *Tiffany v. eBay* (2d Cir. 2010) (argument that Δ’s purchasing of Π’s mark as a google search term for advertising was not nominative fair use – lays out 2d Cir. test arguing, *inter alia*, that knowledge that there are some counterfeit items are sold on Δ’s site is relevant to contributory infringement, but not direct infringement/fair use)
   6. **Analysis – Expressive Uses**
      1. **Likelihood of Confusion**
         1. Simplified Likelihood of Confusion
            1. *See MasterCard v. Nader 2000* (SDNY 2004)) (holding Δ’s use of “Priceless” would not cause likelihood of confusion/indicate endorsement)
         2. Parody as an Element of Likelihood of Confusion (*Haute Diggity Dog*)
            1. Strength of Π’s mark: Enough to recognize Π’s mark, but also see differences
            2. Similarity between the marks: Δ mimics Π’s mark, but distinguishes enough to see the satire (careful w/terms)
            3. Similarity of the products
            4. Channels of commerce: *i.e.* gag toys versus high end luxury items
            5. Δ’s intent: Intent of parody is not to confuse public, and intent to profit by parody is not bad faith
            6. Actual confusion
            7. *See also Smith v. Wal-Mart Stores* (N.D. Ga. 2008) (“Wal-o-caust”)
         3. *Rogers v. Grimaldi*
            1. Does the Δ’s use have any artistic relevance to Δ’s work?
            2. Does the Δ’s use explicitly mislead as to the source or content of the work?
         4. *See above* Nominative Fair Use
         5. “Alternative acenues of communication”
            1. *Mutual of Omaha v. Novak* (8th Cir. 1987) (holding that Π’s rights need not yield to the 1st Am. if adequate alternative avenues of communication exist)
      2. **Dilution**
         1. Exceptions under § 43(c)(3) (*Haute Diggity Dog*)
            1. Fair use – Use other than as a designation of source for Δ’s goods including

Ads that permit consumers to compare goods (nominative)

Identifying and parodying, criticizing, or commenting on famous mark owner or the goods/services

* + - * 1. News reporting and commentary
        2. Noncommercial use (*Mattel v. Walking Mountain* (9th Cir. 2003) (holding that photos of Barbie dolls in weird scenarios makes reference to Barbie then comments on commercialism 🡪 fair use)

*Mattel v. MCA* (“Barbie girl” song. Holding that **one drop of noncommercial expression** is enough to be noncommercial for § 43(c))

* + - 1. Analysis
         1. Increased burden to demonstrate that the distinctiveness of Π’s mark is likely to be impaired by successful parody
         2. Δ’s mark communicates that it is not Π’s mark despite the reference to Π
         3. Π’s mark is strong/distinctive, less likely to be impaired by parody
  1. **Cases – Expressive Uses**
     1. *Louis Vuitton Malletier v. Haute Diggity Dog* (4th Cir. 2007)
        1. Δ makes parody luxury goods that are dog toys
        2. Successful parody modifies likelihood of confusion analysis
           1. Parody – Uses Π’s expression to target Π
           2. Satire – Uses Π’s expression to target something/one other than Π

*See Smith v. Wal-Mart* (“Wal-o-cause” – Held no likelihood of confusion)

* + - 1. Modified likelihood of confusion
      2. Modified dilution analysis
      3. Where Δ uses parody as a designation of source (as a mark), there is no fair use
         1. Thus in this case, Δ is using the parody as a mark 🡪 need to do modified likelihood of confusion/dilution keeping parody in mind
    1. *Dr. Seuss Enterprises v. Penguin Books* (9th Cir. 1997) (holding there is a likelihood of confusion for satirical use of Dr. Seuss book to comment on OJ trial even though book declared itself a parody)
    2. *ESS Entertainment v. Rock Star Videos* (9th Cir. 2008)
       1. In-game fictionalized version of Π’s strip club
       2. Applied *Rogers v. Grimaldi*
          1. Balancing free expression versus consumer confusion
          2. Use must have no artistic relevance to the underlying work

*i.e.* greater than zero – game creates the “look and feel” of downtown LA so the strip club was relevant (in addition to all the other businesses)

* + - * 1. Game doesn’t explicitly mislead as to the source/content of the work

No suggestion of a connection/endorsement/sponsorship

Simply implements a generic version of Π’s strip club

1. **ABANDONMENT**
   1. **Generally**
      1. § 45 – A mark is abandoned
         1. (1) When its use is discontinued with intent not to resume such use. *Prima facie* abandonment is inferred from 3 consecutive years of non-use
            1. “Use” refers to *bona fide* use made in the ordinary course of trade, not merely to reserve a right in a mark
         2. (2) When the owner causes the mark to become generic (through omission or commission) or otherwise to lose its significance as a mark. Purchaser motivation shall not be a test for determining abandonment under this paragraph.
      2. Note: No time requirement, a mark can theoretically be abandoned in 1d
   2. **Analysis – Abandonment Through Failure to Use**
      1. Burden of persuasion – Δ has burden to persuade the court it is abandoned
         1. **Non-use** of the mark by the owner and **lack of intent to resume** use in the **reasonably foreseeable future** (*ITC v. Punchgini* (2d Cir. 2007))
      2. Burden of production – If *prima facie* abandonment is shown, shifts to Π
         1. Non-use for 3 consecutive years – Π must then show that, during the 3y, it intended to resume use in the reasonably foreseeable future (*ITC*)
            1. Evidence of activity outside the 3y period is competent to infer intent during the 3y period (*Crash Dummies*)
         2. Reasonably foreseeable future – Consider in context of the industry (*i.e.* I may only sell one fire truck every 5y so reasonably foreseeable might be a long time)
   3. **Cases – Failure to Use**
      1. *ITC v. Punchgini* (2d Cir. 2007)
         1. After showing *prima facie* abandonment, ITC came forward with
            1. Reasonable grounds – Indian regulations prevented use in US, but court discounts because they opened a place in the UAE
            2. Efforts to develop packaged food – Ignored because outside the US
            3. Attempts to ID US franchisees – Ignored because Π never responded to potential franchisees or seriously considered them
            4. Continued use outside US – Doesn’t count
      2. *Cumulus Media v. Clear Channel* (11th Cir. 2002) (holding that when Π abandoned their mark “The Breeze” in connection with radio, Δ couldn’t immediately begin use suggesting a connection with the original station – required curative steps to disclaim)
      3. *Crash Dummy Movie v. Mattel* (Fed. Cir. 2010)
         1. Trademark on “Crash Dummies” – Δ wants to make movie, games, etc.
         2. Π has mark for action figures. Tyco originally owned, discontinued in 1996
            1. 1998 – Π buys, turned down licensing opportunity
            2. 2000-2003 – Designed, tested, manufactured/marketed toys
            3. Mark cancelled in 2000 for failure to file § 8 declaration
            4. 2003, Δ files ITU, Π interferes
         3. Held: No abandonment
            1. Recorded assignment, considered licensing, significant activities in 2000-03
            2. Fell outside 3y period, but testimony regarding practices is competent to prove acts during the 3y period
   4. **Analysis – Abandonment Through Failure to Control Use – “Naked Licensing”**
      1. **Naked Licensing** – When licensor doesn’t exercise adequate QC over licensee’s use of the trademark such that the mark may no longer represent the quality of the product or service the consumer has come to expect
      2. **Elements** – Mark holder must demonstrate it (*Freecycle*)
         1. Retained K rights to control quality of the use of its mark
         2. Actually controlled the quality of the trademark’s use
         3. Or reasonably relied on the licensee to maintain the quality
            1. Requires “close working relationship”

Tome

Mount of product – *i.e.* provides 90% of the components sold by licensees

Family relationship

Licensor with close relationship to licensee’s employees and agreement is premised on that relationship

* 1. **Cases – Failure to Control**
     1. *FreecycleSunnyvale v. Freecycle Network* (9th Cir. 2010)
        1. FS is a member of TFN – Operate message boards to give free crap away
        2. Began in 2003 without TFN approval/involvement
        3. Contacted TFN and got response that it was ok to use TFN mark and offered to help produce a custom mark for her
        4. Only control was a “keep it free, legal, and appropriate for all ages” rule but was not uniformly understood/enforced
        5. Held: Naked license – No express license, no actual control (“keep it free” was not policed, non-commercial requirement is insufficient, etiquette guidelines were optional, “FS ethos” doesn’t refer to QC), they did rely – but reliance was unreasonable)

1. **FIRST SALE**
   1. **Analysis**
      1. **Refurbished Goods**
         1. Cases may be imagined where the reconditioning would be so extensive or so basic that **it would be a misnomer** to call the article by its original name **even with** “used” or “repaired” stamped on it (*Champion Spark Plug*)
            1. Inferiority is immaterial as long as Π is not identified with the inferior qualities of the product resulting from wear and tear or reconditioning (*Nitro*)
            2. Factors

Nature and extent of the alterations

Nature of the device and how it is designed

Whether the market has developed for service or spare parts

Whether end users are likely to be misled as to the party responsible for the composition of the product

* + - 1. Signaling – Lower price, clear/distinctive labeling, full disclosure of refurbishing process, repair doesn’t change design
    1. **New Goods Being Resold** – Material alterations to goods that would affect a consumer’s decision whether to purchase are not protected by first sale (*Davidoff*)
    2. **Modified Goods**
       1. *Cody* Rule – When the mark is used in a way that doesn’t deceive the public, we see no such sanctity in the word as to prevent it being used to tell the truth
          1. *Prestonettes v. Cody* (1924) (held repackaging of clearly labeled cosmetic products didn’t create a likelihood of confusion)
          2. *Rolex v. Meece* (5th Cir. 1998) (holding that jeweler who was replacing Rolex watches with diamond bezel then reselling without labeling created a likelihood of confusion – material change to the watch, and fooling customers into thinking they’re buying the genuine article)
  1. **Cases**
     1. *Champion Spark Plug v. Sanders* (1947)
        1. Δ selling refurbished sparkplugs made by Π – originally not well labeled, etc.
        2. DC holds that labeling on box and spark plug must be prominent and permanent
           1. Include description of what has been done to them
        3. Issue: Does Δ need to remove Π’s mark from its refurbished sparkplugs?
        4. Argument: If I replace a car’s transmission, do I have to remove the branding?
           1. When dealing with second-hand goods, consumers expect some diminution of quality which won’t be imputed to Π
        5. Key is clear labeling that the product is refurbished so no likelihood of confusion
     2. *Nitro Leisure Products v. Acushnet* (Fed. Cir. 2003)
        1. Refurbished golf balls – remove clear coat/paint, redo, restamp with Π’s mark and “refurbished” then resell
        2. *Davidoff* (11th Cir.) (holding that defacing the batch code from new grey market goods then selling them at lower cost was a material alteration to the goods not protected by first sale)
        3. Akin to first sale exception to dilution doctrine – “If you like Titlist balls, you’ll love our refurbished Titlist balls” (like nominative fair use)

1. **FALSE ADVERTISING**
   1. **Generally**
      1. § 43(a)(1)(A) – Basic infringement 🡪 “Unfair Competition”
      2. § 43(a)(1) – Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which
         1. (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his/her or another’s goods, services, or commercial activities
         2. Shall be liable in a civil action by any person who believes that he/she is or is likely to be damaged by such act
   2. **Analysis**
      1. **Commercial advertising or promotion** (*Gordon & Breach* (SDNY 1994))
         1. Must be commercial speech
         2. By a Δ in competition with Π
         3. For the purpose of influencing consumers to buy Δ’s goods or services
         4. Disseminated sufficiently to the relevant purchasing public to constitute advertising or promotion within the industry
      2. **Description or representation of fact**
         1. More than “puffery” (*Time Warner Cable v. DIRECTV* (2d Cir. 2007); *Lipton*)
            1. General claim of superiority that is nothing more than expression of opinion
            2. Exaggerated blustering/boasting which no reasonable buyer would be justified in relying – (*DIRECTV* – Heavily pixelated image suggesting inferior signal)
         2. Statement of fact is one that (*Pizza Hut v. Papa John’s* (5th Cir. 2000))
            1. Admits of being adjudged true or false in a way that
            2. Admits of empirical verification
      3. **That is false or misleading** (*SC Johnson v. Clorox* (2d Cir. 2001))
         1. If literally false or false by necessary implication (unambiguous)
            1. No extrinsic (survey) evidence is required
            2. Consumer deception/materiality presumed
            3. *Johnson v. Clorox* – Literally false commercial depicting Ziploc bag leaking at a rate faster than shown by “torture testing”
            4. *DIRECTV* – Claim that “you’re just not gonna get the best picture out of some fancy big screen TV without DIRECTV. It’s broadcast in 1080i” is literally false because cable broadcasts at the same resolution
            5. *DIRECTV* – Claim that “settling for cable would be illogical” in context of statements extolling virtues of DIRECTV HD picture quality was literally false by unambiguous implication (look to consumer rxn (*Am. Home*))
         2. If misleading 🡪 extrinsic evidence is required
      4. **That is material to consumers’ purchasing decisions**
         1. If literally false 🡪 materiality presumed; show actual deception or tendency to deceive, can’t rely only on Δ’s intent to show misleading statement (*Pizza Hut*)
      5. **Product is used in interstate commerce**
      6. **The Π has been or is likely to be injured as a result of the statement**
         1. Π/Δ direct competitors 🡪 harm is presumed whether literally false/misleading
   3. **Analysis – Establishment Claims**
      1. “Tests prove…” or “Studies show…”
      2. Π’s burden to prove literal falsity varies depending on nature of the ad (*Quaker*)
         1. **Where Δ’s claim is that the product is superior to Π’s**
            1. Π must prove Δ’s product is equal or inferior
         2. **Where Δ’s ad explicitly or implicitly represents test/studies prove superiority**
            1. Π can show tests didn’t establish the proposition for which they’re cited

Demonstrate tests are too unreliable to permit the conclusion

Or that the tests, even if reliable, don’t establish the asserted proposition

* 1. **Cases**
     1. *SC Johnson & Son v. Clorox Co.* (2d Cir. 2001)
        1. Two ads, literal falsity demonstrated when each time the bag is shown it is leaking – Π demonstrated through “torture testing” that the leaking was much less – materially misrepresented by the commercial (37% don’t leak at all)
     2. *Time Warner Cable v. DIRECTV* (2d Cir. 2007)
        1. Three different ads, Simpson, Shatner, and internet

Note: Companies are not generally liable when employees post criticisms of competitors on social media/make statements in stores (*Fashion Boutique v. Fendi* (2d Cir. 2002))

* + - 1. Simpson – The claim “you’re just not gonna get the best picture out of some fancy big screen TV without DIRECTV. It’s broadcast in 1080i” is literally false because cable broadcasts at the same resolution (literally false)
      2. Shatner – the claim that “with what Starfleet just ponied up for this big screen TV, settling for cable would be illogical” in context of other statements extolling the virtues of DIRECTV HD picture quality was sufficient to be literally false since it implied that cable was inferior in picture quality to DIRECTV (false by necessary implication)
      3. Implied falsity
         1. When advertisement relied on “clever use of innuendo, indirect intimations, and ambiguous suggestions,” instead of literally false statements, the truth or falsity of the ad “usually should be tested by the reactions of the public”
    1. *American Home Products* – When ad is not false on its face, but relies on indirect intimations, courts should look to customer reaction to determine meaning
    2. *Avis Rent-A-Car* – Consider overall context of an ad to discern meaning – look at the context of the business
       1. Statement that Hertz had more new cars that Avis had cars was literally false because it discounted part of Avis’s fleet that wasn’t in use
    3. *Pizza Hut v. Papa John’s* (5th Cir. 2000)
       1. “Better Ingredients. Better Pizza”
       2. Held
          1. The slogan alone is not an objectifiable statement of fact upon which consumers can justifiably rely – not actionable under § 43(a)
          2. When used in connection with some of the comparative testing advertising (comparing sauce and dough) conveyed objectifiable and misleading facts, Π has failed to adduce any evidence demonstrating that the facts conveyed by the slogan were material to the purchasing decisions of the consumers to which the slogan was directed
       3. Comparative ads
          1. Made the claim that Papa John’s “fresh-pack” sauce was superior to Pizza Hut’s “remanufactured” sauce – but had no data to support it
          2. Also claimed their use of filtered water was superior to Pizza Hut’s use of tap water without data to support difference
       4. The underlying statements in the ads were true, question was whether they had any actual effect on the taste 🡪 impliedly false without taste/preference testing
       5. Π failed to submit evidence of materiality in influencing purchasing decisions – requires actual data, not just subjective intent of Δ to convey an impliedly false statement
    4. *Novartis v. Johnson & Johnson* (3d Cir. 2002) – Unambiguous implication
       1. Mylanta commercial discussing “night time strength” held literally false by unambiguous implication that night time formulation was stronger when, in fact, it was identical to the daytime formulation
    5. *NBA v. Motorola* (2d Cir. 1997) (holding that the statement that SportTrax provided “game updates from the arena” was not “material” to consumer’s decision to purchase the service 🡪 so called “hot news” cases)
    6. *Salon v. L’Oreal* (SDNY 2011) (denying motion to dismiss reasoning that ads claiming hair care product is “in salons only” when available outside salons was materially misleading by misrepresenting an inherent quality of the product)
    7. *William Morris v. Group W* (9th Cir. 1995) (holding that the fact that Π filed 2 rather than 3 enforcement suits was unlikely to influence pharmacists’ purchasing decisions – message was that Π was willing to defend its IP rights)
    8. *Castrol v. Quaker State Corp.* (2d Cir. 1992) – Establishment claims
       1. Claim: “At this critical time [engine start up], tests prove Quaker State 10W-30 protects better than any other leading 10W-30 motor oil”
       2. DC injunction prevented ads whether or not “tests prove” language was used
          1. Held: Injunction isn’t overbroad because Π showed both that tests didn’t show what Δ claimed and that Π’s oil was, in fact, superior
    9. *Castrol v. Pennzoil* (3d Cir. 1993) – Establishment claims
       1. Pennzoil advertisement claiming it “outperforms any leading motor oil against viscosity breakdown” and provides “longer engine life and better engine protection” 🡪 general statement of superiority, not an establishment claim
       2. Π showed 2 industry standard protocols demonstrated Π’s oil was superior
       3. And showed Δ relied on a protocol that didn’t measure viscosity breakdown
       4. Held: False advertising
    10. *Schick v. Gillette* (D. Conn. 2005) – False Demonstration
        1. M3 Power razor ad with animation showing hairs extending in length and changing angle towards vertical – false by Π/Δ demonstrations that change in length was a misrepresentation (max change measured was 10%, not 4x)
    11. *Proctor & Gamble v. Haugen* (10th Cir.) – Commercial activities
        1. Discussion of how Π disposes of profits describes Π’s commercial activities
        2. Δ message on voicemail distro system re Π donating to satanic church is a false ad
  1. **False Advertising FTC Actions**
     1. **Analysis**
        1. Δ makes a
           1. Representation, omission or practice that is likely to mislead
           2. Consumers acting reasonable
           3. In a way that is material to such consumers’ purchasing decisions
        2. “Representation” – No extrinsic evidence required
        3. “Reasonable consumer” – If one of multiple meanings is false, Δ is liable for the false meaning
        4. “Material” – Representation pertaining to certain categories are presumptively material – *e.g.*, pharmaceuticals and the like
     2. **Generally**
        1. Implementing Statutes
           1. § 5(a)(1) of the FTCA (15 U.S.C. § 45(a)(1))
           2. § 12 of the FTCA (15 U.S.C. § 52)
        2. Procedure
           1. Civil investigative demand
           2. Proposed consent order

If rejected, FTC votes whether to file formal complaint

* + - * 1. If complaint filed – assigned to ALJ
        2. Appeal to full commission, then to appellate court
        3. FTCA does not provide private right of action

1. **RIGHT OF PUBLICITY**
   1. **Generally**
      1. § 3344 (CA)
         1. (a) Any person who knowingly uses another’s name, voice, signature, photograph, or likeness, in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods or services, without such person’s prior consent
            1. Damages: Higher of $750 or actual damages – punitive damages available

Cost and fee shifting automatic

* + - * 1. Burden: Π proves gross revenue attributable to the use, Δ proves deductibles
      1. (c) Employee likeness is presumed unknowing unless it is essential, and not merely incidental, to the ad
      2. (d) Use with news, sports broadcast, or political campaigns don’t require consent
      3. (e) Use in commercial ads isn’t automatically actionable, question of fact whether use is so directly connected with commercial sponsorship as to be actionable
      4. (f) Does not apply to the owners or employees of any medium used for ads
  1. **Analysis**
     1. **Standing** – Open question whether previous commercial exploitation is required
        1. McCarthy argues it is not, others argue it is – essentially a “celebrity status” req.
        2. Good argument that this requirement should be figured in damages not standing
     2. **Federal Law (Note: There is no federal right of publicity!)**
        1. *Waits v. Frito-Lay* (9th Cir. 1992) (upholding jury verdict of false endorsement under § 43(a) for Δ’s use of sound-alike in TV commercial)
        2. *White v. Samsung Electronics* (9th Cir. 1992) (holding that celebrity’s “mark” is her persona, denying MSJ – issue of fact whether commercial created likelihood of confusion re endorsement applying *Polaroid*-like factors)
        3. *Brown v. Electronic Arts* (9th Cir. 2013) (holding that Π failed to state a § 43(a) claim for Δ’s use of likeness in video game – reasoning under *Grimaldi* that the likeness was artistically relevant to the game’s attempt to simulate actual football and Π didn’t adequately allege that Δ explicitly mislead consumers as to the source/content of the work)
     3. **State Statutory Right of Publicity** (*see, e.g.*, § 3344(CA))
        1. Note: Can be very different state-to-state
           1. NY § 51 – privacy based – non-descendible/assignable
           2. CA § 3344 – property based – descendible (life + 70y), assignable
        2. “Likeness” under § 3344 (CA) requires more than a mere impersonation (*White* – “Robot” Vanna White was not sufficient to maintain § 3344 claim)
     4. **State Common Law** (Note: No NY common law right)
        1. CA Elements (*White*) – Π must allege
           1. The Δ’s use of Π’s identity

Can be based on impersonation

*Midler v. Ford* (9th Cir. 1988) (holding no COA for “sound alike” recording of song popularized – not a “likeness” or vocal imitation)

*Motschenbacher v. RJ Reynolds* (9th Cir. 1974) (holding a photo of Π’s race car in a TV commercial was close enough even though he was not visible driving the car to reach the jury)

*Carson v. Here’s Johnny Portable Toilets* (6th Cir. 1983) (holding that Π’s right of publicity was infringed when Δ marketed portable toilets under the brand name “Here’s Johnny” without Carson’s permission)

* + - * 1. Appropriation of Π’s name/likeness to Δ’s advantage, commercially/otherwise
        2. Lack of consent
        3. Resulting injury
      1. *In re NCAA Student Athlete* (9th Cir. 2013)
         1. Balancing test between 1st Am. and right of publicity

Whether the work adds significant creative elements to be transformed into something more than a mere celebrity likeness/imitation

* + - * 1. *Comedy III*: T-Shirts w/ drawing of 3 Stooges – infringing/non-transformative
        2. *Winter v. DC Comics* – Comic characters – half-worm half-human – based on two famous brother musicians 🡪 transformative/nonconventional depictions
        3. *Kirby v. Sega of America* – transformative use of a likeness of the singer Kierin Kirby – character used her “signature” lyrical expression – “ooh la la”
        4. *No Doubt v. Activision Publishing* – non-transformative use of the band members of No Doubt when Guitar Hero used their likeness by creating literal recreations of the band members doing the same activity by which the band achieved and maintains its fame
        5. Held: Use here is like the *No Doubt* case
  1. **Cases**
     1. *White v. Samsung Electronics* (9th Cir. 1992)
        1. Robot Vanna White – Held that
           1. Robot was not sufficiently a “likeness” to maintain § 3344 claim
           2. Δ has violated Π’s common law right of publicity by “impersonating” her
           3. Π alleged adequate facts to reach jury WRT likelihood of confusion/§ 43(a) with her “mark” being her celebrity persona
        2. Kozinski Dissenting (9th Cir. 1993 – *denial of rehearing en banc*)
           1. Under the majority, it is a new tort for ads to *remind* the public of a celebrity

All Δ did was use an inanimate object to remind people of Π

Did not use her name, voice, likeness, etc.

* + - * 1. Argument that simply because something is commercial doesn’t make it fail to be a parody

*Central Hudson* Test of Commercial Speech

Whether the speech restriction is justified by a substantial state interest

Whether the restriction directly advances the interest

Whether the restriction is narrowly tailored to the interest

1. **REMEDIES**
   1. **§ 34 – Injunctive Relief**
      1. *Juicy Couture v. Bella Intern.* (SDNY 2013) – PJ *applying eBay*
         1. Likelihood of success on the merits
         2. A likelihood of irreparable harm in the absence of the injunction
         3. The balance of hardships and
         4. That the public interest is not disserved by the injunction
         5. Also consider
            1. When there is uncertainty that Π will prevail
            2. But the costs outweigh the benefits of not granting
         6. Note: Irreparable harm may not be presumed on showing of likelihood of success on the merits, but is a strong indicator
   2. **§ 35(a) – Profits, Damages, Costs**
      1. **Δ’s Profits**
         1. No need to show intentional deception, but it is a factor
            1. 1, 3, 5, 7th Cir. say willfulness is not necessary, 2d Cir. is maybe
            2. Π need only show Δ’s gross profits, Δ demonstrates discounts
         2. Showing of actual confusion is generally not necessary
            1. *But see Banff v. Colberts* (2d Cir. 1993) (profits award premised on a theory of unjust enrichment requires showing of actual confusion, or at least proof of deceptive intent, so as to raise the rebuttable presumption of consumer confusion)
      2. **Damages sustained by Π**
         1. Generally Π shows actual confusion or willful intent
            1. Willful intent gives a presumption of actual confusion (not 3, 9th Cir.)
      3. **Costs of the Action**
      4. **In exceptional cases, court may award fee shifting**
   3. **§ 37 – General Equitable Power over Registration** (*i.e.* ability to modify marks, etc.)
2. **COUNTERFEITING**
   1. **§ 35(b) – Anti-Counterfeiting Remedies**
      1. For use of counterfeit mark, judgment up to 3x profits/damages (whichever is greater) + attorney’s fees
      2. **§ 45 –** A **counterfeit** is a spurious mark which is identical with, or substantially indistinguishable from, a registered mark
      3. **§ 349d)(1)(B)(i)** – Use of a counterfeit mark must be on goods for which the mark is registered
   2. **§ 35(c) – Statutory Damages for Use of Counterfeit Marks**
      1. $1k-$20k per counterfeit mark per type of goods
      2. Willful: Not more than $2mil per counterfeit mark per type of goods
      3. Examples
         1. *Louis Vuitton v. Akanoc* (9th Cir. 2011) (affirming $10.5mil for contributory trademark infringement)
         2. *State of Idaho Potato Com’n v. G&T Terminal Packaging* (9th Cir. 2005) ($100k in statutory damages against ex-licensee of certification mark whose continued use was deemed to be counterfeit use)
         3. *Mike v. Variety Wholesalers* (S.D. Ga. 2003) ($900k in statutory damages with $100k for 9 categories of counterfeit goods)
   3. **§ 34(d) – *Ex parte* Seizure Orders**
   4. **18 U.S.C. § 2320 – Criminal Counterfeiting**
      1. For first offense by individual, fine of not more than $2mil and/or imprisonment of not more than 10y (by corp., not more than $5mil)
      2. For second offense, not more than $5mil, 20y (by corp., not more than $15mil)