IP Survey

- Overheads for module 5:
- Trademarks

Trademarks

- Signal a common source, or at least affiliation
- Words, phrases, logos . . .
- Federal / state regimes
- Use in commerce
  - Law of marks is based on use of the brand on goods
  - Exclusivity derives from that type of use in commerce
  - Must:
    - “Affix” the mark to goods
    - Move the marked goods in commerce
  - Registration not needed – but Federal registration is highly beneficial
- Service marks
  - Used “in connection with” services to signal common source
- Certification / Collective marks
Trademarks

The term "trademark" includes any word, name, symbol, or device, or any combination thereof –

(1) used by a person, or
(2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,

to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown. 15 U.S.C. § 1127 (Lanham Act § 45)
**Trademarks & Trade Dress**

- Tort-based origins
  - Goodwill misappropriation
  - Consumer deception

**Trademark**

<table>
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- “Brilliant” for diamonds
- “Brilliant” for shoe polish
- “Brilliant” for canned apple sauce
Descriptive?

- character
- function
- feature
- quality
- ingredient
- nature
- purpose
- use
- characteristics
  - dimensions, color, odor...
Can “color alone” be a trademark?

Definition of “trademark” in Lanham act?
- Restrictive? (shape, sound, fragrance)

Status of color as a trademark
- If it obtains secondary meaning?
- If it does not?
- Can color be inherently distinctive? See WalMart, pg. 567
- What if the color has functional characteristics?
  - Interaction with patent law?

Jacobson’s counter-arguments
- Shade confusion
  - Courts can make these distinctions
- Limited supply of colors
  - Functionality doctrine
- No need for color alone to be a trademark – it can be part of a trademark and producers can also rely on trade dress
  - trademark is more helpful than trade dress
Qualitex

- Test for a functional characteristic
  - Traditional rule – functional design
    - essential to the use or purpose, OR
    - affects the cost or quality
  - Aesthetic functionality
    - if exclusive use would put competitors at a significant non-reputation-related disadvantage
- See TrafFix
- Functional use of color:
  - Black for a boat’s outboard motor; green for farm machinery

Certification Marks

- The term "certification mark" means any word, name, symbol, or device, or any combination thereof –
  - (1) used by a person other than its owner, or
  - (2) which its owner has a bona fide intention to permit a person other than the owner to use in commerce and files an application to register on the principal register established by this chapter,
  - to certify
    - regional or other origin,
    - material,
    - mode of manufacture,
    - quality,
    - accuracy,
    - or other characteristics of such person’s goods or services
    - or that the work or labor on the goods or services was performed by members of a union or other organization. 15 U.S.C. § 1127
- Must be open to any producer that meets the standards.
Collective Marks

- The term "collective mark" means a trademark or service mark –
  - (1) used by the members of a cooperative, an association, or other collective group or organization, or
  - (2) which such cooperative, association, or other collective group or organization has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,
- and includes marks indicating membership in a union, an association, or other organization. 15 U.S.C. § 1127

- Two possible functions of the collective mark with respect to the association, union, cooperative, fraternal organization or other organized collective group using the mark:
  - As a mark adopted for use only by its members, who in turn use the mark to identify goods or services – mostly treated as ordinary trademarks/service marks
  - Solely to identify the person displaying a mark as a member of the collective group – a membership mark

- The term "mark" includes any trademark, service mark, collective mark, or certification mark. 15 U.S.C. § 1127

Trade Dress and Product Configuration

- Trade Dress
  - The packaging materials and other product presentation effects carry source indicating significance

- Product design and shape – Product Configuration
  - Can carry source indicating significance

- Both registrable, but both often protected under § 43(a) without registration
**Lanham Act § 43(a) - False Designations of Origin**

- 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, . . ., which -
  - (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, or
  - (B) . . .
  - 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. 15 U.S.C. § 1125.

**Lanham Act § 32(1) - Infringement**

- (1) Any person who shall, without the consent of the registrant -
  - (a) 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; or
  - (b) . . .
  - shall be liable in a civil action by the registrant for the remedies hereinafter provided. 15 U.S.C. § 1114.
Zatarain’s

- Attributes of Zatarain’s marks?
- Classification of marks?
- Secondary meaning?

Zatarain’s

- Fish-Fri
  - Suggestive or generic – either side of descriptiveness
    - Dictionary - ordinary significance and meaning of the words
    - Imagination test
    - Whether competitors need to use the term
    - Extent of actual use by others to describe/identify
  - Secondary meaning
    - What if a mark is incontestable?
  - Factors / Circumstantial evidence
    - Amount of advertising and promotion of mark and connection to product
    - Volume and type of sales (repeat?)
    - Length and manner of use of mark
    - Market research - testimony / articles / reviews / surveys
      - Surveys – most direct and persuasive
      - Bad faith copying (“NY rule”)
    - Used fairly in good faith only to describe to users the goods or services . . . or their geographic origin.
      - Impact of trade dress on “fair use” in this case?
Zatarain’s

- Chick-Fri
  - Classification?
  - Secondary meaning?

Two Pesos

- Can trade dress be inherently distinctive?
- If so, does it require secondary meaning?
  - What was the circuit split?
  - Why not require secondary meaning?
**Wal-Mart v. Samara**

- Product design acting as an indication of source
- Comparison of product design as a source indicator to word marks and packaging
  - Affixed word marks or certain packaging allow a customer to almost automatically determine that the mark/packaging is an indicator of source
  - For those items where it is not reasonable to conclude that a customer will "automatically" think "single source" – need secondary meaning
    - Descriptive word marks
    - Geographic designations
    - Names
    - Product design
- Why? – no clear test possible; threat of suit
  - Design patent or © protection reduces harm to producer
- What about Two Pesos?
  - Product design is "different" from trade dress
  - Distinguishing between these two is easier than determining when product design is inherently distinctive

**Zazu Designs v. L’Oreal**

- Potential obstacles to L’Oreal’s use of the mark:
  - Federal registration for clothing
  - Two state service marks
- How did L’Oreal respond to these obstacles?
- How is the exclusive right of a mark/product association established? - use requirement
  - To register a mark
  - To protect an unregistered mark
- Significance of L’Oreal’s knowledge of ZHD’s plans to create and market hair care products?
**Zazu Designs v. L’Oreal**

- **Timeline for use of “Zazu”:**

<table>
<thead>
<tr>
<th>Date</th>
<th>L’Oreal</th>
<th>ZHD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov. 1985</td>
<td></td>
<td>Some sales</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 2 bottles to friend in Texas</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 40 bottles to stylist in Florida</td>
</tr>
<tr>
<td>Late 1985</td>
<td></td>
<td>Ordered 25,000 bottles</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ordered labels for bottles</td>
</tr>
<tr>
<td>Apr. 1986</td>
<td>Small interstate shipment</td>
<td></td>
</tr>
<tr>
<td>June 1986</td>
<td>Filed for federal registration</td>
<td></td>
</tr>
<tr>
<td>August 1986</td>
<td>Had advertised and sold its products nationally</td>
<td></td>
</tr>
<tr>
<td>Sept. 1986</td>
<td>Sales in salon</td>
<td></td>
</tr>
</tbody>
</table>

**Dissent**

- Was L’Oreal acting in good faith?
  - Compare its action with respect to ZHD to its actions with respect to Riviera, the men’s clothing retailer
- ZHD had a service mark
  - Reasonable area of expansion is to use the mark on a related product sold from the retail outlet delivering the service
- There is no consequential distinction between use to quality for registration compared to use sufficient to protect an unregistered mark
  - Anything more than a sham transaction is sufficient
  - ZHD’s is surely more than de minimis
- ZHD at least has rights in the local market
  - ZHD’s local rights should extend nationally because L’Oreal acted in bad faith
  - Bad faith is not solely used to deter attempts to reserve marks prior to genuine sales
Lanham Act § 45 – “use in commerce”

- 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. For purposes of this chapter, a mark shall be deemed to be in use in commerce –
  - (1) on goods when –
    - (A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and
    - (B) the goods are sold or transported in commerce, and
  - (2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services. 15 U.S.C. § 1127.

- Application for bona fide intention to use trademark
  - A person who has a bona fide intention, under circumstances showing the good faith of such person, to use a trademark in commerce may request registration of its trademark . . . 15 U.S.C. § 1051(b)(1).

Geographic Limitations

- Two c/l users of the same TM
- c/l rule – only protected where products sold or advertised
- Exceptions:
  - Where reputation established
  - Normal expansion of business
  - Anywhere someone intentionally trades on the TM owner’s goodwill
  - Earlier user has superior rights in area of overlap

- User One
- User Two
Geographic Limitations

- Earlier c/l user federally registers
- Non-registering user – "limited area" defense
  - Frozen to areas of operation before federal registration
    - Perhaps in areas not used by senior, now registered, user (Dawn Donut Rule)
  - Some zone of natural expansion possibly allowed
- In the remainder of the country, the registered user has senior rights

- User One (registered)
- User Two

Refusing Registration

- Grounds for refusal
  - immoral, deceptive, or scandalous matter, or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute . . .
  - flag or coat of arms or other insignia [of a jurisdiction]
  - name, portrait, or signature identifying a particular living individual except by his written consent . . .
  - a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive [but – Concurrent Registration is a possibility] . . .
  - primarily geographically deceptively misdescriptive of [the goods]
  - [the mark] comprises any matter that, as a whole, is functional
- Unless there is secondary meaning:
  - merely descriptive or deceptively misdescriptive of [the goods]
  - primarily geographically descriptive of [the goods], except as indications of regional origin may be registrable under section 1054 [Collective and Certification marks]
  - merely a surname
One example of a registration attempt the PTO thought was defamatory...

Registration was refused on the grounds that the mark was “disparaging to the office of the President of the United States of America” and therefore unregistrable under 15 USC 1052(a).

In re Nantucket

- NANTUCKET for men’s shirts
- TTAB – is mark either:
  - Primarily Geographically Descriptive - §2(e)(2) [§1052] (“PGD”)
  - Primarily Geographically Deceptively Misdescriptive - §2(e)(3) (“PGDcM”)
- Problems with TTAB logic
  - mark is evaluated “when applied” to the goods - §2(e)(2)
  - implications of “deceptively” in §2(e)(3)
- CCPA – Judge Markey
  - Can’t say whether PGDcM w/out considering whether the public associates the goods with the place which the mark names
  - Public association or “noted for” test
Steps for analysis of geographic marks

1. Does the designation (i.e., the mark) primarily have geographic significance
   - The designation is a place or
     - a term that suggests a place ("Loch-a-more")
   - Primarily perceived as a geographic term
   - HYPOS –
     - PINEHURST • CAMBRIDGE • BLACK HILLS

Lanham Act §2 [TM not refused registration unless it]
2(e) Consists of a mark which, (1) when used on or in connection with the goods of the applicant is merely descriptive or deceptively misdescriptive of them, (2) when used on or in connection with the goods of the applicant is primarily geographically descriptive of them, except as indications of regional origin may be registrable under section 4, (3) when used on or in connection with the goods of the applicant is primarily geographically deceptively misdescriptive of them, (4) is primarily merely a surname, or (5) comprises any matter that, as a whole, is functional.

2(f) Except as expressly excluded in subsections (a), (b), (c), (d), (e)(3), and (e)(5) of this section, nothing herein shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant’s goods in commerce. . . . [5 years - substantially exclusive and continuous use] . . .

Steps for analysis of geographic marks

2. Is there a good/place association?
   - Nantucket refers to DUTCH BOY –
     - no likelihood that purchasers would think the paint is from/provided/produced/processed or of same distinctive kind or quality as paint from Holland
     - NOTE – this is not a secondary meaning inquiry because the goods are not from a single source in the place
   - Are people likely to think that the good came from there?
     - Example: Alaska for bananas versus salmon
   - If NO – stop – the designation is protectable – (neither §2(e)(2) nor §2(e)(3) are in play)
     - Irrespective of secondary meaning

273 Rodeo Drive for perfume
**Steps for analysis of geographic marks**

3. Does the good come from the place designated or connoted by the geographic mark?
   - **YES**
     - PGD - §2(e)(2)
     - Only protectable if §2(f) “saves” it
       - How does §2(f) work?
       - It allows certain marks prohibited by other provisions in §2 to be registerable if the mark *has become distinctive of the applicant’s goods in commerce*
         - What does the highlighted phrase signify? – Secondary Meaning!
         - Example – PINEHURST for resort and golf services
   - **NO**
     - PGDcM - §2(e)(3)
     - Not registerable (if good/place association is material)

**Surnames as marks**

- “primarily merely a surname” - §2(e)(4)
  - old common law policy in favor of the right to use one’s name
  - versus – confusion for purchasers with second comer using same name in an era of mass production & modern marketing
  - is second comer merely trying to trade on the good will of the first?
  - sometimes tailor the remedy for the junior user – allow use if junior user disclaims any connection with the more famous senior user

- Does §2(f) also “save” a surname registration?  
  - Yes - not registerable w/out secondary meaning

- When is a word a surname for purposes of §2(e)(4)?
  - the average member of the purchasing public would, upon seeing the word used as a trademark, recognize it as a surname
Surnames as marks

- Example - GARAN
  - Registration by Garan, Inc.
    - Fancifully chosen, but also turned out to be a rare surname
    - For use of GARAN on hosiery, used on a variety of clothing . . .

- Example – Problem 5-5
  - Gallo Cattle

Other procedures

- Opposition
  - Opposer needs to prove –
    - likely to be damaged by the registration; and
    - valid legal grounds why the applicant is not entitled to register the claimed mark
  - often used grounds include:
    - Insufficient use in interstate commerce
    - §2(d) – Likelihood of Confusion – using same test as used in general litigation

- Cancellation
  - Petition before the TTAB, or a court can order cancellation in civil suits where a federally registered mark is at issue

- Concurrent Registration - §2(d)
  - [If the PTO finds that] confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods on or in connection with which such marks are used, concurrent registrations may be issued . . .
### Trademark

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<td></td>
<td>Dog Chow</td>
<td>Qips</td>
<td>EXON</td>
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- “Brilliant” for diamonds
- “Brilliant” for shoe polish
- “Brilliant” for canned apple sauce

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**Park ‘N Fly (“PNF”) v. Dollar Park and Fly (“DP&F”)**

- **How does mark become incontestable?**
  - Section 15 affidavit when mark “has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce” provided that -
    - no final adverse ownership/registration decision
    - no current court or PTO proceeding
    - affidavit is filed within one year after the expiration of any such five-year period
    - AND
      - mark has not become generic for the goods for which it is registered
  - Since PNF is incontestable under §33(b), what issue is raised?
    - Before a mark is incontestable, any legal or equitable defense can be brought as might have been asserted if the mark were not registered. §33(a).
  - Incontestability is conclusive evidence of validity, registration, ownership, and exclusive right to use the mark §33(b)
    - This “conclusive evidence shall relate to the exclusive right to use the mark on or in connection with the goods or services specified in the affidavit” §33(b)
  - Once incontestable, use of mark is subject to conditions of §15 and defenses of §33(b) [Casebook says seven, today there are nine]
    - Mere descriptiveness is mentioned by neither.
Park ‘N Fly (“PNF”) v. Dollar Park and Fly (“DP&F”)

- Dissent
  - “incontestable” is confusing given the many ways “infringement” is allowed in the statute – and the word is not defined in the Lanham Act
    - See pg. 712, footnote 1, tracing the conditions and defenses for incontestability
  - The term “Park ‘N Fly” is at best merely descriptive
    - PNF never submitted proof to the PTO of secondary meaning – statutory requirements of §2(f) were not followed
  - Should we trust the registration process?
    - Better to require proof of secondary meaning when a mark is challenged so that fundamentally unregisterable marks are not immunized by incontestability
  - The mere passage of time does not make a mark distinctive
  - If the motif is “quiet title” – incontestability should not be used to create the “trademark property” itself

- Contrast with patents

AMF v. Sleekcraft

- AMF sells Slickcraft
  - Senior, federally registered user
- Nescher sells Sleekcraft
  - Junior user

- Competitive, related, or unrelated goods?
  - Attributes of submarkets?
- Type of confusion at issue?
  - Consumers will believe that the infringer’s product [Sleekcraft] is the same as the trademark owner’s product [Slickcraft] because of the similarity of the marks
AMF v. Sleekcraft

- Likelihood of Confusion factors
  1. strength of the mark
  2. proximity of the goods
  3. similarity of the marks
  4. evidence of actual confusion
  5. marketing channels used
  6. type of goods and the degree of care likely to be exercised by the purchaser
  7. defendant's intent in selecting the mark
  8. likelihood of expansion of the product lines

1. strength of the mark
   - Slickcraft is suggestive when applied to boats
   - Weak mark entitled to a restricted range of protection

2. proximity of the goods
   - The closer the goods, the greater danger the public will mistakenly assume an association between the producers of the related goods, so the less tolerance for close marks
   - Sold to the same class of purchasers? (see Death Tobacco v. Black Death, note 1)
     - Here, goods are extremely close in use and function with some overlap, even though non-competing

3. similarity of the marks
4. evidence of actual confusion
5. marketing channels used
6. type of goods and the degree of care likely to be exercised by the purchaser
7. defendant's intent in selecting the mark
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**AMF v. Sleekcraft**

1. **strength of the mark**
2. **proximity of the goods**
3. **similarity of the marks**
   - Sight, sound and meaning
   - Tested as encountered in the marketplace
   - Compare the marks as a whole, don’t dissect unless trying to eliminate trademark coverage for generic, functional or disclaimed portions of a trademark or trade dress
   - Similarities weigh more heavily than differences
   - Very similar – only two letters differ
     - Nescher argues that the unique Sleekcraft logo makes them dissimilar
     - Nescher also argues that Slickcraft AMF – that is, appending a “house” mark eliminates confusion
4. **evidence of actual confusion**
   - Persuasive proof, but difficult to prove, often brought by parties in unclear or insubstantial form
   - Actual or anecdotal evidence, or with a survey, strictly screened
   - Here, district court found past confusion negligible
5. **marketing channels used**
   - Very similar in most respects
6. **type of goods and the degree of care likely to be exercised by the purchaser**
   - Standard is typical buyer exercising ordinary caution – the “reasonable purchaser” of the products at issue is who must be likely confused
   - Wholly indifferent excluded, ignorant and credulous included
   - Buyers with expertise in the field, or expensive product, may allow for a higher standard
   - Here, thoughtful & careful evaluation
     - But, while this might eliminate mistaken purchases, will not eliminate initial interest confusion
   - Effect of quality differences or equivalence
7. **defendant’s intent in selecting the mark**
   - Bad faith or intent to “palm off” is presumptive evidence that defendant will accomplish its purpose – deceive customers
   - Here, no bad intent, no knowledge of senior user,
8. **likelihood of expansion of the product lines**
   - When goods are closely related, any expansion is likely to result in direct competition
   - Both parties are diversifying
Types of confusion

- Confusion as to the products
  - Confusion leading to purchase of infringer’s product (Sleekcraft) when trademark (“TM”) owner sells the same product
- Confusion as to source
  - Infringer uses TM owner’s mark on products the TM owner does not sell at all
  - Two possible types of harm: (i) potentially inferior quality of infringer’s products; (ii) if TM owner expands into product area where infringer sells, very high chance of likelihood of confusion
- Confusion as to sponsorship
  - For example, United States Olympic Committee label on soup
- Initial interest confusion
  - Confusion that is dispelled before purchase occurs
- Post-sale confusion
  - Confusion after the sale of a product
- Reverse Confusion
  - A large company adopts the mark of a smaller TM owner
  - Risk is not junior user trading on goodwill of senior, but that the public comes to associate the mark not with its true owner, but with the infringing junior user who may have spent a lot of money to advertise it

Likelihood of Confusion HYPO

1. strength of the mark
2. proximity of the goods
3. similarity of the marks
4. evidence of actual confusion
5. marketing channels used
6. type of goods and the degree of care likely to be exercised by the purchaser
7. defendant's intent in selecting the mark
8. likelihood of expansion of the product lines
**Likelihood of Confusion HYPO**

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6. type of goods and the degree of care likely to be exercised by the purchaser
7. defendant's intent in selecting the mark
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**Suave**

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**Likelihood of Confusion – Prob. 5-7**

1. strength of the mark
2. proximity of the goods
3. similarity of the marks
4. evidence of actual confusion
5. marketing channels used
6. type of goods and the degree of care likely to be exercised by the purchaser
7. defendant's intent in selecting the mark
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Likelihood of Confusion HYPO

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Dilution – § 43(c) – remedies for dilution of famous marks (Act of 2006)

(1) INJUNCTIVE RELIEF.—Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

(2) DEFINITIONS.--(A) For purposes of paragraph (1), 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. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following:

(i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.

(ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.

(iii) The extent of actual recognition of the mark.

(iv) Whether the mark was registered . . . on the principal register.
**Dilution (Trademark Dilution Revision Act of 2006)**

(B) For purposes of paragraph (1), ‘dilution by blurring’ is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

(i) The degree of similarity between the mark or trade name and the famous mark.

(ii) The degree of inherent or acquired distinctiveness of the famous mark.

(iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.

(iv) The degree of recognition of the famous mark.

(v) Whether the user of the mark or trade name intended to create an association with the famous mark.

(vi) Any actual association between the mark or trade name and the famous mark.

(C) For purposes of paragraph (1), ‘dilution by tarnishment’ is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.

(3) EXCLUSIONS.--The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

(A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with--

(i) advertising or promotion that permits consumers to compare goods or services; or

(ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

(B) All forms of news reporting and news commentary.

(C) Any noncommercial use of a mark.

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**Nabisco v. PF Brands (2d 1999)**

- Mark allegedly diluted?
  - Goldfish shape

- Diluting item?
  - Nabisco’s fish shaped cheese cracker
  - One fourth of the cheese crackers in the CatDog cheese crackers are the fish cracker
  - The CatDog crackers are intended for the children’s market

- Similarity of fish to Goldfish?
  - fish closely resembled the Goldfish in color, shape, size and taste
    - However, the fish was somewhat larger and flatter, and had markings on one side

**Note:** this case is under the old Federal dilution statute before the Act of 2006, but is largely consistent with the Act’s revisions. However, not all definitions and statutory language tracks.
Nabisco v. PF Brands

- Five elements for a claim of dilution as fashioned by the court:
  1. The senior mark must be famous
  2. It must be distinctive (different from “fame”)
  3. The junior use must be a commercial use in commerce
  4. It must begin after the senior mark has become famous
  5. It must cause dilution of the distinctive quality of the senior mark

- Definition of “dilution” under the pre-2006 dilution statute:
  - The lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of
    1. Competition between the owner of the famous mark and other parties, or
    2. Likelihood of confusion, mistake, or deception

- Where does the Goldfish mark fall on the continuum of distinctiveness?
  - Reasonably distinctive, moderate degree of distinctiveness

- Aspect of Goldfish mark diluted?
  - Goldfish-shaped orange, cheddar-cheese-flavored, bite-sized cracker

Nabisco v. PF Brands

- Distinctiveness – dual role – an element and a factor
  - Distinctive because shape has no logical relationship to cracker
    - But what about the color?

- Similarity of the marks – conjure up an association?
  - They are sufficiently similar; the markings on Nabisco’s fish are not enough to make them dissimilar
  - Dilution can occur in a post-sale context as well as in a point-of-sale context

- Proximity of the products & likelihood of bridging the gap
  - Close proximity does not bar a finding of dilution; a junior user that confuses customers dilutes; statute contemplates dilution by competitive products
    - Here, no dilution if Nabisco using the fish shape as an automobile logo
    - But, no “gap” here – these products compete
      - Gap is senior user potentially expanding into junior’s market
Nabisco v. PF Brands

- Interrelationship among the distinctiveness of the senior mark, the similarity of the junior mark, and the proximity of the products
  - Think of this "interrelationship" as a three-way sliding scale
  - Example:
    - Chevrolet for cars - Chevremont might dilute if used in auto industry, but not if used in perfumes

- Shared consumers and geographic limitations
  - Extent of overlap?

- Sophistication of consumers
  - Adults (purchasers) or children ("users")?
    - Children are only half the market
    - what if the Nabisco crackers are served apart from their packaging?

- Actual confusion (not a required finding)
  - Present?

- Adjectival or referential quality of the junior use [of the senior’s mark]
  - For example, Goldfish shape used as logo to sell fish
  - From the case:
    - The stronger the adjectival association between the junior use and the junior area of commerce, the less likelihood there is that the junior’s use will dilute the strength of the senior’s mark. The logical association between a fish image and a fish business would lead consumers to understand the fish sign as descriptive of the junior’s business, regardless whether it is also being used as a mark. Consumers would be unlikely to draw a diluting association between the junior mark and the Goldfish cracker. Similarly, if the hypothetical "Chevremont" mark in our earlier example were used on cheese, rather than automobile equipment, it would be less likely to dilute the distinctive quality of Chevrolet's mark.
  - AND – non-trademark, descriptive use applies to dilution
**Dilution – possible types or theories of harm**

<table>
<thead>
<tr>
<th>Type</th>
<th>“Tiffany” example (famous mark for a jewelry store) [example described in a recent 7th circuit case]</th>
<th>Other Example(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blurring</td>
<td>“Tiffany” for an upscale restaurant</td>
<td>Goldfish, Dupont shoes, Buick aspirin tablets, Schlitz varnish, Kodak pianos, Bulova gowns</td>
</tr>
<tr>
<td>Tarnishment</td>
<td>“Tiffany” for a “restaurant” that is actually a “striptease joint”</td>
<td>John Deere, Snuggles, Victoria’s Secret</td>
</tr>
</tbody>
</table>

**Dilution - Tarnishment**

- Definitions/characterizations
  - defendant's unauthorized use dilutes by tarnishing or degrading positive associations of the mark and thereby dilutes the distinctive quality of the mark
  - tarnishment is a finding that plaintiff's mark will suffer negative associations through defendant's use
  - the essence of tarnishment is the displacement of positive with negative associations of the mark that reduces the value of the mark to the trademark owner

- Other examples
  - CANDYLAND for a children’s board game was held diluted by tarnishment by "candyland.com" for an internet web site showing sexually explicit pictures
  - BUDWEISER was held diluted by the use of BUTTWISER on T-shirts
  - TOYS'R US was held tarnished by use of ADULTS'R US as a domain name for an internet site for the sale of adult sexual products: "adultsrus.com"
Genericness

Once a trademark, not always a trademark.

They were once proud trademarks now they're just names. Then faded to lose prominence that would have helped them have a long and prosperous life. If we could scan our help to our mark, we would discover they are in use. Whether you like our name, please use it as a proper adjective in combination with our products and services, e.g., Xerox copiers or Xerox financial services. And next to a verb “to Xerox” instead of “to copy,” or a noun “Xerographs” in place of “copies.”

With your help and a precaution or two on our part, it’s “Once the Xerox trademark, always the Xerox trademark.”

Team Xerox. We document the world.

Murphy Door Bed Co. (“MDBC”) - Genericness

- Status of mark “Murphy bed”
  - Registered?

- Relationship between MDBC and Interior Sleep Systems (“ISS”)

- Burden shifting and origination of the mark
  - Difference between “Video Buyer’s Guide” and aspirin
    - When term originated into use as a mark and is then alleged to have become generic, defendant has burden to prove genericness

- Substantial majority of the public test – how met here?
  - PTO / TTAB decision
  - Dictionary
  - Newspaper and magazine articles
  - Policing, if it has not been effective – does not save the mark
**Genericness**

- Nabisco used the term “shredded” descriptively in its early 1900s patents for the process and machinery of making shredded wheat.
- “The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for [genericide]” §14(3).

In 1993, Post purchased Nabisco’s cold cereal business and Shredded Wheat was added to the Post line-up of cereals. As an acknowledgment that Shredded Wheat has truly become a part of the Post family, these cereals will now carry the POST logo exclusively!

But don’t worry. Just because we’re making Shredded Wheat doesn’t mean your favorites have changed one bit. The Original Shredded Wheat, SPOON SIZE® Shredded Wheat and Shredded Wheat N’ Bran are still the same great cereals you’ve loved for so long.

**Qualitex**

- **Test for a functional characteristic**
  - Traditional rule – functional design
    - essential to the use or purpose, OR
    - affects the cost or quality
  - Aesthetic functionality
    - if exclusive use would put competitors at a significant non-reputation-related disadvantage

- **See TrafFix**
- **Functional use of color:**
  - Black for a boat’s outboard motor; green for farm machinery
What is being asserted as a mark?
- Trade dress of the dual spring system
  - The court discusses the dual spring system as trade dress, but the dual spring system is perhaps better characterized as product design/configuration
- Patent status of the dual spring system?
  - Patent is for dual springs spaced apart
  - Trade dress asserted has springs close together
- Impact of patent status on the trade dress question?
  - Strong evidentiary inference that the claimed utility patent functionality, when later asserted as trade dress, is functional
  - For unregistered trade dress, burden is on holder of the mark to prove nonfunctionality §43(a)(3)
- Does it matter whether it is trade dress (which can be inherently distinctive) or product design/configuration (which cannot)?
  - Neither is protectable under trademark law if functional
- Implications of "alternative designs"?
  - Freedom to compete requires freedom to copy unless an item is covered by patent or copyright protection
  - Allowing trade dress protection for functional items bypasses the balance of benefits and costs in the patent system
LA Dodgers sue three restaurants – named “The Brooklyn Dodger”
- Restaurants operated in NY area since March 1988

Restaurants defend with abandonment
- No use by Dodgers baseball organization of “Brooklyn Dodgers” for at least 25 years after the team left NY in 1958
- Restaurants also move to cancel the Baseball organization’s attempted registrations for “Brooklyn Dodgers” after the Restaurants service mark registration for “Brooklyn Dodger” on 4/28/1988

Restaurant use
- The three words are entwined with each other and an “impish character” – styled after Dickens’ Artful Dodger
- Script intentionally chosen to imitate the baseball Dodgers mark

Baseball use
- Since 1981, licensing by the baseball Dodgers of the “Brooklyn Dodgers” mark
  - But, not in any directly competitive product areas, but included a minor few “restaurant related” items

Court said no LofC, but went on to analyze defenses

Abandonment test
- Two elements
  - Use discontinued (nonuse)
  - With intent not to resume
- Prima facie abandonment – nonuse for a statutory period
  - Rebut by showing intent to resume use

Application of abandonment test
- Brooklyn Dodgers is what the restaurant seeks to recall in using the mark
  - “a non-transportable cultural institution”
  - Non-use was voluntary
- Letter by Baseball organization’s counsel
  - Intones of attempts to “warehouse” the mark
- No showing of intent to resume use within the prima facie time period

Resumption of use
- Occurred in 1981 after 23 year hiatus, but not on same goods/services
Other Defenses

Here are some of the other major defenses to a trademark infringement action (students are not responsible for these except to the extent noted below):

- Abandonment (students are responsible for this item – if we reach the case and discuss it in class)
  - Example: "Brooklyn Dodgers" mark abandoned when the Dodgers moved to Los Angeles and had no further activity under the mark
- Unsupervised licensees
  - Sometimes thought of as a type of abandonment
- Assignment in gross
  - Assigning a mark alone, without any underlying assets or goodwill
  - Sometimes thought of as a type of abandonment
  - "A registered mark or a mark for which an application to register has been filed shall be assignable with the good will of the business in which the mark is used, or with that part of the good will of the business connected with the use of and symbolized by the mark." §10(a)
- Non-trademark use
  - (students are responsible for this item to the extent discussed in Zatarains and the associated overheads/class discussion)
  - Example: using “New Kids on the Block” to identify the group New Kids on the Block
- Parody
  - Example: see the next overhead – “Drink it Oily” (prob. 5-16, pg 831-832)