

Recent Developments in U.S. Trademark Law: A Summary of Federal Court and TTAB Cases

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Key Issues

- Federal Courts
 - The Trademark Dilution Revision Act
 - Increased Findings of Genericness
 - Trade Dress Infringement
 - Aesthetic Functionality Refinement
- Trademark Trial and Appeal Board
 - Citable and Precedential Decisions
 - Findings of Genericness and Descriptiveness
 - Likelihood of Confusion
 - Fraud on the PTO
 - Internet Evidence Procedure

Federal Court Overview

- Trademark Dilution Revision Act (TDRA), amended the Federal Trademark Dilution Act, codified as 15 U.S.C. § 1125(c)
 - Overrules the “actual dilution” requirement from the Supreme Court in *Moseley v. V Secret Catalogue, Inc.* (2003)
 - New “likely to cause dilution” standard of harm
 - Establishes a clearer standard of “general public” fame
 - Applies to inherently distinctive marks and marks with acquired distinctiveness
 - Applies retroactively for injunctive relief, but not for monetary relief

Federal Court Overview

- TDRA
 - Dilution by blurring: “association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark”
 - 6 factors for analysis (some overlap with likelihood of confusion analysis)
 - *Degree of similarity between the marks*
 - *Degree of inherent or acquired distinctiveness*
 - *Extent of substantially exclusive use of the mark*
 - *Degree of recognition of the mark*
 - *Intent to create an association with the mark*
 - *Any actual association between the marks*
 - Dilution by tarnishment: “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark”
 - Overrules dicta from the *Moseley* Court that tarnishment was not covered by federal antidilution law

Federal Court Overview

- TDRA
 - New fame standard: “a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner”
 - Overruled “niche fame” standard, previously applied in First, Third, Fifth, Seventh, and Ninth Circuits
 - 4 factors for consideration:
 - *Duration, extent, and geographic reach of advertising and publicity of the mark*
 - *Amount, volume, and geographic extent of sales of goods and services offered under the mark*
 - *Extent of actual recognition of the mark*
 - *Whether the mark was registered*

Federal Court Overview

- TDRA
 - Stronger exemptions from dilution liability
 - Nominative and descriptive fair uses:
 - Comparative advertising or promotions
 - Parody, criticism, commentary
 - However, there is no exemption if an alleged dilutor is using the mark as a “designation of source”
 - News reporting and commentary
 - Noncommercial uses

Federal Court Overview

- TDRA Cases: Dilution Found
 - *Dan-Foam A/S v. Brand Name Beds, LLC (S.D.N.Y.)*: TEMPUR-PEDIC mark, used on gray market mattresses, tarnished the goodwill of the mark owner
 - *Pet Silk, Inc. v. Jackson (S.D. Tex.)*: PET-SILK mark was famous in niche market, diluted by defendant's domain names that contained the mark
 - Note: the court applied an incorrect fame standard



Federal Court Overview

- Dilution Not Found
 - *Louis Vuitton Malletier v. Haute Diggity Dog (E.D. Va.)*: Court found no dilution by defendant's use of CHEWY VUITON marks on dog toys; considered them parodies
 - The court failed to apply the 6 new blurring factors
 - The court also failed to consider whether the defendant was using the mark as a designation of source
 - Case is currently on appeal with the Fourth Circuit, INTA has filed a brief in support of plaintiff



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Federal Court Overview

- Dilution Not Found
 - *Jarritos, Inc. v. Los Jarritos (N.D. Cal.)*: JARRITOS mark lacked general public fame
 - *Century 21 Real Estate, LLC v. Century Insurance Group (D. Ariz.)*: Defendant's CENTURY INSURANCE GROUP mark was not substantially identical to CENTURY 21
 - *Pan American World Airways, Inc. v. Flight 001, Inc. (S.D.N.Y.)*: globe marks were similar, but not likely to diminish association



Federal Court Overview

- TDRA Summary

- The TDRA should ease a plaintiff's burden of proof, but some evidence of likely dilution is necessary
- A mark must be sufficiently famous to the general public to warrant federal dilution protection, while less famous marks should look to state dilution laws
- Courts should consistently apply new blurring factors to ensure uniform application, preventing forum shopping
- Marks that are being used as a “designation of source” should not escape liability merely because they are a parody

Federal Court Overview

- Protection Issues
 - Proposed Marks Found To Be Generic
 - ASPIRINA (aspirin)
 - LAWYERS.COM
 - DISINFECTABLE (abrasive nail files)
 - M4 (rifles)
 - YELLOW CAB CO.
 - KETTLE CHIPS
 - BEEF STICK



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Federal Court Overview

- Protection Issues
 - Findings of Descriptiveness
 - WORK-N-PLAY (custom conversion vans)
 - JOHN ALLAN'S (surname, haircutting services)
 - Findings of Suggestive Marks
 - A RETURN TO A SIMPLER TIME and MEN'S SERVICES REDISCOVERED (haircutting services)
 - RED EYE (newspaper)
 - Findings of Arbitrary Marks
 - MONSTER (energy drink)
 - FREE PEOPLE (women's clothing)




Federal Court Overview

- Likelihood of Confusion
 - *Abercrombie & Fitch Co. v. Moose Creek (9th Cir.)*



abercrombie

MOOSE  CREEK®

Federal Court Overview

- Likelihood of Confusion
 - Confusion Found
 - *Abercrombie & Fitch Co. v. Moose Creek (9th Cir.)*
 - In their overall commercial contexts, the marks were substantially similar
 - Court also considered post-purchase confusion, estoppel issues

The Abercrombie logo consists of a silhouette of a moose standing and facing left, positioned above the word "abercrombie" in a dark blue, serif, lowercase font.

The Moose Creek logo features the word "MOOSE" in a dark blue, serif, uppercase font, followed by a silhouette of a moose standing and facing left, and then the word "CREEK" in a dark blue, serif, uppercase font with a registered trademark symbol (®) to its upper right.

Federal Court Overview

- Likelihood of Confusion
 - *McNeil Nutritionals, LLC v. Heartland Sweeteners, LLC* (E.D. Pa.)



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Federal Court Overview

- Likelihood of Confusion
 - Confusion Not Found
 - *McNeil Nutritionals, LLC v. Heartland Sweeteners, LLC (E.D. Pa.)*
 - There were several key differences between the SLENDA trade dress and the store-branded trade dress
 - Court also dismissed initial interest and post-purchase confusion arguments



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Federal Court Overview

- Likelihood of Confusion
 - *Hansen Beverage Co. v. National Beverage Corp.*
(9th Cir.)



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Federal Court Overview

- Likelihood of Confusion
 - Confusion Not Found
 - *Hansen Beverage Co. v. National Beverage Corp.* (9th Cir.)
 - Plaintiff's MONSTER energy drink trade dress bore a resemblance to Defendant's FREEK trade dress, but court found that common elements (such as aggressive graphics and bold colors) were widely adopted in the energy drink market



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Federal Court Overview

- Likelihood of Confusion
 - *Asics Corp. v. Skechers USA (C.D. Cal.)*



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Federal Court Overview

- Likelihood of Confusion
 - Confusion Not Found
 - *Asics Corp. v. Skechers USA (C.D. Cal.)*
 - Court denied injunctive relief, stating that the differences in the trade dress between the two shoe manufacturers outweighed the similarities (particularly the stripe design)



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Federal Court Overview

- Trade Dress Issues: Aesthetic Functionality
 - *AuTomotive Gold, Inc. v. Volkswagen of America, Inc.* (9th Cir.): key chains and license plate covers featuring unauthorized use of auto manufacturer logos was infringing, not functional because the logo was the actual benefit that consumers were purchasing
 - *Bd. of Supervisors v. Smack Apparel Co.* (E.D. La.): use of university colors was infringing, not functional because consumer demand emanated from the well-known color combinations (such as the purple and gold of L.S.U.)
 - *Walker & Zanger, Inc. v. Paragon Industries, Inc.* (N.D. Cal.): plaintiff's classical theme on stone and ceramic tiles was not aesthetically functional, merely ornamental
 - *Sun Water Sys., Inc. v. Vitasalus, Inc.* (N.D. Tex.): the color blue on a water filtration system was functional, not protectable trade dress

Federal Court Overview

- Trade Dress Issues: Design Patents and Non-functionality
 - A *utility* patent is evidence of functionality (according to the U.S. Supreme Court in *TrafFix Devices, Inc. v. Marketing Displays, Inc.*)
 - Alternatively, a *design* patent is evidence of non-functionality
 - No presumption of non-functionality, merely evidence (*Keystone Mfg. Co. v. Jaccard Corp., W.D.N.Y.*)



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Federal Court Overview

- False Advertising Claims

- *Muzikowski v. Paramount Pictures Corp.* (7th Cir.): character portrayal loosely based on plaintiff did not deceive a substantial segment of the film’s reviewers
- *ITC Ltd. v. Punchgini, Inc.* (2nd Cir.): foreign BUKHARA mark owner lacked standing to assert claim against restaurateur BUKHARA GRILL
- *Baden Sports, Inc. v. Molten (W.D. Wash)*: false advertising claims that technology was “exclusive” and “proprietary” were barred by copyright law because they relate to authorship/inventorship, but “innovative” and “new” claims were not barred
- *CKE Restaurants, Inc. v. Jack in the Box, Inc.* (C.D. Cal.): court refused injunctive relief for implied false advertising claim alleging that defendant’s commercials implied that plaintiff’s Angus hamburger was made from cow’s “anus”

Federal Court Overview

- False Advertising Claims
 - *CKE Restaurants, Inc. v. Jack in the Box, Inc.* (C.D. Cal.)



SIRLOIN SPOT ONE.mov



JIB SIRLOIN SPOT TWO.wmv

Federal Court Overview

- Anti-Cybersquatting Claims
 - *Pet Silk v. Jackson (S.D. Tex.)*: defendant's domain names, including www.petsilkonline.com, were registered in bad faith
 - *Bay State Savings Bank v. Baystate Financial Services, Inc. (D. Mass.)*: defendant's domain name, www.baystatefinancial.com, was not registered in bad faith because it had prior legitimate rights in the name
 - *HER, Inc. v. Re/Max First Choice, LLC (S.D. Ohio)*: defendant's domain name, www.insiderealliving.com, was registered in bad faith in light of plaintiff's REAL LIVING mark

Federal Court Overview

- Abandonment
 - *Burgess v. Gilman (D. Nev.)*: court found excusable non-use of WORLD FAMOUS MUSTANG RANCH and related marks
 - No “concrete plans” for future use were necessary for continued trademark protection
 - Mark owner successfully rebutted the presumption of abandonment



Federal Court Overview

- Use of a Trademark
 - Section 2(d) use: use requirement is less than “use in commerce” (*First Niagara Ins. Brokers, Inc. v. First Niagara Financial Group, Inc., Fed. Cir.*)
 - Foreign mark owners: must use in United States; no reliance on “famous marks doctrine” (*ITC Ltd. v. Punchgini, Inc., 2d Cir.*)—conflicts with Ninth Circuit precedent which recognized the famous marks doctrine (*Grupo Gigante*)
 - Section 7(d) use in commerce: exclusive right is limited to “lawful” uses (*CreAgri, Inc. v. Usana Health Sciences, Inc., 9th Cir.*)
 - Section 45 use in commerce: mere advertising or promotional use is insufficient (*Barefoot Architect, Inc. v. Bunge, D.V.I.*)

Federal Court Overview

- Gray Market Goods
 - *Dan-Foam A/S v. Brand Name Beds, LLC (S.D.N.Y.)*: gray market TEMPUR-PEDIC mattresses had material differences in quality, thus infringing and diluting plaintiff's mark
 - *Zino Davidoff SA v. CVS Corp. (S.D.N.Y.)*: plaintiff's DAVIDOFF fragrances met quality control standard, supporting infringement
 - *Krasnyi Oktyabr, Inc. v. Trinili Imports (E.D.N.Y.)*: defendant's gray market goods were not "genuine," and thus infringing, because they did not meet plaintiff's quality control standard
 - *Philip Morris USA, Inc. v. Veles, Ltd. (S.D.N.Y.)*: gray market cigarettes were infringing because of material differences in quality

Federal Court Overview

- Survey Evidence
 - *Renaissance Greeting Cards, Inc. v. Dollar Tree Stores, Inc. (4th Cir.)*: no survey evidence offered in support of infringement claim
 - *Hodgdon Powder Co. v. Alliant Telesystems, Inc. (D. Kan.)*: court excluded survey evidence that was completely unreliable, improper universe, disproportionate survey, and poor questions
 - *CKE Restaurants, Inc. v. Jack in the Box, Inc. (C.D. Cal.)*: court denied injunctive relief because plaintiff's pilot survey featured leading, closed-ended questions
 - *Nike, Inc. v. Nikepal Int'l, Inc. (E.D. Cal.)*: NIKE mark was not diluted, plaintiff's survey failed to present evidence of association among general public

Federal Court Overview

- Remedies
 - Courts have increasingly adopted injunctive relief test from Supreme Court's *eBay v. MercExchange* decision (eliminating categorical rules in patent context)
 - Courts have also expanded the test to preliminary and permanent injunctive relief (*Burgess v. Gilman, D. Nev.*)
 - However, other courts continue to recognize various presumptions:
 - Likelihood of confusion presumes a likelihood of success on the merits and irreparable harm (*American Ort, Inc. v. Israel, S.D.N.Y.*)
 - Explicitly false comparison advertisements creates presumption of irreparable harm (*Mutual Pharm. Co. v. Ivax Pharm., Inc., C.D. Cal.*)
 - Lanham Act does not preempt punitive damages provisions in state unfair competition law (*JCW Investments, Inc. v. Novelty, Inc., 7th Cir.*)

TTAB Overview

- Citable and Precedential Decisions
 - The Board clarified the weight of its decisions in the Official Gazette Notices of January 23, 2007:
 - Any case may be cited to the Board for any “persuasive value”
 - Only cases designated as precedential are binding

TTAB Overview

- Genericness

- Found

- *In re Active Ankle Systems, Inc.*: DORSAL NIGHT SPLINT a generic phrase

- Not Found

- *In re Council on Certification of Nurse Anesthetists*: CRNA not generic for “certified registered nurse anesthetist”

TTAB Overview

- Descriptiveness Found
 - *In re Litehouse, Inc.*: CAESAR!CAESAR! descriptive for salad dressings
 - Punctuation and repetition merely emphasis and do not overcome descriptiveness
 - The applicant is not denied equal protection despite the prior registration of PIZZA!PIZZA! to a third party
 - Each application must be decided on its own merits and is not bound by other registrations
 - That marks may have been registered in error “does not mean that the agency must forgo applying [the applicable] standard in all other cases”



TTAB Overview

- Geographically Deceptively Misdescriptive
 - *In re South Park Cigar, Inc.*: YBOR GOLD misdescriptive of the place of origin of applicant's cigars
 - Section 2(e)(3) is the correct statute under which to analyze an allegedly geographically deceptive mark



TTAB Overview

- Likelihood of Confusion
 - *In re Fiesta Palms, LLC*: CLUB PALMS MVP confusingly similar with MVP for casino services
 - *Schering-Plough Healthcare Prods., Inc. v. Huang*: DR. AIR confusingly similar with DR. SCHOLL'S and AIR-PILLO, when considered conjointly
 - *Nike, Inc. v. WNBA Enterprises, LLC*: Applicant's "S and Star" design mark confusingly similar with opponent's "S and Star" design marks



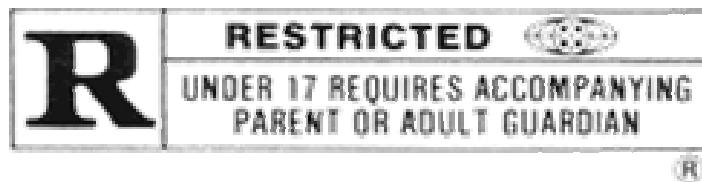
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Nike, Inc. v. WNBA Enterprises, LLC



TTAB Overview

- Likelihood of Confusion, cont'd
 - *Motion Picture Association of America, Inc. v. Respect Sportswear, Inc.*: RATED R mark for clothing likely to cause confusion with RATED R certification mark for movie ratings
 - To analyze likelihood of confusion with a certification mark, it must be considered how the end users of the certification mark will use it; here, in the promotion of films



TTAB Overview

- Likelihood of Confusion Not Found
 - *7-Eleven, Inc. v. Wechsler*: Applicant's GULPY mark for portable water dishes for dogs not likely to cause confusion with opponent's family of GULP marks for food and beverage containers for humans

7-Eleven, Inc. v. Wechsler

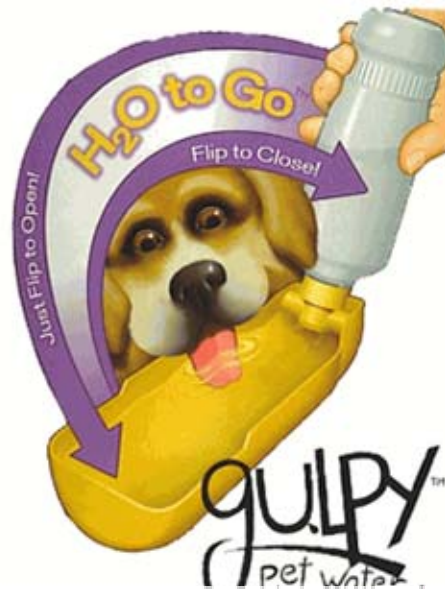


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TTAB Overview

- Dilution Not Found
 - *7-Eleven, Inc. v. Wechsler*: Applicant's GULPY mark for portable water dishes for dogs does not dilute opponent's BIG GULP mark for beverage containers for humans
 - Although BIG GULP met the standard of fame for dilution, the two marks are not the same or substantially similar, as required for dilution

7-Eleven, Inc. v. Wechsler



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TTAB Overview

- Fraud on the PTO Found
 - *Hurley Int'l LLC v. Volta: THE SIGN*
 - Applicants had not used the mark, as they had asserted on their application, in commerce for U.S. trademark purposes
 - None of the specimens provided had ever been used in U.S. commerce
 - Specific intent not required for fraud, and claimed mitigating factors were irrelevant in light of the actual application
 - After publication but before registration, there is no right to amend an application to avoid fraud

TTAB Overview

- Fraud on the PTO Found, cont'd
 - *Hachette Filipacchi Presse v. Elle Belle, LLC*: ELLE BELLE
 - Applicant had not used the mark on several categories included on the application for the mark
 - Applicant's claim that a language barrier prevented him from understanding the application he signed as well as from communicating effectively with his attorney was irrelevant to the finding of fraud
 - Specific intent is not a requirement for fraud
 - The client and attorney share responsibility for effective communication and an accurate application

TTAB Overview

- Procedure: Internet Evidence
 - *Motion Picture Association of America, Inc. v. Respect Sportswear, Inc.:*
 - The transitory nature of Internet postings prohibit judicial notice of Internet search engine or web page results without printed corroboration
 - *In re IP Carrier Consulting Group:*
 - Wikipedia evidence will be considered if “the non-offering party has an opportunity to rebut that evidence by submitting other evidence that may call into question the accuracy of the particular Wikipedia information”
 - Evidence should be submitted to corroborate a Wikipedia entry