U.S. Trademark and Unfair Competition Litigation

By William M. Bryner∗

I. Introduction

Adversarial disputes regarding trademark rights—whether styled as actions for trademark infringement, trademark dilution, unfair competition, or unfair and deceptive trade practices—can often be complex, time-consuming, and expensive. Moreover, one of the great virtues of U.S. trademark law has been its relative adaptability to new and developing technologies and circumstances. Thus, a comprehensive and detailed treatment of all of the nuances that may attend litigation in this field could quickly expand to fill a multivolume treatise, and even the most experienced practitioners likely have not encountered all of the legal issues that may arise in such cases.

Consequently, this chapter aims to provide trademark administrators or paralegals (“Administrators”) with certain fundamental legal principles, easy-to-

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† The focus of this chapter is on trademark litigation practice in the United States of America. Because trademark rights are territorial in nature, and because trademark dispute resolution practices can vary significantly from jurisdiction to jurisdiction, a detailed treatment of trademark litigation practices outside the United States would quickly exceed this chapter’s scope. Trademark administrators and paralegals would be well advised, however, to have at least passing familiarity with litigation practices in other countries, and to maintain a working list of competent counsel in non-U.S. jurisdictions to assist in trademark litigation efforts outside the United States.
use resources, and practical suggestions that may apply or be utilized in connection with many, if not most, disputes concerning trademark rights. In other words, the objective of this chapter is to outline for the Administrator the basic “who, what, when, where, why, and how” of trademark disputes.

These six core questions provide the chapter's organizational structure. Specifically, Section II, “Who: Pertinent Persons and Marks,” discusses considerations in identifying appropriate parties for inclusion in trademark litigation, and available resources for gathering information pertinent to those parties, their involved trademarks, their relevant conduct, and so forth. Section III, “What: Potential Claims,” addresses the types of legal claims that may be available for assertion in a dispute concerning trademark rights. Section IV, “When: Timing Considerations,” sets forth the timing considerations, and potential defenses arising from such considerations, that will inform assessment of the dispute. Section V, “Where: Forum Selection Considerations,” addresses issues pertaining to selecting the forum or tribunal in which the dispute will be raised. Section VI, “Why: Objectives and Remedies,” discusses the overall objectives of trademark litigation and the various remedies that are available to one who succeeds in demonstrating his or her right to relief. Finally, the “How” information—practice tips, checklists, tables, and a sample letter of protest—is interspersed throughout the text to aid the Administrator in advancing his or her client’s interests in such litigation.

II. Who: Pertinent Persons and Marks

A. Initial Considerations

Trademark enforcement refers to the efforts a trademark owner undertakes to protect its rights in its marks. For the owner, the first step in this process often is determining whether his, her, or its trademark is being infringed or diluted through its unauthorized use by another.
1. **Organizing Relevant Information**

Often, one of the Administrator’s chief responsibilities is the compilation and organization of the facts and evidence on which the case will depend. Thus, as a practical matter, Administrators often should begin by creating a hard-copy notebook or an electronic document or folder in which all information relating to a particular dispute will be collected. The contents may be limited to information compiled during the preliminary investigation, or they may be combined with litigation materials to create an overall litigation notebook.

If the Administrator is using a hard-copy notebook, a three-ring binder works well, offering ease in inserting or removing material. In this notebook, organized in appropriate sections, may be placed evidence of the ownership and content of each trademark involved in the case; memoranda and evidence of known facts; names of potential witnesses and the areas about which they are most knowledgeable; names and addresses of attorneys on both sides; if known, the infringer’s key personnel and attorney information; and printed copies of examples of infringing use.

In many law offices, an electronic version of such a notebook exists on the attorney or firm’s network, where attorneys and Administrators have access to the same files. Similarly, Administrators may prepare email memoranda that include all pertinent information and are sent to supervising attorneys. Either method is suitable; both should include all pertinent information organized under subheadings, links to websites or search hits of interest, and electronic attachments to any relevant records.

2. **Identifying Potential Defendants**

In order to avoid the weakening of its trademark rights, or the loss of those rights altogether, a trademark owner must take appropriate action to prevent others from using the same or a confusingly similar mark. Thus, the owner is responsible for external policing to identify infringing uses of the mark. The following are frequently used methods:
• Professional watching services.
• Clipping services for newspapers, magazines, and other print media.
• Reports from sales force, employees, and annuitants.
• Review of the U.S. Patent and Trademark Office's (USPTO's) *Trademark Official Gazette* and trademark journals from other countries of interest to the client's business.
• Regular searches in a commercial trademark database (to locate newly filed applications before they are published for opposition purposes).
• Regular Internet searches for infringing use of marks or domain names.
• Periodically searching for infringing use on trademark research databases, such as SAEGIS or Corsearch. (See “Trademark Searching and Clearance.”)

If litigation becomes necessary to enforce the owner’s trademark rights, it will be important to identify the proper party or parties against which to bring an action. Consider whether the infringing party is a subsidiary or affiliate of another business, or whether the infringing party manufactures, sells, or provides the products or services through a contract with another entity. These considerations may lead one to other businesses that should also be named as defendants, or that may be named in lieu of the person or entity first identified as a potential infringer. There are many sources for obtaining such information; these are discussed in greater detail in Section II.B, below.

**B. Investigation Resources Regarding Named Plaintiffs and Potential Defendants**

1. **Compiling Basic Facts**

Once the potential defendant or the named plaintiff has been identified, the next step is to gather basic facts about the opposing party, such as the following:
• The name(s) and address(es) of the opposing party.

• Basic information about the attorney(s) representing the opposing party.
  o Name(s) of opposing counsel.
  o Name(s) of corporate counsel.
  o Name(s), address(es), and telephone number(s) of the principal law firms and local counsel.
  o Attorneys within each firm who are involved, including attorney biographies.

2. Resources

It is recommended that the Administrator consult the following sources when researching information on the opposing party:

• Internet searches.
  o Run an Internet search for the party’s name, which should reveal any existing corporate websites. Generally, basic information about the company can be found by clicking the “About” or “Contact” link.
  o If the corporate website does not provide any contact information, try searching using a domain name search tool that can provide website registration information for the corporate site—for example, the GoDaddy WHOIS Database or the iTools Domain Name Query.

• Law firm websites.
  o The websites of most law firms post biographies of all their attorneys. Print these biographies and note any relevant experience the opposing counsel has in trademark work or in litigation. Attorney information is also available by searching member sites such as LinkedIn or Facebook.
• State secretary of state websites or records.
  o In most U.S. states, the secretary of state’s website includes a corporation search feature that is a useful tool to gain preliminary information about the opposing party, such as the corporation’s official name and address and the registered agent. Many states also link to the corporation’s articles of incorporation. The National Association of Secretaries of State maintains information on each state’s website.

• Securities and Exchange Commission (SEC) records.
  o If the potential infringer is a publicly held company, its SEC filings and annual reports to shareholders will provide accurate information and data on the company, offering a wealth of intelligence that will be useful in discovery.
  o Relevant information may include biographical information on the officers or owners of the company, its product line, its sales history, and its credit history. Also, the company’s place of business and its state of incorporation will be listed.
  o The infringing company’s financial report might indicate the relative financial strength of the party to undertake litigation.

• USPTO website.
  o The USPTO’s Trademark Electronic Search System (TESS) allows searches based on a variety of inputs, including mark description, owner name and address, or registration or serial number. Clicking on the trademark document retrieval (TDR) button yields all filings with the USPTO, which will be signed by the applicant or prosecuting attorney and will include their information.

• Commercial search vendors such as Dun & Bradstreet.
  o These companies offer in-depth reports about the opposing party and its respective industry.

• Public Access to Court Electronic Records (PACER).
Researching the opposing party’s litigation history in federal court is helpful in determining whether the party is litigious in its protection of the mark or other intellectual property rights and in learning the ultimate outcome of those disputes.

Online directory services that offer basic information such as addresses and telephone numbers—for example, AnyWho.

C. Investigation Resources Regarding Conduct in Question

1. Information Regarding the Marks at Issue

The next step in preparing for litigation is to obtain as much information as possible about the marks at issue. When one is researching a potential defendant, it is important to note whether the alleged infringer has any rights in the mark as the infringer is using it. Likewise, a named defendant must fully understand the scope of the plaintiff’s protection over the mark or any related marks that incorporate similar wording or designs.

a. Basic Information About the Marks

A valuable first step is to search for the marks in question on the USPTO’s TESS database. TESS offers multiple methods for searching for marks, including by combined word mark, registration, serial number, or owner. Specifically, searching by word mark or by owner will provide a broad overview of similar marks in the market and other marks that the owner might have registered.

Copies of the mark, along with specimens showing the mark as used, should be placed in the notebook or the preliminary investigation memorandum, along with any labeling and advertising specimens that may be available. It may also be helpful to order a commercial search of the mark, which may reveal the litigiousness of the owner of the mark and provide citations to published case reports.
containing more information about the mark and its owner. Commercial searches may be obtained through services such as Thomson CompuMark or Corsearch.

Other basic information that will be of background value can be obtained through accessing online services. Trademark searches, trade directory listings, financial reports, and personal background are available through services such as Dialog and LexisNexis. The data recovered can be instantly inserted into every notebook or electronic memorandum.

**b. Federal Registration and File Histories for the Marks**

The files for federal registration of both the client’s mark and the opposing party’s mark should be carefully reviewed and copies placed into the folder/notebook or attached to the memorandum. These files may be obtained through the TESS search function. The file history and registration certificate for each mark may be obtained by searching for the mark and clicking on the TSDR (Trademark Status and Document Retrieval) button at the top of the mark abstract. In reviewing the registrations, keep in mind the following:

- Check that the application is free of misrepresentations, that the specimens support the application, and that the applicant fully responded to any USPTO examiner’s office actions.
- Check to see if any statements of purported law were made in response to office actions. Flag any text that was unsupported by any citation.
- The alleged dates of use should be noted and compared with any other evidence of a use date. Any perceived discrepancies, such as alleged dates of use, should be highlighted.
- The goods or services described in the application should be compared with the goods or services in connection with which the mark is currently used or alleged to be used. Any differences should be noted.
- The specimen submitted with the application or statement of use should be reviewed, and any discrepancies with actual use should be noted.
If the goods and/or services are described, that description should be compared with the asserted or alleged current descriptions of use.

Check for any disclaimer of the right to exclusive use of any part of the mark, which may be significant in litigation.

Review the declaration or affidavit for correctness with reference to the statements in the application. If the application claims are false or conflict with other asserted facts, that fact should be noted as a possible claim or defense.

2. Information Regarding the Infringing Use

An additional step in the preliminary investigation is to compile information regarding the opposing party’s use of the mark. This may be done by the Administrator or may be outsourced to a private investigation firm. The INTA Membership Directory contains a list of firms that offer investigation services for intellectual property–related matters.

First, conduct a basic Internet search to determine whether the opposing party is using the mark online or offering online its products or services using the mark. Save a screenshot or a PDF copy of all relevant pages of the website to preserve evidence of the mark’s use. Note the date and time of access and the exact URL visited. If contact information is available, consider calling the infringer’s office or store and asking generic questions about the nature of the business, its ownership, etc. Remember that asking for basic information about the business or its use of the mark is less likely to elicit suspicion or ethical concerns than seeking detailed or sensitive information.

Market sweeps are also an effective method when dealing with trademarks for products rather than for services. This involves shopping for and obtaining samples of the infringing goods. Observe how the display of goods is set up in the store, and note how the mark is used. Photograph the display, or,

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**Practice Tip**

If an in-house or firm Administrator conducts the search, take precautions such as using a blocked or private phone number when conducting investigative calls or not revealing the client’s or firm’s identity when conducting investigative interviews. In either case, consider the ethical concerns involved in investigative work, discussed in more detail in Section II.D, below.
if possible, purchase the infringing product and obtain professional photographs of it. Without revealing the client’s or firm’s identity, consider talking to the salespeople to see what they have to say about the infringing product. The objective of interviewing sales personnel is to determine whether they believe that the infringing product is the same as the authentic product; is made by the same manufacturer; or is licensed, sponsored, or approved by the manufacturer of the product. Also determine whether the salesperson knows of any instances of confusion or is representing the product to others as being the genuine product. Additionally, obtain or take pictures of samples of any promotional items involving the mark and obtain label and packaging specimens.

Advertisements may be another source for infringing use or may provide clues about the infringing goods or services. Search relevant print materials or online sources for advertisements of the infringing goods or services. Determine where the potential defendant is likely to advertise, based on the type of goods or services the defendant offered using the mark—for example, newspapers, magazines, trade journals, online news sites, blogs, and search engines that offer search optimization (e.g., Google). Video sharing sites such as YouTube may be a source for videos advertising for infringing goods or services.

Any information or hard evidence should be collected and filed in the notebook or attached to the electronic memorandum. For infringing products, promotional items, advertisements, or packaging, have professional photographs obtained and cataloged with the rest of the evidence.

D. Ethical Considerations

Administrators assigned to conduct the preliminary investigation should bear in mind the ethical concerns associated with investigative work. The following practice tips provide some basic guidance.

<table>
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<tr>
<th>Practice Tips—Preliminary Investigations</th>
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<tr>
<td>• Try to obtain as much information as possible without using pretexts or other misrepresentations.</td>
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</table>
**Practice Tips—Preliminary Investigations**

- Do not directly contact a person or business that is already known to be represented by an attorney.

- If possible, employ an investigative service *prior to litigation* to investigate individuals or businesses regarding basic information and trademark use history.
  
  - Ask investigators for references, and check to see if they are licensed in the state where they operate.
  
  - Give investigators specific parameters about the type of information being sought and acceptable methods for obtaining that information. With whom may they speak? What sort of pretexts and representations are they allowed to make?

- Distinguish between the type of information sought and who is being interviewed.
  
  - Seeking basic information about the alleged infringer and/or details about the trademark’s current use is less likely to raise ethical concerns than seeking information that would not normally be shared with consumers or the public at large.
  
  - Similarly, interviewing low-level employees or employees who regularly interact with consumers is less risky than seeking information from those with managerial or decision-making responsibility or employees whose statements constitute admissions under the rules of evidence.

### 1. Pretext in Investigations

There has been a great deal of debate in the legal community concerning the legality and ethicality of using a pretext to gather evidence in trademark investigations. Pretext investigations generally occur when trademark owners and lawyers instruct employees or hire investigators to pose as consumers,
purchasers, or counterfeiters to gain information about the alleged infringer or counterfeiter, to ascertain how they present themselves to the consuming public, or to ascertain the source of infringing or counterfeit goods. (See INTA Board Resolution, *Pretext Investigations in U.S. Trademark Infringement Cases*, for a discussion of examples of pretext investigations and leading case law on their use.)

Although these investigations can be a reliable and efficient way to collect information about alleged infringers and infringing use, often they implicate state rules governing lawyers’ conduct. Lawyers in all states are bound by professional ethics rules that prohibit deceitful conduct, mandate truthful communications to others, and largely prohibit communications with adverse parties represented by counsel. The *American Bar Association (ABA) website* provides links to every state’s professional responsibility rules.

Administrators and other nonlawyers, like private investigators, are also subject to the rules of ethical conduct when acting pursuant to an attorney’s direction or with his or her knowledge. See *ABA Model Rule 5.3*. Thus, when conducting pretext investigations, it is important for the Administrator to consider the local jurisdictions’ ethical or disciplinary rules and relevant case law before beginning any investigation. For instance, courts in states like New York and New Jersey are more tolerant of pretext investigations than are courts in states in the Eighth Circuit.²

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2. Other Considerations

In addition to ethical concerns in pretext investigations, Administrators and assigning attorneys should make take into account several other considerations before launching a pre-litigation investigation.

For example, caution and diligence must be exercised when conducting preliminary investigations to ensure that the attorneys’ representations to the court are factually supported. Specifically, Rule 11 of the Federal Rules of Civil Procedure guides attorneys in representations made to the court. Under Rule 11(b), when signing or advocating the complaint, any pleading, or written motion, an attorney certifies to the best of his or her knowledge that the factual contentions have evidentiary support and that denials of factual contentions are warranted on the evidence. An Administrator’s conduct may affect an attorney’s ability to make truthful submissions to the court, violation of which requirement may result in sanctions on the attorneys involved or on a party. Possible sanctions include the striking of the offending paper; the issuing of an admonition, reprimand, or censure; the requiring of participation in seminars or other educational programs; the ordering of a fine payable to the court; or the referring of the matter to disciplinary authorities. For more information, see Notes of Advisory Committee on Rules—1993 Amendment.

Administrators or those employing outside investigation services are also advised to conduct preliminary investigations carefully to ensure that potential defendants are correctly identified and that evidence of infringement can be corroborated, as much as possible, by multiple sources. Failure to do so may result in additional litigation that may be costly for a client.

For instance, in Antounian v. Louis Vuitton Malletier, handbag manufacturers and their attorneys were forced to defend against a malicious prosecution claim after an investigator for the mark owners misidentified a defendant. The manufacturers hired an investigative consulting firm to investigate suspected counterfeiting activity in Los Angeles. The investigator mistakenly attributed to one retailer the selling of counterfeit products when that activity had actually

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3 117 Cal. Rptr. 3d 3 (Ct. App. 2010).
occurred at a business nearby. Only after the manufacturers filed a federal trademark infringement and counterfeiting claim against the retailer did their attorneys learn of the investigator's mistake. The district court allowed the manufacturers to dismiss their claims against the retailer, but the retailer subsequently sued the manufacturers, the law firm involved, and the attorneys individually for malicious prosecution in state court. Ultimately, the court dismissed the malicious prosecution claim, but cases such as this serve as a cautionary tale against failing to corroborate evidence collected during investigations by third-party investigation services or otherwise conducting careless investigations.

In sum, the Administrator must exercise great care in how he or she conducts investigative work. Appropriate input from the supervising attorney often may be necessary.

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<thead>
<tr>
<th>Step</th>
<th>Action</th>
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<tbody>
<tr>
<td>1.</td>
<td>Begin investigation folder/notebook. Divide into sections:</td>
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<tr>
<td></td>
<td>a. Personnel, including addresses and telephone numbers.</td>
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<tr>
<td></td>
<td>i. Client’s attorneys and contacts.</td>
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<td></td>
<td>ii. If known, infringer’s key personnel and attorneys, including biographical data.</td>
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<td></td>
<td>iii. Names of potential witnesses, including the areas about which they are most knowledgeable.</td>
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<tr>
<td></td>
<td>b. Trademarks at issue.</td>
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<tr>
<td></td>
<td>i. Owner.</td>
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<td></td>
<td>ii. Content.</td>
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<td></td>
<td>c. Memoranda and evidence of facts.</td>
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<td></td>
<td>d. Questions requiring additional information and/or data.</td>
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### Checklist: Administrator Functions—Action Items

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<th>e. Evidence.</th>
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<tr>
<td>i. Ideas for presentation.</td>
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<tr>
<td>ii. Lists and copies of documents.</td>
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<tr>
<td>f. Ethical rules in the jurisdiction governing investigation.</td>
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<tr>
<th>2. Identify potential defendants and compile basic facts about them.</th>
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<tr>
<td>3. Obtain copies of the marks at issue.</td>
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<td>4. Obtain copies of trademark registrations.</td>
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<td>5. Obtain file histories for both client’s mark and infringer’s mark.</td>
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<td>6. Conduct online search and order comprehensive commercial search.</td>
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<td>7. Collect samples of advertising of both parties and competitors.</td>
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<tr>
<td>8. Obtain client’s and opposing party’s data on advertising and promotional expenses.</td>
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<tr>
<td>9. Obtain client’s and opposing party’s corporate and financial data, especially opposing party’s articles of incorporation, annual report, and filings with SEC.</td>
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<tr>
<td>10. Shop for and obtain samples of the infringing goods. Observe how the display of goods is set up in the store, and note how the mark is used. Photograph the display.</td>
</tr>
</tbody>
</table>
### Checklist: Administrator Functions—Action Items

|   | Keeping in mind the relevant ethical rules, interview salespeople.  
|   | a. Does the salesperson represent the infringing goods to be the client’s goods or the same as the client’s goods?  
|   | b. Does the salesperson know of any instances of confusion?  
|   | c. Possibly ask the salesperson whether he or she will give an affidavit or testify at trial.  
| 12. | Obtain samples of promotional items.  
| 13. | Obtain label and packaging specimens showing use of infringer’s mark over the years.  
| 14. | Obtain professional photographs of client’s product and infringer’s product.  
| 15. | In investigation notebook, catalog material gathered during preliminary investigation.  
| 16. | Prepare memorandum to attorney providing all background information learned from preliminary investigation. (See Template for Email Memorandum, below.) |
Template for Email Memorandum

To: Attorney
From: Paralegal
Re: Infringement of XYZ Trademark by ABC Corporation

Attorney:

I have researched ABC Corporation and have compiled background information regarding the Corporation and its use of the XYZ mark. Please see below. If there is any other information that you would like me to obtain, please let me know.

**ABC Corporation**

**Incorporation Information**
Type of Business Entity:
Address:
Phone Number:
Registered Agent:
Financial Information/Records (attached)
Basic information about the company’s trademark portfolio

**Counsel for ABC Corporation**
Law Firm:
Attorney Names:
  Biographies (attached)
Contact Information:
Potential Witnesses:

**Trademarks at Issue**
Owner:
Content:
Copy of Registration Certificate (attached)
Summary of other documents in file history
  Documents (attached)
Facts and Evidence

Relevant Facts:
- Use of trademark
- Advertising and promotional use
- Samples/picture examples (attached)

Evidence:
- Ideas for presentation
- List and copies of documents (attached)
III. What: Potential Claims

The plaintiff in a trademark suit may assert a variety of related claims in the complaint. Depending on the registration status of the plaintiff’s mark and the factual scenario underlying the plaintiff’s claims, these causes of action may include claims for infringement of a federally registered mark under Section 32 of the Lanham Act (Trademark Act of 1946); false designation of origin, unfair competition, or false advertising under Section 43(a) of the Lanham Act; trademark dilution under Section 43(c) of the Lanham Act; anticybersquatting claims under federal law; and dilution, infringement, and unfair competition claims under state statutory and common law. Common-law infringement and unfair competition claims are sometimes combined. Additional counts may be included based on state law with regard to trademark registrations and/or claims under specific state business practices statutes, such as the Uniform Deceptive Trade Practices Act, “Little FTC Acts,” and false advertising statutes. (See INTA, U.S. State Trademark and Unfair Competition Law.)

An Administrator may, in some instances, be asked to prepare an initial rough draft of a complaint for filing in court. In other instances, he or she may be asked to proofread or otherwise finalize the complaint and relevant exhibits for filing. As a result, a basic working knowledge of legal requirements for the complaint will be valuable.

The complaint usually is structured so that introductory and fact sections recite the factual allegations common to all of the counts. These paragraphs are then incorporated by reference into the counts, which set forth the legal rights that are alleged to be breached.

Under both federal and state law, trademark infringement claims generally require the plaintiff to show two things: (1) that it owns a valid, protectable trademark in which it has rights senior to the defendant’s; and (2) that the defendant’s use of its mark is likely to cause confusion because of its similarities to the plaintiff’s mark. The facts

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**Practice Tip**

The order in which the counts are presented is a subjective decision, as there is no formal requirement as to their arrangement. The attorney usually will set forth the strongest counts that are most likely to provide the best theory of recovery first. In a trademark infringement suit, especially one in which the plaintiff owns a federal registration for the mark alleged to be infringed, the natural first count is a trademark infringement count.
underlying these claims may differ significantly from case to case, and claims such as false advertising or dilution require the pleading of a different set of facts, but most trademark cases will center on these two basic issues.

A. Federal Trademark and Related Claims

1. Lanham Act § 32: Infringement of a Federally Registered Mark

The owner of a federally registered trademark will almost always assert trademark infringement under Section 32 of the Lanham Act, 15 U.S.C. § 1114, as the first and most important count of a complaint. This is the standard claim for trademark infringement, and it not only establishes the most serious wrong complained of but also provides the jurisdiction of the federal district court to hear the case. Ownership of a federal trademark registration on the Principal Register provides the plaintiff with prima facie evidence of the mark’s validity, the registrant’s ownership of the mark, and the registrant’s exclusive right to use the mark in commerce. 15 U.S.C. §§ 1057(b), 1115(a). A federal trademark infringement claim also carries potential remedies, including damages on a variety of theories and injunctive relief.4

In order to assert a claim under Section 32, the plaintiff must allege in the complaint that it is the owner of a federal registration; that the defendant used a mark in commerce “in connection with the sale, offering for sale, distribution, or advertising of any goods or services”; and that such use is “likely to cause confusion, or to cause mistake, or to deceive.”5 As a general matter, this involves showing that the marks are similar in sound, appearance, or meaning, and that they are used in connection with competitive, similar, or related goods or services. These are the basic concepts underlying the fundamental test for trademark infringement, which requires that the plaintiff demonstrate likelihood of confusion.

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Courts determine whether there is a likelihood of confusion under a given set of facts by applying a multifactor test. Although the factors used differ somewhat among the federal circuits, they largely overlap, and all of them consider variations of the following issues:

1. Similarity of the marks.
2. Similarity of the products or services.
3. The trade channels used by the parties to get their products to the consumer.
4. Similarity in advertising and media used by the parties.
5. The sophistication of the consumer, that is, the care used in selecting the parties’ products or services.
6. The existence of actual confusion.

The defendant’s intent in adopting its mark, such as whether it intended to trade on the plaintiff’s goodwill.6

Evidence supporting the confusion factors in a given case at the complaint stage typically comes from the client’s records on its use, advertising expenditures, and channels of trade in which it has used the mark, as well as from publicly available resources, such as the USPTO’s file histories for the relevant marks, the defendant’s website, and relevant media, such as newspapers, magazines, or trade publications. The Administrator frequently has ready access to such materials, and often can compile an effective collection of documents representing the strength and consumer recognition of a trademark. All of these resources can allow the plaintiff to develop a persuasive case for a

Practice Tip

Although a plaintiff should look to the case law in its circuit to identify the exact list of factors used there, any of the factors listed above should be persuasive throughout the federal courts. In all circuits, courts note that the list of factors to be considered is not exhaustive, that no one factor is conclusive, and that different factors may be more important in different circumstances. The trademark infringement plaintiff thus must identify any evidence supporting the relevant confusion factors in its case and make the appropriate allegations in the complaint. For instance, if the parties’ marks or goods are identical, or if there is evidence that a substantial number of consumers have been confused by the defendant’s use of the allegedly infringing mark, these facts usually provide strong support for an infringement claim.

6 See, e.g., AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341 (9th Cir. 1979); Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492 (2d Cir. 1961).
likelihood of confusion at the outset, before engaging in time-consuming and expensive investigations and consumer surveys that may become necessary as litigation proceeds.

2. **Lanham Act § 43(a): False Designation of Origin/Unfair Competition**

A second cause of action typically asserted by the trademark infringement plaintiff is false designation of origin under federal law, usually referred to as “unfair competition.” If the plaintiff does not have a federal registration for its mark, the Lanham Act nonetheless provides the basis for a trademark suit under the law of unfair competition. The same acts that constitute trademark infringement also give rise to a claim for unfair competition under Section 43(a) of the Lanham Act. The statute prohibits the use of a confusingly similar trademark as a “false designation of origin,” because trademarks serve to indicate the origin of or quality of goods or services. Because Section 43(a) does not expressly refer to trademarks or registered trademarks, it has been held applicable to unregistered trademarks used “in commerce” that Congress may control (most usually this refers to interstate commerce). If a plaintiff has used a mark in commerce in connection with goods or services, it will have rights in that mark that may be enforceable against the user of a similar mark.

The analysis for unfair competition under Section 43(a) is essentially the same as it is for a registered mark under Section 32, so the unfair competition plaintiff should be sure to allege the same likelihood-of-confusion factors that it would in enforcing a registered mark. The critical difference in an unfair competition case is that no registration provides prima facie evidence of the validity of the plaintiff’s mark. The plaintiff therefore should be especially careful to allege that it uses the mark and has used it in a manner establishing prior rights over any rights the defendant may have. Such allegations should

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**Practice Tip**

Most trademark plaintiffs will assert an unfair competition claim in addition to a trademark infringement claim under Section 32, since doing so may help to preserve an infringement claim and jurisdiction in the federal courts even if the plaintiff’s trademark registration is invalidated during the litigation.
include claims that the plaintiff used the mark prior to the defendant’s first use of the mark and that it used the mark as a trademark—that is, to identify the source of the goods or services at issue. Descriptions of the extent of use of the mark and investment in promotion of the mark as a source indicator are especially useful in these cases. Once again, the Administrator may be able to compile relevant materials, and he or she should always maintain a file of such materials in case of litigation.

3. **Lanham Act § 43(a): False Advertising**

In addition to providing a vehicle for enforcement of rights in an unregistered mark, Section 43(a) provides a cause of action against the making of “false representations.” Use of an infringing mark may constitute such a false representation to the extent that it misleads consumers as to the source of a product or service. False representations under Section 43(a) also may include false advertising or product disparagement claims for which a defendant may be liable. Such claims may include false or misleading claims about the plaintiff’s goods or services or the defendant’s own goods or services, or even claims about industry competitors or other third parties.

Trademark infringement plaintiffs often include false advertising claims as another variation of unfair competition merely to ensure that they are alleging the full set of rights that may be infringed, but false advertising claims most frequently stand on their own and arise out of particular sets of circumstances. These are usually cases in which a competitor has falsely disparaged the plaintiff’s goods or services or has falsely claimed the superiority of its product over the plaintiff’s.

In order to state a false advertising claim under Section 43(a)(1)(B) of the Lanham Act, the plaintiff must allege that

1. The defendant uses a false or misleading description or representation of fact as to its own or another’s goods or services;
2. Actual deception results, or there is a tendency for such deception to occur;
3. The deception is material to customers’ purchasing decisions;
4. The goods or services are sold in interstate commerce; and
5. The plaintiff has been or is likely to be damaged by the false advertising, such as in the form of lost sales or loss of goodwill.  

Generally, the false advertising plaintiff may show either that the false statements in question are literally false or that customers are actually misled by the statements; showing both is not required. False advertising is not applicable to typical self-laudatory advertising statements, which courts ignore as “mere puffery,” but claims that clearly make a literally false statement of fact, such as that “testing shows this product to be the most durable,” or that are likely to deceive or confuse consumers to believe such a statement, may well be subject to false advertising claims. As with a showing of consumer confusion in a trademark case, expensive and detailed product testing or consumer surveys may be necessary later in litigation to support a false advertising claim, but good-faith allegations of these elements are sufficient for a complaint.

4. **Lanham Act § 43(c): Federal Dilution**

In addition to the unfair competition and false advertising claims discussed above, Section 43(c) of the Lanham Act also provides a basis for a trademark dilution claim. A dilution claim is based on the theory that the use of a trademark identical or similar to a previously established and famous mark of another, even if on completely different goods and even if there is no competition between the parties, may dilute the distinctiveness, that is, the effectiveness, advertising impact, and recognition, of the plaintiff’s mark as a unique indication of the source of the plaintiff’s goods. Rather than protecting consumers against confusion, the dilution claim protects the trademark owner’s investment in its mark. Dilution claims often are pleaded alongside trademark and unfair

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competition claims to provide an additional basis for recovery, although in some cases they may be the only viable claim.

Although a dilution claim can be based on a registered or an unregistered mark, the fame of the plaintiff’s mark is an essential element of the plaintiff’s proofs in a dilution case, which limits the statute’s applicability. Since the modifications made to the Lanham Act by the Trademark Dilution Revision Act of 2006 (TDRA), in order to succeed on a federal dilution claim, the plaintiff must show that the mark is famous nationwide and among the general consuming public, not just that it is widely known in a niche market.

A trademark dilution claim must be based on allegations either of blurring or of tarnishment. Blurring means a diminishment of the uniqueness and identifying power of the plaintiff’s mark, as when an identical or similar mark is used in connection with differing goods or services so as to “impair[] the distinctiveness of the famous mark.”12 Tarnishment refers to the harm done to the plaintiff’s mark by its association with another’s products when they are of lower quality or in some way offensive or unsavory, such as when the plaintiff’s mark is used in connection with pornography. This type of dilution “harms the reputation of the famous mark.”13 These are factual issues that the Administrator can help develop by acquiring the defendant’s goods or advertisements for the goods or services of the defendant.

The trademark dilution plaintiff must allege in its complaint that

1. Its mark is famous;
2. The defendant is using the mark or a similar one in commerce;

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11 Id. § 1125(c)(1).
12 Id. § 1125(c)(2)(B).
13 Id. § 1125(c)(2)(C).
3. The defendant’s use started after the mark became famous; and
4. The defendant’s use of the mark dilutes the plaintiff’s mark by blurring or tarnishment.

The statute explains that “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.”\(^{14}\) It also provides a non-exhaustive list of factors to be considered in determining whether a mark is famous.\(^{15}\) These include factors similar to those used in the likelihood-of-confusion analysis, such as the extent of the mark’s advertising and publicity and the amount and extent of sales under the mark. If an Administrator can compile a large file of relevant materials, such as sales data and evidence of advertising expenditures, this can help to make a more convincing dilution claim. Establishing the fame of a mark can be very difficult in litigating a federal dilution claim, so the plaintiff should be careful to allege as much evidence as possible supporting the fame of its mark. Proof of a mark’s fame can be established through evidence of the mark’s distinctiveness and consumer recognition. A consumer survey can be an effective way to show the distinctiveness of a mark.

Besides requiring that the plaintiff’s mark be famous, federal dilution carries another major limitation: unless the dilution was willful, only injunctive relief is available.\(^{16}\) Thus, if the dilution plaintiff seeks damages, it must be able to show that the defendant intended to blur or tarnish its mark.

### 5. Federal Anticybersquatting

In addition to the trademark, unfair competition, and dilution claims discussed above, the Lanham Act also includes protection against the use of infringing Internet domain names in the Anticybersquatting Consumer Protection Act (ACPA).\(^{17}\) The ACPA provides the trademark owner a cause of action against cybersquatters, who have registered or trafficked in domain names that are

\(^{14}\) Id. § 1125(c)(2)(A).
\(^{15}\) Id. § 1125(c)(2)(A)(i)-(iv).
\(^{16}\) Id. §§ 1116, 1125(c)(5).
\(^{17}\) Id. § 1125(d).
identical or confusingly similar to the owner’s mark. In order to state a claim for cybersquatting under the ACPA, a plaintiff must allege that the person who registered the domain name did so with a bad-faith intent to profit from the value of the plaintiff’s mark by using the infringing domain name. Of course, a cybersquatting claim is an appropriate component of a complaint only where an infringing domain name is involved, but such claims often are incorporated into a trademark suit.

Courts may consider various factors in determining whether the alleged cybersquatter acted in bad faith, including the following: (1) any relevant intellectual property rights that the defendant may have; (2) whether the registered name is the plaintiff’s legal or commonly used name; (3) whether the defendant has actually used the domain name in connection with the bona fide sale of goods and services; (4) whether the defendant has engaged in bona fide noncommercial or fair use of the plaintiff’s mark on its website; (5) whether the defendant intended to divert consumers from the plaintiff’s website; and (6) whether the defendant made efforts to transfer, sell, or assign the domain name for financial gain without ever having used or intended to use it for legitimate purposes. The complaint therefore should include all possible allegations relating to such factors supporting bad faith.

Because establishing jurisdiction can be a problem when the registrant of a domain name resides in another country or cannot be located, the ACPA contains an in rem provision that allows a trademark owner to sue the domain name itself in the judicial district where the domain name registrar or registry is located.

The ACPA offers the successful plaintiff the ability both to obtain damages and to have the domain name transferred to the plaintiff or cancelled. Actual damages and profits, plus costs and attorney’s fees, are available, or the plaintiff may elect to receive statutory damages of $1,000 to $100,000 per domain name at the court’s discretion.

18 Id. § 1125(d)(1)(B)(i)-(VI); see, e.g., People for the Ethical Treatment of Animals v. Doughney, 263 F.3d 359, 369 (4th Cir. 2001).
Outside the context of litigation in U.S. courts, trademark owners also may seek to resolve domain name disputes through an administrative procedure provided for by the Internet Corporation for Assigned Names and Numbers (ICANN) and its Uniform Domain-Name Dispute-Resolution Policy (UDRP). Also, as a follow-on to the introduction of new generic top-level domains (gTLDs) in 2012, new ways of obtaining relief, such as the Uniform Rapid Suspension System (URS), have been introduced.

B. State Law Claims

Although trademark and related claims rarely arise or are filed exclusively under state law, trademark plaintiffs typically include state law claims in their complaints in order to preserve their ability to assert those claims and ensure that they are stating all available claims. In some cases, pleading state law claims also may benefit the plaintiff because they are easier to prove than the relevant federal claims. (For further discussion, see INTA, U.S. State Trademark and Unfair Competition Law.)

1. Common-Law Trademark Infringement and Unfair Competition

Throughout the states, even in the absence of a statutory trademark scheme, the common law protects trademarks that are used to identify a party’s goods or services in commerce. Common-law trademark infringement can be based on essentially the same facts as federal trademark infringement, but without the need for the plaintiff to own a federal registration. This count also enables the plaintiff to maintain its trademark infringement claim even if the plaintiff’s federal registration is invalidated during the course of the litigation, although it does not, in and of itself, provide a basis for federal subject matter jurisdiction.

Similarly, a count for common-law unfair competition often is included alongside the federal count, primarily because it may implicate state-recognized rights that are easier for the plaintiff to vindicate.
2. State Statutory Claims

In addition to the common law, many states have statutes providing for registration of marks and enforcement of a party’s rights in its registered marks. Many of these state statutes are very similar to the federal scheme, and infringement under these statutes is almost always determined under essentially the same principles that apply to federal trademark infringement. These trademark schemes may provide another basis for a plaintiff to maintain a suit in case its federal claims fail, and they also can provide protection for a party that does not qualify for federal trademark protection because it does not use its mark in interstate commerce or does not wish to make the investment in pursuing federal registrations. A trademark owner should be aware of any applicable state registration schemes, pursue state registrations if they are beneficial, and assert state trademark claims whenever they are available in litigation, even in federal court.

Finally, many states also offer statutes dealing with trademark-related claims such as false advertising, including the Uniform Deceptive Trade Practices Act and “little FTC Acts.” These statutes largely provide remedies that overlap what is available under federal law or the common law, and they usually are pleaded and decided along similar lines. The trademark plaintiff should ensure that it pleads all applicable such laws in its complaint to be certain that all possible remedies are available to it.

A sample complaint alleging federal, state, and common-law trademark infringement and unfair competition is shown in Exhibit 1.

Practice Tip
As with trademark infringement, many states also have their own antidilution statutes, which often are applied along lines similar to the federal trademark dilution statute. However, some state dilution laws offer an important difference: that a mark need not be famous for a plaintiff to succeed, but instead merely distinctive.20 Such statutes often provide only for injunctive relief rather than damages, but nonetheless they may be useful to preserve a plaintiff’s claims or increase its leverage in negotiations. The owners of non-famous marks seeking to file suit under circumstances that otherwise suggest dilution should always consider such potential state law dilution claims.

IV. When: Timing Considerations

In addition to the “who” and “what” pre-filing considerations, an important consideration is “when”: the timing of a complaint. On the one hand, raising an objection too early, or through issuance of a cease and desist letter, may implicate the federal Declaratory Judgment Act and result in a loss of strategic advantages. Under that statute, an alleged infringer could, in appropriate circumstances, file suit first, thereby gaining the tactical advantages attendant to being the plaintiff and forcing the trademark owner into a defensive position. On the other hand, if a plaintiff waits too long to file suit, the equitable doctrine of laches could bar monetary recovery and, in some cases, even serve to bar all claims against a particular defendant. These considerations, which are addressed in more detail below, should be a part of trademark owners’ enforcement and pre-litigation strategies.

For timing considerations relating to estoppel, laches, and acquiescence, an Administrator can and should gather all information concerning the trademark owner’s awareness of the alleged infringing conduct, prior contacts with the infringer, and any conduct by the trademark owner that might be interpreted as an indicium of acquiescence to the conduct. Although ultimately the court will decide whether the trademark owner indeed has slept on its rights, knowing in advance the limitations of its claims will greatly benefit the trademark owner in formulating its litigation strategy. The assistance of an Administrator in gathering, preserving, and organizing these facts is therefore invaluable.

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<tr>
<th>Checklist: Timing Considerations</th>
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<tr>
<td>1. <strong>Administrator:</strong> Conduct investigation of alleged infringer’s use of the mark, including domain names and other uses on the Internet.</td>
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<tr>
<td>2. <strong>Administrator:</strong> Conduct USPTO search to determine whether the alleged infringer has filed any applications or registrations for the mark.</td>
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Checklist: Timing Considerations

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<td>3.</td>
<td><strong>Administrator and supervising attorney:</strong> Conduct review of trademark owner’s own use to ensure that there is no question concerning priority.</td>
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<tr>
<td>4.</td>
<td><strong>Attorney:</strong> Review relevant statute of limitations and ensure that claims fall within those periods or that there has been excusable delay.</td>
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<tr>
<td>5.</td>
<td><strong>Administrator:</strong> Collect information concerning any pre-litigation contact with the alleged infringer so that attorney may determine risk of DJA jurisdiction (see below).</td>
</tr>
<tr>
<td>6.</td>
<td><strong>Administrator:</strong> If no contact has been made yet with the alleged infringer, conduct investigation and assist attorney in formulating contact strategy.</td>
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**A. The Declaratory Judgment Act**

The Declaratory Judgment Act (DJA)\(^{21}\) permits parties to a pending dispute to obtain early judicial determination of their rights in federal court.\(^{22}\) For example, an alleged infringer threatened with trademark litigation may elect to “beat” his adversary to court and file an action seeking a court declaration of non-infringement. The purpose of the DJA both in patent litigation—where it is frequently used—and in trademark disputes is to prevent patent and trademark

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In a case of actual controversy within its jurisdiction..., any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought. Any such declaration shall have the force and effect of a final judgment or decree and shall be reviewable as such.

Id. § 2201(a).

22 See McCarthy, supra note 4, § 32:50.
owners from using their intellectual property rights as “scarecrows” to keep potential competitors from entering the market.23

The DJA requires that there be an actual controversy in order for a federal court to have subject matter jurisdiction to determine the rights of the parties.24 This requirement, which is equivalent to the case-or-controversy requirement in Article III of the United States Constitution, incorporates the constitutional doctrines of ripeness and standing.25 It is the burden of the declaratory judgment plaintiff (in trademark disputes, this would be the alleged infringer) to show that it has met these constitutional requirements.

The DJA is relevant to considerations of litigation timing because certain pre-litigation conduct by the trademark owner can yield the unintended result of providing an accused infringer with standing to bring an action under the DJA, thereby depriving the trademark owner of the advantages of being the plaintiff. The trademark owner could lose the strategic advantage of controlling the timing and venue for the suit, which in turn often permits the plaintiff to control the general pace and direction of the litigation. The loss of this leverage can be detrimental to the momentum of the trademark owner’s infringement case.26 It is important, therefore, for trademark owners to understand the types of conduct that could affect their ability to file first. Some examples of this conduct follow.

1. DJA Jurisdiction Threshold

Prior to the Supreme Court’s decision in MedImmune, Inc. v. Genentech, Inc.,27 in order for a court to exercise subject matter jurisdiction over a declaratory judgment action, the alleged infringer (the “DJA plaintiff”) had to satisfy a two-

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23 Id. (citing Topp-Cola Co. v. Coca-Cola Co., 314 F.2d 124 (2d Cir. 1963)).
26 See generally 3 Ann Gilson Lalonde, Gilson on Trademarks § 8.02 (2011) [hereinafter Gilson].
part test: (1) it had to demonstrate that it had an objectively “real and reasonable apprehension of litigation” and (2) it must have engaged in a “course of conduct which brought it into adversarial conflict with the [DJA] defendant.”

Though courts were not always consistent in their application of this test, at least two types of conduct were uniformly considered insufficient to create a justiciable controversy under the DJA: (1) a single cease and desist letter, particularly if it did not explicitly threaten litigation; and (2) the initiation of a TTAB opposition or cancellation proceeding without additional conduct by the DJA defendant, such as communication of some threat to try to compel cessation of use of the DJA plaintiff’s mark.

In *MedImmune*, however, the Supreme Court reevaluated the “actual controversy” requirement and, in doing so, lowered the threshold for DJA suits. Specifically, the *MedImmune* Court rejected the “reasonable apprehension” test as the sole basis for establishing DJA jurisdiction. Instead, the Court held that a DJA plaintiff need only establish, “under all the circumstances,” that a controversy was of sufficient “immediacy and reality to warrant the issuance of a declaratory judgment.”

Although *MedImmune* unquestionably replaced the first prong of the old DJA test, it should be noted that there is some dispute as to whether it has replaced the second prong—that the DJA plaintiff engaged in some conduct that brought it into adversarial conflict with the DJA defendant. Some courts have found no subject matter jurisdiction where the DJA plaintiff was merely in the preparations stage and had not yet begun actual use of the mark.

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29 *Id.*

30 *MedImmune*, 549 U.S. at 132 n.11.

31 *Id.* at 127.


33 *Id.*
Despite the fact that *MedImmune* was a patent case, its holding has uniformly been applied by courts considering trademark declaratory judgment actions, and the practical effect of this decision has been significant and widespread.\(^{34}\)

### a. DJA Jurisdiction and Cease and Desist Letters

One of the most notable effects of the *MedImmune* holding on trademark disputes is an increased risk in some courts of creating DJA jurisdiction, even in cases where the trademark owner sent only a single cease and desist letter and that letter did not explicitly threaten litigation. For example, in *Geltech Solutions Inc. v. Marteal, Ltd.*, the district court found that a single cease and desist letter, stating that if the alleged infringer did not respond within ten days, “all appropriate action” would be taken, was sufficient to establish DJA jurisdiction.\(^{35}\) Likewise, in *Express Scripts, Inc. v. Intel Corp.*, a district court found that a cease and desist letter, which objected to an intent-to-use trademark application but not to use of the mark (as Intel was not aware that the DJA plaintiff had begun using the mark), was sufficient for DJA jurisdiction under the *MedImmune* test.\(^{36}\) DJA jurisdiction was found, even though Intel never threatened suit and even offered a reasonable phase-out period.\(^ {37}\)

The import of these cases to pre-litigation considerations cannot be overstated. Cease and desist letters are a mainstay of trademark dispute resolution. They are often a less expensive and effective means of resolving a conflict, and indeed most disputes are resolved out of court.\(^{38}\)

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\(^{34}\) *See, e.g., Surefoot LC v. Sure Foot Corp.*, 531 F.3d 1236 (10th Cir. 2008) (applying the *MedImmune* test to find DJA jurisdiction from a combination of five TTAB proceedings and a six-year-old allegation of infringement in a cease and desist letter); *Russian Standard Vodka (USA), Inc. v. Allied Domecq Spirits & Wine USA, Inc.*, 523 F. Supp. 2d 376, 383 (S.D.N.Y. 2007) (DJA jurisdiction found owing to “[t]he threat of harm [from] future statements” concerning DJA plaintiffs’ product).


\(^{37}\) *Id.* at *3-4.

\(^{38}\) *See Harvey & Appel, supra* note 28, at 1147.
In the wake of *MedImmune*, a trademark owner should at least consider whether it is worthwhile to make contact with an alleged infringer at all and risk being forced to defend a declaratory judgment suit. At the very least, the trademark owner should, as a matter of course, conduct a full investigation of its own and the potential infringer’s uses of the marks in question (and trademark applications/registrations, if any) before initiating contact. That way, even if the trademark owner is not considering suing the potential infringer, it will be in a better position to defend itself should the other side file a declaratory judgment action. Additionally, a trademark owner, in evaluating the timing of initiating suit, should consider the nature and extent of pre-litigation contact it has had with the accused infringer. If it has had any such contact, and the trademark owner is considering litigation, it should consider filing suit sooner, rather than later, in order to be able to control the initial stages of the lawsuit and make its jurisdiction and venue selections.³⁹

**(b) DJA Jurisdiction and TTAB Proceedings**

Courts pre- and post-*MedImmune* have consistently held that the threat of filing, or the actual filing of, an opposition or cancellation proceeding before the USPTO’s Trademark Trial and Appeal Board (TTAB or Board) is not by itself sufficient to confer DJA jurisdiction.⁴⁰ Since *MedImmune*, however, a new “TTAB plus” rule appears to be emerging. This “rule” began with the Tenth Circuit’s decision in *Surefoot LC v. Sure Foot Corporation*,⁴¹ in which the court found that Surefoot LC’s long-standing allegations of infringing behavior against Sure Foot Corporation, coupled with its multiple trademark cancellation and opposition proceedings, established, under “all the circumstances,” a dispute that was sufficient to give rise to DJA jurisdiction.⁴² The court stressed, though, that

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³⁹ Once a trademark infringement suit is filed, a later-filed declaratory judgment action would most likely be stayed, dismissed, or transferred to the first-filed jurisdiction. See id. at 1149 n.6 (citing Cadle Co. v. Whataburger of Alice, 174 F.3d 599, 603 (5th Cir. 1999)). Therefore, even if the accused infringer files a DJA suit later, the trademark owner’s earlier-filed suit would likely be permitted to proceed.

⁴⁰ See McCarthy, supra note 4, ¶ 32:52.

⁴¹ 531 F.3d 1236 (10th Cir. 2008).

⁴² Id. at 1242-43, 1246.
TTAB proceedings may be the basis for DJA jurisdiction, depending on the other circumstances specific to the case.43

Other cases have required even less than the Surefoot court to find DJA jurisdiction. For example, in Blue Athletic, Inc. v. Nordstrom, Inc., the U.S. District Court for the District of New Hampshire found that Nordstrom’s letter demanding that Blue Athletic (1) cease using its “DenimRack” mark (or any variant of RACK), (2) withdraw its trademark application for the mark, and (3) discontinue use of the related domain name was sufficient to create DJA jurisdiction—even though Nordstrom reiterated in a later letter its desire to resolve the matter amicably.44 Relying on MedImmune and subsequent cases, the court held that the letter, plus the dispute over a federal right, created a dispute that was “definite and concrete” and thus sufficient for DJA jurisdiction.45 In the years since the MedImmune decision, there have been quite a few such cases, many of which seem to point to a new “TTAB plus some additional conduct” rule.46

Thus, as with cease and desist letters, the history between the parties is important for pre-litigation timing considerations, and an Administrator should make sure to conduct a thorough investigation of any such contact. If the trademark owner has initiated an inter partes proceeding before the TTAB, or has threatened in a letter to do so, it should consider filing any federal litigation quickly, or risk having to defend a suit under the DJA. Likewise, if no TTAB proceedings have been initiated or threatened, the trademark owner should consider, in view of the totality of the history between the parties, whether filing such an action could give rise to DJA jurisdiction. If the answer is likely yes, the trademark owner

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43 Id. at 1246-47.
45 Id. at *12.
should be prepared to defend a declaratory judgment action, or file an infringement suit first, to preserve its rights.

2. **Effect of the DJA on Timing Considerations**

The net result of the lower jurisdictional threshold established by *MedImmune* is that trademark owners now risk being hauled into court, often in a faraway jurisdiction, by accused infringers regardless of whether the trademark owner ever intended to initiate litigation against an alleged infringer. In terms of pre-litigation planning, this means that the trademark owner must now plan, well in advance of the pre-litigation phase, the nature and extent of communications it wishes to have with potential infringers. Administrators should thoroughly investigate the alleged infringer and its use of the infringing mark to determine where the alleged infringer might be able to establish personal jurisdiction to bring suit. Caution should be exercised when sending letters to jurisdictions where the trademark owner does not wish to be sued.

Thus, because of the heightened risk of DJA jurisdiction, pre-filing investigation (and even pre–cease and desist letter investigation) is more important now than ever, and trademark owners should be prepared either to defend a declaratory judgment suit or to file an infringement action very soon after it becomes apparent that a dispute will not have an expedient out-of-court resolution.

B. **Affirmative Defenses That May Present a Bar to Part or All of a Suit**

*Federal Rule of Civil Procedure 8(c)* provides a non-exhaustive list of affirmative defenses that a defendant in federal court may plead in answer to a complaint.47 Several of these—those that arise most commonly in trademark litigation—can have an impact on timing considerations because they can present a bar to recovery, injunctive relief, or even to an entire suit: estoppel, laches, and statute of limitations. Likewise, Section 33(b) of the Lanham Act48 enumerates nine

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47 Fed. R. Civ. P. 8(c).
defenses to incontestability, which also include laches, estoppel, and acquiescence.

In the context of trademark disputes, each of these defenses is premised on the principle that a trademark owner has a duty to police its mark and assert its rights promptly when it has notice—actual or constructive—of an infringement. Therefore, if a trademark owner “sleeps on his rights,” he risks having those rights taken away.49

1. Potential Statute of Limitations Considerations

The Lanham Act does not contain a general statute of limitations.50 Instead, courts look to the analogous state statute of limitations and often hold that delays longer than the state period of limitations for the forum state create a presumption that the claims should be barred by the equitable doctrine of laches.51 Thus, “prior to the running of the most closely analogous state statute of limitations there is no presumption of laches and the burden remains on the defendant to prove the defense. Alternatively, once the analogous statute has run, a rebuttable presumption of laches will apply and plaintiff must show why the laches defense ought not be applied in the case.”52 In the trademark context, however, because infringement is usually ongoing, a statute of limitations, if

49 Gilson, supra note 26, § 11.08[3].
50 28 U.S.C. § 1658 provides a “catch-all” four-year statute of limitations for any federal claim based on statutes enacted after 1990, such as the TDRA and the ACPA, but likely does not apply to basic trademark claims arising under Section 32(1) or 43(a) of the Lanham Act; McCarthy, supra note 4, § 31:23.
51 McCarthy, supra note 4, § 31:23; Miller v. Glenn Miller Prods., 454 F.3d 975 (9th Cir. 2006) (applying four-year statute of limitations under California’s unfair competition, trademark infringement, and trademark dilution statutes); Gross v. Bare Escentuals Beauty, Inc., 641 F. Supp. 2d 175, 196 (S.D.N.Y. 2008) (applying New York’s six-year fraud statute of limitations in finding that the suit was not barred by laches).
applicable at all, will bar only recovery of damages outside the limitations period.53

In order to avoid losing all or part of a claim, a potential plaintiff should be aware of the analogous statute of limitations in the forum state. If the potential plaintiff delayed longer than the limitations period, there may nevertheless be justifications for the delay, and these justifications could rebut the presumption that laches applies. These justifications are addressed below. The plaintiff should also be aware of the relevant statute of limitations for any state law claims asserted in the complaint.

2. Laches and Estoppel

Laches is an equitable defense based on the maxim that “[e]quity aids the vigilant, not those who slumber on their rights.”54 It may be defined as a plaintiff’s unreasonable delay in bringing suit after receiving clear notice of an infringement. Laches can be an effective weapon for neutralizing a trademark infringement claim. A successful defense of laches can bar a claim for damages, but it may nevertheless leave open the prospect of forward-looking injunctive relief. Estoppel in the trademark context is often used as shorthand for “estoppel by laches” (or, sometimes, estoppel by acquiescence, which is addressed in Section IV.B.3, below), and generally refers to delay that has prejudiced the defendant such that the plaintiff is denied relief—either monetary or injunctive.55

Delay begins to toll from the time the plaintiff had notice, actual or constructive, of the alleged infringement. Cases vary greatly as to what period of delay and resulting prejudice to defendant may give rise to laches. This variance can depend on the state statute of limitations (e.g., Michigan’s applicable statute of

53 McCarthy, supra note 4, § 31:1.
54 Id. (internal citations and quotation marks omitted). See also Danjaq LLC v. Sony Corp., 263 F.3d 942, 950-51 (9th Cir. 2001) (Laches is “an equitable defense that prevents a plaintiff, who ‘with full knowledge of the facts, acquiesces in a transaction and sleeps upon his rights.’” (quoting S. Pac. Co. v. Bogert, 250 U.S. 483, 500 (1919)).
55 McCarthy, supra note 4, § 31:1. See also PBM Prods., LLC v. Mead Johnson & Co., 639 F.3d 111, 121 (4th Cir. 2011).
limitations is three years, but New York applies a six-year statute of limitations) and on the reasons for the delay.\(^{56}\) Thus, for example, long periods of delay even exceeding ten years have been held not to give rise to laches, usually either because the delay was nevertheless “reasonable” or because the defendant was not prejudiced by the delay.\(^{57}\) Delay typically is found to be reasonable if the defendant was not initially using the mark on competitive goods or if, for example, the defendant, who was operating only a small, localized business, began expanding into larger territories in direct competition with the plaintiff. This principle, which is embodied in the doctrine of “progressive encroachment,” “focuses the court’s attention on the question of whether defendant, after beginning its use of the mark, redirected its business so that it more squarely competed with plaintiff and thereby increased the likelihood of public confusion of the marks.”\(^{58}\) This doctrine affords a plaintiff some latitude with respect to the timing of its suit, and allows it to wait until it has more certainty of its infringement claims, thus protecting against forcing plaintiffs to “shoot first and ask questions later.”

In addition to showing that the plaintiff unreasonably delayed in bringing suit, the defendant asserting a laches (or estoppel by laches) defense must also show that the delay caused prejudice to the defendant. The necessary prejudice can take various forms, such as (1) financial prejudice to the defendant from having undertaken investment in the infringing goods and from allowing plaintiff’s

\(^{56}\) Nartron Corp. v. STMicroelectronics, Inc., 305 F.3d 397, 408 (6th Cir. 2002) (“In evaluating whether a party has been diligent in protecting its trademark, we look to the state-law statute of limitations.... Here, under Michigan law, that period is three years.”); Gross v. Bare Escentuals Beauty, Inc., 641 F. Supp. 2d 175, 196 (S.D.N.Y. 2008) (applying New York’s six-year fraud statute of limitations).

\(^{57}\) Conagra, Inc. v. Singleton, 743 F.2d 1508, 1517 (11th Cir. 1984) (ten-year delay justified by fact that prior trademark owner “did not become aware of the defendant's direct competition” until after purchaser of those rights filed the lawsuit); Kellogg Co. v. Exxon Corp., 209 F.3d 562 (6th Cir. 2000), overruled on other grounds by Moseley v. V Secret Catalogue, Inc., 537 U.S. 418 (2003) (20-year delay not unreasonable because defendant had not used infringing mark in connection with competitive goods or services until 1993).

\(^{58}\) Pro Fitness Physical Therapy Ctr. v. Pro-Fit Orthopedic & Sports Physical Therapy P.C., 314 F.3d 62, 70 (2d Cir. 2002).
damages to accrue through continued infringing sales; and (2) evidentiary prejudice from the loss over time of the documents and witnesses necessary to defeat the claim.59

If the defendant is able to demonstrate the requisite unreasonableness of delay and the prejudice due to that delay, the application of laches typically will bar monetary recovery, but generally will not bar prospective injunctive relief.60 Laches will, however, bar a request for a preliminary injunction, as the delay is presumed to negate an assertion of urgent need for judicial intervention. Indeed, even a delay of a few months can bar a preliminary injunction.61 Moreover, even when laches bars monetary recovery, in some cases the court nevertheless may grant the plaintiff an accounting based on recent infringements—often those that fell within the period of limitations, or that arose since the filing of the suit.

3. Acquiescence

Acquiescence—which bars damages and, sometimes, injunctive relief—occurs when a plaintiff has given the defendant reason to believe that the plaintiff will never enforce its trademark rights, either by an exceptionally long delay or by a modest delay accompanied by the plaintiff’s words or conduct that reassures the defendant that it can continue using the mark. Under general principles of U.S. common law, if a party manifests apparent consent to a defendant’s actions, such a defendant will not be liable to that party in tort for injuries arising from such actions, at least until such consent may be effectively revoked.62 Effective consent need not be expressed, but may be implied from conduct, including silence, or omission.63 When conduct or silence can reasonably be viewed to constitute consent is judged from the perspective of a reasonable person in the defendant’s circumstances. In other words, if the potential defendant reasonably believed that the would-be plaintiff’s inaction constituted consent to the conduct, then the

59 See Danjaq, 263 F.3d at 955.
60 McCarthy, supra note 4, § 31:4.
61 Id. § 31:31.
62 See generally Restatement (Second) of Torts §§ 892, 892A; McCarthy, supra note 4, § 31:41.
63 Pro Fitness, 314 F.3d at 69.
plaintiff “cannot recover in an action of tort for the conduct or for harm resulting from it.”64

Such implied consent by conduct or inaction ordinarily can be revoked, and, thus, bars only claims for past conduct. If, however, the implied consent is held to constitute acquiescence, the implied consent may not be revoked and the defendant may be free to continue the conduct without future liability.65 The case of Pro Fitness Physical Therapy Center v. Pro-Fit Orthopedic & Sports Physical Therapy P.C. illustrates how implied acquiescence can occur in the context of a trademark owner’s cease and desist efforts. In that case, the plaintiff, Pro Fitness, an operator of physical therapy services in Manhattan under the “Pro Fitness” mark, discovered that the defendant, Pro-Fit, a competing company in Queens, was using the allegedly infringing name “Pro-Fit Physical Therapy.” Three months later, Pro Fitness sent Pro-Fit a cease and desist letter. The defendant responded in two subsequent letters by offering to change its company name to “Pro-Fit Orthopedic and Sports Physical Therapy.”66 It further stated in those letters that “in the event that you do not respond, we will proceed as planned with our change of corporate name.”67 The defendant’s offer was met by silence.

A year later, the plaintiff learned that the defendant had opened a new facility in Manhattan under the revised name. The plaintiff sued after four additional months. On summary judgment, the trial court denied the plaintiff’s trademark infringement claim on the ground that the plaintiff, by remaining silent in the face of the defendant’s proposed new name, had acquiesced in the defendant’s use of its new name. The Second Circuit affirmed the district court’s finding of acquiescence, stating, among other things, that

> [a]lthough both [acquiescence and laches] connote consent by the owner to an infringing use of his mark, acquiescence implies

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64 Restatement (Second) of Torts § 892(A)(1).
65 McCarthy, supra note 4, § 31:42. See also SunAmerica Corp. v. Sun Life Assurance Co. of Can., 77 F.3d 1325 (11th Cir. 1996) (if there is a long delay in assertion of rights that causes undue prejudice, “the permission is not revocable”).
66 Pro Fitness, 314 F.3d at 65-66.
67 Id. at 66.
active consent, while laches implies a merely passive consent. Active consent is implied by conduct on the plaintiff’s part that amount[s] to an assurance to the defendant, express or implied, that the plaintiff would not assert his trademark rights against the defendant.68

The court thus held that the plaintiff’s continued silence after the defendant stated its intention to change its name constituted implied acquiescence in the new name.69 It further observed that the plaintiff “easily” could have avoided acquiescing if it had “clarified its attitude toward defendant’s new name with a simple letter stating its objections.”70 Thus, the plaintiff apparently could have protected itself from an acquiescence defense merely by stating its objection in a responsive letter, even without having filed suit over the new name.

4. Inevitable Confusion and Willful Infringement

Typically, courts will not permit even meritorious laches or acquiescence defenses to trump public confusion, and many cases report that, despite long periods of delay leading to acquiescence, injunctive relief nonetheless will issue to avoid future confusion.71 Likewise, laches or acquiescence will not bar injunctive relief, and, in some cases, financial recovery, against a willful infringer.72

68 Id. at 67-68 (internal citations and quotation marks omitted).
69 Id. at 68.
70 Id.
71 See Sara Lee Corp. v. Kayser-Roth Corp., 81 F.3d 455 (4th Cir. 1996); TMT N. Am., Inc. v. Magic Touch GmbH, 124 F.3d 876 (7th Cir. 1997); SunAmerica Corp. v. Sun Life Assurance of Can., 77 F.3d 1325 (11th Cir. 1996); Coach House Rest., Inc. v. Coach & Six Rests., Inc., 934 F.2d 1551, 1564 (11th Cir. 1991) (“Although petitioner has acquiesced in use of [its] logo by the registrant, the public interest in preventing confusion around the marketplace is paramount to any inequity caused the registrant.”).
72 McCarthy, supra note 4, § 31:3.
5. Laches, Estoppel, and Acquiescence in TTAB Proceedings

The defenses of laches, estoppel, and acquiescence are available to a defendant in TTAB proceedings, though “the availability of laches and acquiescence is severely limited in opposition and cancellation proceedings.” In TTAB opposition proceedings, these defenses begin to toll from the time the opposer learned of the application for registration—usually, publication of the application—as opposed to use of the mark. In TTAB cancellation proceedings, these defenses begin to toll from the date of registration, unless the petitioner was aware of the application for registration before the close of the opposition period. “Moreover, for public policy reasons, the defenses of laches and acquiescence may not be available against claims such as genericness, descriptiveness, fraud, abandonment and functionality, and further, may not apply in a case of likelihood of confusion if it is determined in the case that confusion is inevitable.”

6. Effect of Laches, Estoppel, and Acquiescence on Timing Considerations

As discussed above, these defenses can have a detrimental effect on a plaintiff’s ability to pursue its claims. Accordingly, a plaintiff that knows of an infringement (or is aware of a published application for registration) should act as soon as practicable to enforce its rights. Once a plaintiff knows of an infringement, it should conduct an investigation of the potential infringement to ensure that it is aware of all facts that might affect its right to pursue its claims for relief. Potential defendants should be similarly cognizant that their legal exposure may be reduced as a result of the plaintiff’s delay in commencing action.

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74 See Trademark Trial and Appeal Board Manual of Procedure § 311.02(b) (3d ed. 2011).
75 Id.
V. Where: Forum Selection Considerations

After determining all potential defendants, all claims to include, and by when action should be taken, a trademark owner must determine where to bring action against a putative infringer. One of the most important factors will be the relief sought, which often determines the forum to be selected in a dispute involving trademarks or unfair competition. As a rule of thumb, if the subject matter of the dispute is whether a trademark should be registered or not, the dispute often will be tried at the TTAB. If, on the other hand, the dispute centers on the present commercial use of a trademark (registered or otherwise), federal court usually will be the appropriate forum of choice to try the matter.

Although the relief sought often is the most determinative factor in the forum selection process, strategic factors such as venue can also enter the forum selection analysis. For some defendants, having to litigate in a trademark-related suit in a distant jurisdiction where the plaintiff is located (and where a court can still exercise personal jurisdiction over the defendant) may give a plaintiff an advantage in negotiating a more favorable settlement.

The forum first selected to resolve a trademark matter may need to change depending on the circumstances. Consider the following scenario: Alpha Company (“Alpha”) seeks to register a trademark at the USPTO that Beta Incorporated (“Beta”) considers generic. Beta opposes Alpha’s mark at the TTAB. Beta is not currently using Alpha’s unregistered mark. In the meantime, Alpha complains that Delta Holding Limited (“Delta”), in the same state as Alpha, at present is using Alpha’s unregistered and opposed trademark in commerce unlawfully. Alpha currently faces a proceeding at the TTAB that goes to the central question of whether it has a protectable trademark. What action can Alpha take against Delta, and where? What effect would such an action have on the opposition with Beta?

Practice Tip

For a particularly robust enforcement strategy, a trademark owner should consider investing in a watching service that reports the filing of potentially confusingly similar federal applications, as opposed to only their publication. By catching applications upon their filing owing to their availability on the USPTO’s website, a trademark owner has considerably more time to take action against any application reported by a watching service than it would have if all it received was notice that an application was published for a 30-day period.
This section deals with some of the initial procedural forum selection issues that arise in enforcing one’s trademark rights, giving due consideration to the registered/unregistered status of the mark at issue. Sometimes, depending on the relief sought, parties can be involved in concurrent proceedings in different forums. Sometimes one has to take a multipronged approach that may thrust one on different sides of the “v.” in different forums. As addressed in Section IV, above, statute of limitations and laches concerns can necessitate that a trademark owner take more urgent action in different forums against different parties than it had originally anticipated.

The Administrator’s role in forum selection considerations is an important one. The Administrator may be called upon to gather facts and evidence supporting (or defeating) the assertion of jurisdiction in a particular forum. He or she may also be called upon to gather intelligence about the local rules and practices of particular courts, about the idiosyncrasies or decision records of certain judges, or other information pertinent to deciding in which forum to commence suit.

**A. Courts vs. TTAB**

Since the TTAB has more limited jurisdiction than federal or state trial courts of general jurisdiction, we will first proceed with an examination of the TTAB’s function, followed by an analysis of the place of the courts—federal and state—in a trademark dispute.

The TTAB is an administrative tribunal within the USPTO, staffed by administrative law judges who hear both *ex parte* appeals from refusals to register marks and *inter partes* proceedings in which adverse parties litigate the eligibility of particular marks for registration. There are two principal types of *inter partes* proceedings before the TTAB: (1) opposition proceedings against applications for registration and (2) cancellation actions against previously issued registrations.\(^{76}\) The rules followed by the TTAB include the Federal Rules of Civil Procedure and the Trademark Rules of Practice set forth in Title 37 of

\(^{76}\) Although the Board also hears concurrent use proceedings and interferences initiated by the Commissioner for Trademarks, these proceedings are rare and, therefore, are not addressed here.
the Code of Federal Regulations. The Trademark Trial and Appeal Board Manual of Procedure is a helpful compendium for various aspects of TTAB practice. Although amendments in 2007 to the Trademark Rules of Practice were designed to make Board inter partes proceedings more closely resemble civil actions brought in the federal district courts, significant differences remain between the two. Litigants and counsel alike should therefore pay detailed attention to how these similarities and differences will affect their experience before the TTAB.

1. Trademark Oppositions

After an application for registration on the Principal Register is examined and approved by the assigned examining attorney, it is published in the USPTO’s Trademark Official Gazette. Following publication in the Official Gazette, interested parties who believe that they may be harmed by issuance of the registration are allowed 30 days in which to file a notice of opposition or request an extension of time to do so. To initiate an opposition or to request an extension of time, a trademark owner must be aware of the objectionable application in the first place, either by reviewing the Official Gazette itself or by subscribing to one or more outside watching services. (See INTA, International Opposition Guide: Comparative Practice and Procedures.)

2. Letters of Protest

Before an application is published for opposition purposes, however, the senior trademark owner may benefit from using the letter of protest procedure to prevent a junior potentially confusingly similar trademark from registering. A letter of protest is an informal procedure created by and existing at the discretion of the USPTO, whereby third parties may bring to the attention of the USPTO evidence bearing on the registrability of a mark. The letter of protest procedure

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78 Id. § 1062.
79 Id. § 1063(b)(2).
applies only to pending applications and is intended to assist examining attorneys in the *ex parte* examination process without causing undue delay or compromising the integrity and objectivity of the *ex parte* examination process.\(^{81}\)

A party considering submitting a letter of protest should take heed that the letter of protest procedure is *not* a substitute for an opposition, and as such, a letter of protest should be prepared in an objective manner reciting the factual bases for an examining attorney to deny registration to a particular trademark application. For a list of proper and improper contents of letters of protest,\(^{82}\) see the table immediately below.

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### Practice Tip

Filing a letter of protest with the USPTO before a trademark application is published may obviate the cost and need to bring a formal opposition proceeding against an application to register a potentially confusingly similar junior mark. A letter of protest may be filed after publication has occurred, but the standards for acceptance are more stringent.\(^{80}\)

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### Letter of Protest

**Appropriate Contents**

**Objection:** The applied-for trademark is allegedly generic or descriptive. The proper evidence to include would be “objective, independent, and factual evidence” that the examining attorney may use to support the suggested refusal.

**Objection:** The applied-for mark is likely to be confused with a federally registered mark or a prior pending application for federal registration.

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\(^{81}\) *Id.* § 1715.03. Letters of protest filed with the USPTO within the 30-day publication period generally are accepted only where publication of the mark constituted clear error, because the evidence establishes a prima facie case for refusal of registration. *In re BPJ Enters. Ltd.*, 7 U.S.P.Q.2d 1375 (Comm’r Pats. 1988). See TMEP § 706.01 regarding clear error.

\(^{82}\) See TMEP § 1715.01(a)-(b).
**Letter of Protest**

**Objection:** The applied-for mark is likely to be confused with a federally registered mark or a prior pending application and there is pending litigation claiming infringement based on the applicant’s use of the applied-for mark. If these conditions can be met, the letter of protest must identify the litigation and a copy of the relevant pleadings. (1) The litigation must involve a federally registered mark or prior pending application of the protestor, and (2) the protestor must allege likely confusion between its mark and the applied-for mark. If granted, the letter of protest will effectively suspend the application for the applied-for mark pending the disposition of the litigation.

**Objection:** The application uses a registered mark inappropriately in the identification of goods and services.

**Objection:** A subsequently filed U.S. application contains a proper claim of priority under Section 44(d) to which the third party is entitled and there is a likelihood of confusion between its mark and the mark in a prior-filed application that is the subject of the letter of protest.

**Inappropriate Contents**

**Objection:** Claims of prior common-law use, state trademark registrations, and other claims based on evidence other than federal registrations and prior pending applications for federal registration.

**Objection:** Claims that the applicant is not the proper owner of the mark.

**Objection:** Numerous third parties provide their opinion that the mark should not register, but do not offer any evidence or legal reason to support the refusal. Mass mailings by special-interest groups will not be made part of the record.

**Objection:** Claim that the applied-for mark is the subject of pending litigation, but no evidence of the litigation is filed with the USPTO and therefore the examining attorney cannot determine whether the litigation involves a federally registered mark or prior pending application of the protestor.

**Objection:** Claims that the applicant has committed fraud against the USPTO.
Filing a letter of protest does not stay or extend the opposition period. Thus, a party that files a letter of protest after publication should also file a timely request for extension of time to oppose (15 U.S.C. § 1063) with the TTAB in order to preserve its right to oppose the application, should the USPTO ultimately refuse to grant the letter of protest after the 30-day opposition period has run. The Board will not suspend a potential opposer’s time to file a notice of opposition because a letter of protest has been filed. For a sample letter of protest, see Exhibit 2.

3. Time for Filing an Opposition

The TTAB will automatically grant a 30-day extension of time for filing a notice of opposition so long as a request for such an extension is filed prior to the expiration of the 30-day opposition period. Extensions totaling up to 120 days following the publication date may be obtained upon a showing of good cause, such as the need to consult with counsel, to conduct further investigation, or to pursue potential settlement. After this period of 120 days, either the applicant’s consent or a showing of “extraordinary circumstances” is required for a single additional extension of 60 days. Many trademark practitioners routinely apply for 90-day extensions, identifying as “good cause” the need to investigate the matter and consult with their clients to evaluate the question of whether to oppose. Those requests generally are approved; as a technical matter, however, the Board is authorized to evaluate whether the reasons given for such a request actually constitute sufficient “good cause” for allowing the extension. Electronic filing of extensions of time to oppose is encouraged through the TTAB’s ESTTA filing system directly, as this cuts down on cost, human error, and preparation.

83 Id. § 1715.03(e).
86 37 C.F.R. § 2.102(c) (2011).
87 Id.
88 Id. § 2.102(c)(3).
time because a number of required pieces of information can be autopopulated in an extension request through the clicking of several buttons. The Administrator must exercise great care in docketing the deadline to oppose, once extended, so that a deadline is not missed. If the deadline to file for an additional extension (or to file a notice of opposition) has passed, the potential opponent loses its right to oppose and must wait for the application to mature to registration in order to seek its cancellation.

4. **Contents of the Notice of Opposition**

Under Trademark Rule of Practice 2.104(a), the only requirements for a notice of opposition are that it “set forth a short and plain statement showing why the opposer believes he, she or it would be damaged by the registration of the opposed mark and state the grounds for opposition.”

5. **Grounds for Opposition**

The Lanham Act is the principal legal authority containing the grounds for opposing a trademark application at the TTAB, though additional legal sources, as noted in the table located below, provide a potential opponent with additional bases for opposing a trademark application.

<table>
<thead>
<tr>
<th>Grounds for Opposition</th>
<th>Legal Authority for Opposing</th>
</tr>
</thead>
<tbody>
<tr>
<td>The mark contains immoral or scandalous matter</td>
<td>Lanham Act § 2(a)</td>
</tr>
<tr>
<td>The mark is deceptive</td>
<td>Lanham Act § 2(a)</td>
</tr>
</tbody>
</table>

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**Practice Tip**

It is worthwhile for a potential opponent and the applicant's counsel to discuss settlement before filing formal opposition proceedings and investing the resources in a protracted opposition proceeding.

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89 Id. § 2.101(b).

<table>
<thead>
<tr>
<th>Grounds for Opposition</th>
<th>Legal Authority for Opposing</th>
</tr>
</thead>
<tbody>
<tr>
<td>The mark conveys a false suggestion of a connection between the applicant and the opopper</td>
<td>Lanham Act § 2(a)</td>
</tr>
<tr>
<td>The mark consists of or comprises a geographic indication that, if used on or in connection with wines or spirits, identifies a place other than the origin of the goods</td>
<td>Uruguay Round Agreements Act § 2(9)</td>
</tr>
<tr>
<td>The mark consists of or comprises the flag or coat of arms or other insignia of the United States, or of any state or municipality, or of any foreign nation, or any simulation thereof</td>
<td>Lanham Act § 2(b)</td>
</tr>
<tr>
<td>The mark consists of or comprises a name, portrait, or signature of a living individual without written consent, or the name, portrait, or signature of a deceased president without the written consent of the surviving spouse</td>
<td>Lanham Act § 2(c)</td>
</tr>
<tr>
<td>Priority and likelihood of confusion</td>
<td>Lanham Act § 2(d)</td>
</tr>
<tr>
<td>The mark is merely descriptive</td>
<td>Lanham Act § 2(e)(1)</td>
</tr>
<tr>
<td>The mark is deceptively misdescriptive</td>
<td>Lanham Act § 2(e)(1)</td>
</tr>
<tr>
<td>The mark is primarily geographically descriptive</td>
<td>Lanham Act § 2(e)(2)</td>
</tr>
<tr>
<td>The mark is primarily geographically deceptively misdescriptive</td>
<td>Lanham Act § 2(e)(8)</td>
</tr>
<tr>
<td>The mark is primarily merely a surname</td>
<td>Lanham Act § 2(e)(4)</td>
</tr>
<tr>
<td>Grounds for Opposition</td>
<td>Legal Authority for Opposing</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>------------------------------------------------------------------</td>
</tr>
<tr>
<td>The mark comprises matter that, as a whole, is functional</td>
<td>Lanham Act § 2(e)(5)</td>
</tr>
<tr>
<td>Dilution</td>
<td>Lanham Act § 43(c)</td>
</tr>
<tr>
<td>Fraud&lt;sup&gt;91&lt;/sup&gt;</td>
<td>Torres v. Cantine Torresella S.r.l., 808 F.2d 46, 1 U.S.P.Q.2d 1483 (Fed. Cir. 1986)</td>
</tr>
<tr>
<td>Genericness</td>
<td>Lanham Act §§ 13, 45</td>
</tr>
<tr>
<td>Other</td>
<td>(Requires a concise statement indicating the grounds and the statutory or common-law basis for opposition)&lt;sup&gt;92&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

## 6. Cancellation Petitions

The same grounds that constitute bases for opposing an application for registration may also be asserted as grounds for cancellation of a registration during the first five years following the date of registration.<sup>93</sup> Additionally, a trademark registration can be cancelled on the ground that the mark has been abandoned or has become generic since its registration.<sup>94</sup> After five years following the date of registration of a mark under the Act, a petition for cancellation may be based only on the four grounds specified in Section 14(3) of...

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<sup>91</sup> As in federal court litigation, Federal Rule of Civil Procedure 9 requires fraud to be pleaded with particularity. See TBMP § 311.02(b).

<sup>92</sup> See, e.g., Bausch & Lomb Inc. v. Karl Storz GmbH & Co. KG, 87 U.S.P.Q.2d 1526 (T.T.A.B. 2008) (an opposition may be based on a claim that the applicant is contractually prohibited from seeking registration of its mark).


<sup>94</sup> Id. § 1064(3); see also TBMP § 309.03(c)(12).
the Act, which include: (1) the mark has become generic; (2) use of the mark has been abandoned; (3) the registration was obtained fraudulently; or (4) the mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used. Grounds such as priority of use, likelihood of confusion, or non-distinctiveness of a mark that is claimed to be merely descriptive, geographically descriptive, a surname, or any other ground not specifically enumerated in Section 14(3) are not available grounds for an incontestable cancellation. Last, if the infringer’s mark is the subject of an application on the Supplemental Register, one must wait for the registration to issue and seek its cancellation, since the USPTO does not provide for an opportunity for third parties to oppose applications on the Supplemental Register. (See INTA, Trademark Cancellations: International Practice and Procedures.)

Whether a party seeks to prevent the registration of a mark through an opposition proceeding or seek the cancellation of an already-registered mark through a cancellation proceeding, the remedy sought at the TTAB is limited solely to the registration status of a trademark. Thus, if a party wishes to stop another from actually using a mark in commerce (registered or not), that party would require relief beyond the jurisdiction of the TTAB, residing in courts of general jurisdiction (federal or state).

Against this backdrop, the Administrator may be called upon to build a case file for potential enforcement against a third-party infringing mark. Please refer to the checklist below for the initial steps to be undertaken to identify whether the USPTO, the TTAB, and/or a court is the proper forum for enforcement.

95 Except for marks covered by Section 14(4) (applicable to marks registered prior to the effective date of the Act and not published under Section 12(c)) or Section 14(5) (applicable to improper use of certification marks).


97 See TBMP § 205.
Checklist: Forum Considerations

1. Upon discovery of an infringing mark, first confirm whether the infringing mark is the subject of a pending trademark application or registration at the USPTO by conducting a search of the federal register through the TESS database.

2. If the infringing mark is not the subject of a trademark application or registration at the USPTO, no action may be taken at the USPTO or the TTAB, since the Board has jurisdiction only over applications and registrations on the USPTO register. Continue researching the extent of the infringer’s unregistered commercial use for potential enforcement and civil litigation, consistent with the client’s enforcement objectives.

3. If the infringing mark is the subject of a pending trademark application that either has been published or is still under examination, gather all relevant particulars about the subject application in order to evaluate likelihood of success in an opposition, including the following:
   - Mark
   - Goods and services
   - Owner
   - Earliest date in record (e.g., dates of first use, application date, foreign application date, foreign registration date)
   - Filing basis (i.e., intent to use, use in commerce, foreign application, foreign registration, extension of an International Registration)
   - Specimens, if any, on file with the USPTO
   - Prosecution history of the application, to identify stage of prosecution of the subject application (i.e., newly filed application, under examination, preliminarily refused registration, approved for publication, allowed)
   - Any other trademark applications/registrations in the name of the owner
   - Publication date (if known), in which case the deadline to oppose the application (30 days after the date of publication) should be docketed for further action
4. If the infringing use is the subject of a trademark registration instead, identify the registration date for the mark in order to determine whether mark is incontestable (in which case the grounds for seeking the registration’s cancellation at the Board are more limited, as discussed above).

5. Whether an opposition or a cancellation is instituted at the TTAB, if there is sufficient commercial use of the infringing mark on goods similar or related to the client’s, gather all relevant information (i.e., infringer’s name, company name, and address) to include in an initial demand letter seeking the cessation of the infringer’s use of the mark and withdrawal of its pending application/registration at the USPTO.

6. Keep organized case files of all relevant documents in the run up to, and during the course of, any litigation filed (addressed at greater length herein). However, since TTAB actions (oppositions or cancellations) are actions distinct from civil litigation, separate records will need to be created for each action. Therefore, although some of the same evidence compiled for and/or used in a TTAB proceeding may be needed in a civil suit, separate files (sometimes with copies of the same evidence) will need to be compiled for the subsequent matter instituted in court. In short, do not mix the documents or records of the different proceedings. Keep them separate, even if the same issues are litigated.

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**B. Federal Court vs. State Court**

Sometimes a party that has initiated a TTAB proceeding may subsequently institute a civil action in a court of general jurisdiction in order to enjoin the adversary’s use of the contested trademark. When parallel proceedings at the TTAB and in a court materialize in this way, the TTAB is more likely than not to suspend proceedings and not expend resources litigating an inter partes matter while litigation affecting the trademark at issue between the parties is pending. The Board even stays proceedings where only one party to the proceeding is engaged in litigation with wholly different parties, so long as the outcome of the
litigation *may* have a direct bearing on the question of the party’s rights at the TTAB.\(^98\) The federal courts are free to take their own approaches in determining whether they will cede primary jurisdiction to the TTAB.\(^99\)

If a trademark owner seeks legal remedies (damages) and/or equitable remedies (injunctions), a court of general jurisdiction is the appropriate forum to initiate a proceeding. Remedies requiring a court’s intervention include securing temporary restraining orders, preliminary injunctions, permanent injunctions, money damages, an accounting of the infringer’s profits, the removal of counterfeit goods from the market, and an award of attorney’s fees and costs incurred in having to stop the alleged infringement.\(^100\) Although federal courts have exclusive jurisdiction in patent and copyright cases, the jurisdiction of state and federal courts is concurrent in cases arising under the federal trademark laws.\(^101\) Both federal and state courts therefore have the judicial authority to enjoin an infringer from continuing its infringing acts and to award damages to the aggrieved trademark owner, even under the Lanham Act.

It is the custom, but by no means the rule, that most plaintiffs file suit under the Lanham Act in the federal courts.\(^102\) However, violations of the Lanham Act may be tried in state courts, and there is no doubt that the Lanham Act empowers state and federal courts equally to hear such claims.\(^103\) If a plaintiff is considering filing suit against a party for violations of only state trademark and unfair competition laws, however, a federal court would not have *subject matter* jurisdiction over the matter, though a plaintiff may be able to hale the out-of-state defendant into federal court under the federal courts’ *diversity* jurisdiction.


\(^{99}\) When there are related proceedings at the TTAB, judges in the Ninth Circuit may not cede primary jurisdiction if trademark infringement claims and a prayer for declaratory judgment have been pled. See *Rhoades v. Avon Prods., Inc.*, 504 F.3d 1151 (9th Cir. 2007).

\(^{100}\) See 15 U.S.C. §§ 1116(a), 1117(a), 1125(c).

\(^{101}\) *McCarthy, supra* note 4, § 32:1.

\(^{102}\) *Id.*

\(^{103}\) *Id.*
jurisdiction. However, if diversity jurisdiction is lacking and the plaintiff selects a state court forum, an infringement action relying entirely on state statutory or common-law rights in a mark cannot be removed to federal court on the defendant’s motion, even where the plaintiff owns a federal registration, since federal subject matter and diversity jurisdiction would both be lacking.

Practically speaking, though, the putative trademark infringement plaintiff runs the risk that, after concluding that it would be strategically advantageous to bring suit in state court, the defendant might seek to remove the case from the state court’s docket to the federal district court’s under 28 U.S.C. Section 1441. Removal to federal court is available to a defendant upon a showing of either federal subject matter or diversity jurisdiction. Even where a complaint includes non-removable claims or causes of action, the entire case may be removed and the district court may determine all issues, or, in its discretion, may remand all matters in which state law predominates so long as an issue of federal law is involved.

Factors militating in favor of bringing a suit in federal court, if grounds for federal jurisdiction exist, include the following: (1) the federal court’s familiarity with federal trademark and unfair competition law; (2) the backlog of cases in state court; (3) the greater ease of obtaining discovery from an out-of-state party; (4) assignment of a case to a single judge, which does not require the parties to bring different judges up to speed at different stages of a case; and (5) reporting requirements on federal judges, which tend to move federal cases faster, on

104 See 28 U.S.C. § 1332 (2006). For a suit to qualify for federal “diversity of citizenship” jurisdiction, (1) all plaintiffs must be citizens of states different from those of all defendants and (2) a claim must be made for at least $75,000 as the amount in controversy. Id. A plaintiff may file suit in federal district court, even on state law grounds, where these requirements are met.

105 A case can be removed from state to federal court within 30 days of service of process, 28 U.S.C. § 1441, as long as the case could have been filed in federal court initially, owing to subject matter or diversity jurisdiction.


average. These factors should be weighed against the countervailing benefits of bringing a trademark-related suit in a local state court.

Below are some model clauses alleging federal jurisdiction that should be included in a complaint for federal trademark infringement and/or unfair competition in federal district court, depending on the particular facts of the case:

1. Model Clauses Alleging Federal Jurisdiction

a. Jurisdiction Premised on Diversity of Citizenship and Amount

This Court has jurisdiction over this action because Plaintiff is a limited liability company incorporated under the laws of the State of New York having its principal place of business in New York and Defendant is a (citizen of the State of California)/(corporation incorporated under the laws of the State of Delaware having its principal place of business in the State of California). The matter in controversy exceeds, exclusive of interests and costs, the sum of seventy-five thousand dollars.

b. Jurisdiction Premised on Federal Question Under the Lanham Act


c. Jurisdiction Over Related State or Common-Law Claims for Unfair Competition

This Court has jurisdiction over the state/common-law unfair competition claims herein under the provisions of 28 U.S.C. § 1338(b) since such claims are joined with a substantial and related claim under the federal Lanham Act, 15 U.S.C. §§ 1051 et seq.
C. Personal Jurisdiction Issues

Once a federal or state court obtains personal jurisdiction over a defendant, the defendant may be ordered to act or refrain from acting, even beyond the territorial jurisdiction of the court.\textsuperscript{108} According to the Lanham Act, an injunction may be served “anywhere in the United States where [parties against whom such injunction is granted] may be found.”\textsuperscript{109} This statutory authority effectively confers upon courts the ability to grant equitable relief with a national scope.\textsuperscript{110}

In order to determine whether a plaintiff can hale the putative defendant into federal or state court, one must first determine the defendant’s state of incorporation or citizenship.

**Checklist: Confirming Defendant’s State of Incorporation or Citizenship**

1. **Check the USPTO register** for any federal trademark applications or registrations in the name of the defendant, as the USPTO requires all applicants to identify their entity type (i.e., corporation, limited liability corporation, limited partnership, etc.) and their state of incorporation.

2. **Confirm with the USPTO’s Assignments Division** that no changes to either the ownership title over the trademark application/registration or the applicant/registrant’s identity have been recorded. For example, the Assignments Division’s records would reveal if an assignment transferring ownership over the application/registration from the defendant to Company B was filed at the USPTO. If such an assignment was filed, Company B may need to be added to a complaint as a co-defendant. Similarly, if the defendant merged with Company C and together became Company D domiciled in a different state, such a merger may have been recorded with the Assignments Division and will similarly alter the details for a complaint.

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\textsuperscript{110} *McCarthy*, supra note 4, § 30:15.
Checklist: Confirming Defendant’s State of Incorporation or Citizenship

Once this information is gleaned from the USPTO’s records, further investigation is necessary, as applicants and registrants may neglect to update the USPTO’s records.

3. **Verify the information in the USPTO’s records against the current records of the local Secretary of State’s office**, as some corporate entities undergo corporate changes (e.g., mergers, dissolution, name changes), which may not be reflected in the USPTO’s records. If the defendant is a foreign entity, contact foreign counsel to confirm the same details through foreign governmental sources.

4. **Obtain from the Secretary of State’s records the defendant’s owners and/or principals and an address for service of process.** If the complaint alleges that the principals are also liable for trademark infringement, dilution, and/or unfair competition, this information will also be necessary. The address for service of process is essential in order to coordinate proper service on the defendant. (In some instances, a simple phone call placed to the local Secretary of State can confirm whether a corporate entity domiciled in the particular state is still in good standing. However, numerous Secretary of State offices will charge a nominal fee for issuing a Certificate of Good Standing for a particular entity.)

If the defendant is a resident of the same state where the lawsuit is filed, the court has personal jurisdiction over the defendant.\(^{111}\) However, if the defendant is a nonresident of the state where the lawsuit is filed, the Fourteenth Amendment to the U.S. Constitution restrains both the federal and the state courts from hailing a defendant into a court sitting in a state with which the defendant lacks even “minimum contacts.”\(^{112}\) Generally, the defendant’s conduct must be “purposely

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\(^{111}\) See *Milliken v. Meyer*, 311 U.S. 457 (1940) (“Domicile in the state is alone sufficient to bring an absent defendant within the reach of the state’s jurisdiction.”).

directed” toward the forum state for the forum state to exercise personal jurisdiction over that party.\textsuperscript{113}

Please refer to the table immediately below, which sets forth the inquiries that a putative plaintiff must answer in order to determine whether the plaintiff’s court of choice can assert personal jurisdiction over a defendant, and to what extent.

<table>
<thead>
<tr>
<th>Inquiry to Be Made</th>
<th>Effect on Personal Jurisdiction</th>
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</thead>
<tbody>
<tr>
<td>Does the defendant reside in the forum state? (See Checklist: Confirming Defendant’s State of Incorporation or Citizenship, above.)</td>
<td>Yes: The court has personal jurisdiction over the defendant. (End of inquiry.)</td>
</tr>
<tr>
<td></td>
<td>No: The court might be able to assert personal jurisdiction over the defendant. (Proceed to inquiry in next row.)</td>
</tr>
<tr>
<td>Are the out-of-state defendant’s contacts with the forum state “substantial, continuous and systematic”?\textsuperscript{114}</td>
<td>Yes: The defendant is subject to general jurisdiction for any and all claims, even if none of the</td>
</tr>
</tbody>
</table>

\textsuperscript{113} Asahi Metal Indus. Co. v. Superior Court, 480 U.S. 102, 103 (1986) (plurality of four justices); see Topps Co. v. Gerrit J. Verburg Co., 961 F. Supp. 88 (S.D.N.Y. 1997) (under the Asahi test, a Dutch company held not subject to personal jurisdiction in New York on trademark-related claim, because although the Dutch company purposely directed its products at the U.S. market, there was no indication in the record that it had purposely directed its products at the New York market).

\textsuperscript{114} See, e.g., Bancroft & Masters, Inc. v. Augusta Nat’l Inc., 223 F.3d 1082 (9th Cir. 2000) (factors may include whether the defendant makes sales, solicits or engages in business in the state, serves the state’s markets, designates an agent for service of process, holds a state license, or is incorporated there); LSI Indus. Inc. v. Hubbell Lighting, Inc., 232 F.3d 1369, 56 U.S.P.Q.2d 1965 (Fed. Cir. 2000) (even though defendant sold none of the allegedly infringing products in Ohio, it was still subject to general jurisdiction in Ohio because defendant maintained an extensive distributorship network in Ohio and regularly sold millions of dollars of other products in that state).
### Administrator’s Research

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<th>Inquiry to Be Made</th>
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| The Administrator should review the defendant’s website for office locations, retailers, distributors, and any other indicia that the defendant sells its products or services under the disputed mark to the state at issue. In some instances, it may be necessary for the Administrator to hire a private investigator to conduct a phone investigation to confirm this information, if this information cannot be gleaned from publicly available sources. Note, however, that if the Administrator conducts the phone investigation himself or herself, he or she must prepare a detailed report of the phone investigation and must be cognizant that he or she may be subpoenaed to testify in court as to the substance of the phone investigation. | defendant’s contacts are related to the issues related in the litigation. (End of inquiry.)

**No:** The court might still be able to assert specific personal jurisdiction over the defendant. (Proceed to inquiry in next row.)

| Are the defendant’s contacts with the forum state random, fortuitous, or attenuated?\(^{115}\) | Yes: The defendant is not subject to either general or specific personal jurisdiction with the forum state. (End of inquiry. A new forum state would need to be selected.)

The Administrator’s investigation referenced above should quantify or characterize the extent of the defendant’s contacts with the forum state. |

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\(^{115}\) *Rio Props., Inc. v. Río Int’l Interlink*, 284 F.3d 1007 (9th Cir. 2002); see also *Cybersell, Inc. v. Cybersell, Inc.*, 130 F.3d 414 (9th Cir. 1997) (accessibility to a somewhat interactive, but passive, out-of-state website held insufficient to confer personal jurisdiction in an Arizona court over a defendant).
### Administrator’s Research

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>use of the infringing mark with the goods/services at issue in the potential forum state.</td>
<td><em>No:</em> The court might <em>still</em> be able to assert specific personal jurisdiction over the defendant. (Proceed to inquiry in next row.)</td>
</tr>
<tr>
<td>Does the defendant “purposely avail itself of the privilege of conducting activities” in the forum state through the complained-of activities that are the subject of the lawsuit?[^116]</td>
<td><em>Yes:</em> The defendant <em>may be</em> subject to specific personal jurisdiction for the complained-of activities. (Proceed to inquiry in next row.)</td>
</tr>
<tr>
<td>The Administrator’s investigation referenced above should quantify or characterize the extent of the defendant’s use of the infringing mark with the goods/services at issue in the potential forum state.</td>
<td><em>No:</em> The defendant is <em>not</em> subject to either general or specific personal jurisdiction with the forum state. (End of inquiry. A new forum state would need to be selected.)</td>
</tr>
<tr>
<td>“Minimum contacts” have been found in defendant’s activities. Now, would asserting personal jurisdiction comport</td>
<td><em>Yes:</em> The defendant is subject to specific personal jurisdiction in the forum state over its activities</td>
</tr>
</tbody>
</table>

[^116]: Such activities would give the defendant notice that it may be hauled into a court in the forum state, a contingency against which it can prepare by obtaining insurance, passing potential liability and costs to consumers, or even severing any commercial ties with the state in the face of too much regulation. *Burger King Corp. v. Rudzewicz*, 471 U.S. 462 (1985); *see also Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, 952 F. Supp. 1119 (W.D. Pa. 1997) (providing a sliding scale of Internet-related activities that either purposely avail a defendant of a forum state’s laws or provide the defendant with no minimum contacts necessary to establish personal jurisdiction).
**Administrator’s Research**

<table>
<thead>
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| with “fair play and substantial justice”? (The Administrator typically might not be involved in this analysis, though he or she may be called upon to research the issue by a supervising attorney.) | directed at the forum state.  
**No:** The defendant is *not* subject to either general or specific personal jurisdiction with the forum state. (End of inquiry. A new forum state would need to be selected.) |

### 1. Long-Arm Jurisdiction

Consistent with minimum constitutional requirements of jurisdiction, most states have enacted long-arm statutes. These list a number of activities that, if the defendant is found to have committed them from outside the state, give courts sitting in the state the ability to exercise personal jurisdiction over the defendant. The two activities found in long-arm statutes and most relevant to trademark infringement and unfair competition claims against out-of-state defendants include “transaction of business” and the “commission of a tortious act” within the state. Close research of the “transaction of business” prong of a particular long-arm statute may be necessary, as state long-arm jurisdiction may confer personal jurisdiction over a defendant from a single act. Similarly, the “commission of a tortious act” required to trigger a state’s long-

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117 *Burger King Corp.*, 471 U.S. at 476. The factors that need to be weighed in this analysis include: (1) the burden on the defendant; (2) the forum state’s interest in adjudicating the dispute; (3) the plaintiff’s interest in obtaining convenient and effective relief; (4) the interstate judicial system’s interest in efficient resolution of disputes; and (5) the shared interest of the states in furthering fundamental social policies. *Id.* at 467-77.

118 *McCarthy*, *supra* note 4, § 32:39.

119 *Id.*

120 *See*, *e.g.*, *Pilates, Inc. v. Pilates Inst., Inc.*, 891 F. Supp. 175, 179 (S.D.N.Y. 1995).
The plaintiff should conduct a sufficient investigation behind the defendant and its activities to determine whether enough contacts exist between the defendant and the forum state. Once enough demonstrable facts surrounding the defendant and its use of a mark in a particular forum have been mustered, the plaintiff must conduct a thorough legal analysis to determine whether sufficient minimum contacts exist as a matter of law. To avoid dismissal of a case for lack of personal jurisdiction, this analysis should be conducted in advance of filing a complaint with the forum court.

2. Asserting Personal Jurisdiction Over Foreign Defendants

Where a defendant residing outside the United States lacks contacts with all U.S. states, but has enough contacts with the United States as a whole, Federal Rule of Civil Procedure 4(k)(2) can help confer personal jurisdiction over the international defendant. In one case, the U.S. District Court for the Eastern District of Virginia permissibly asserted personal jurisdiction under Rule 4(k)(2) over an Indian citizen operating a website from abroad who was sued for trademark infringement. Although the defendant’s contacts with any one state were de minimis or nonexistent, his contacts with the United States as a whole were sufficient because the defendant directed his site activities at the U.S. market generally.122

121 Penguin Grp. (USA), Inc. v. Am. Buddha, 16 N.Y.3d 295, 302, 921 N.Y.S.2d 171, 174 (N.Y. 2011) (in a certified question from the U.S. Second Circuit Court of Appeals to the New York Court of Appeals, it was determined that the location of the copyright holder will determine, in copyright infringement cases involving the uploading of a copyrighted printed literary work onto the Internet, the sites of injury for purposes of determining whether long-arm jurisdiction under N.Y. C.P.L.R. § 302(a)(3)(ii) may be extended to a non-domiciliary infringer).

The Ninth Circuit held that to use Rule 4(k)(2) against a foreign defendant, the plaintiff must prove that (1) the claim arises under federal law; (2) the defendant must not be subject to the personal jurisdiction of any state court of general jurisdiction in the United States; and (3) the exercise of personal jurisdiction must comport with due process of law.123

D. Federal Venue Issues

Once jurisdiction and forum are established, venue for the suit must be identified. For example, the plaintiff has determined through counsel that a claim for federal trademark infringement may be brought in federal district court. However, which federal district court? Venue is the location where a lawsuit may be heard, that is, in which locale a lawsuit may be filed or commenced. It involves a determination of which district (federal court) or county (state court) is appropriate, typically based on where a matter occurred or where the defendant resides. Venue is determined by comparing what is ascertained about the adversary with the provisions of 28 U.S.C. Sections 1391 and 1392(a). If state court jurisdiction is established, then the appropriate state’s code must be consulted. Please refer to the table below, which breaks down the federal rules of venue.

<table>
<thead>
<tr>
<th>Civil Action Where Jurisdiction Is Premised on Diversity of Citizenship</th>
<th>Civil Action Where Jurisdiction Is Premised on Federal Subject Matter</th>
<th>Alien Defendant</th>
</tr>
</thead>
<tbody>
<tr>
<td>If all defendants reside in the same state, then a judicial district where any defendant resides.</td>
<td>If all defendants reside in the same state, then a judicial district where any defendant resides.</td>
<td>May be sued in any district.</td>
</tr>
</tbody>
</table>

123 Pebble Beach Co. v. Caddy, 453 F.3d 1151 (9th Cir. 2006) (finding no personal jurisdiction in a California federal court over English defendant because plaintiff failed to prove the third element where the only basis was defendant’s use of a passive website. The defendant was an English inn, and the court said that there was no behavior of the defendant expressly directed at the United States.).
<table>
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<tr>
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<th>Civil Action Where Jurisdiction Is Premised on Federal Subject Matter</th>
<th>Alien Defendant</th>
</tr>
</thead>
<tbody>
<tr>
<td>The judicial district where a substantial part of the events or omissions giving rise to the claim occurred.</td>
<td>A judicial district where a substantial part of the events or omissions giving rise to the claim occurred.</td>
<td></td>
</tr>
<tr>
<td>If there is no district where the action may otherwise be brought, then a judicial district where any defendant is subject to personal jurisdiction at the time the action is commenced.</td>
<td>If there is no district where the action may otherwise be brought, then a judicial district where any defendant is subject to personal jurisdiction at the time the action is commenced.</td>
<td></td>
</tr>
</tbody>
</table>

For purposes of federal venue rules, a corporate defendant is deemed to reside in any judicial district where it is subject to personal jurisdiction at the time the action is commenced. As against defendants residing in different districts in the same state, a civil action may be brought in any of the districts where any of the defendants reside. An Administrator may be called upon to identify the defendant’s domicile or other offices that may have an impact on a venue-selection analysis.

Where venue is considered based on “where a substantial part of the events or omissions giving rise to the claim occurred,” for trademark-related claims, venue may be proper either where the infringer is located or in the district where the trademark owner is located and confusion is likely to occur, depending on the forum. The plaintiff should exercise care here by reviewing applicable local laws to confirm that the appropriate venue is selected prior to filing a complaint.

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125 Id. § 1392(a).
126 McCarthy, supra note 4, § 32:64. See also 28 U.S.C. § 1391; Cottman Transmission Sys. v. Martino, 36 F.3d 291 (3d Cir. 1994) (venue proper at location of ex-franchisee). But see
The plaintiff’s choice of venue does carry with it the possibility of challenge by a defendant who moves for transfer for convenience. “Unless the balance of factors weighs strongly in favor of the defendant, the plaintiff’s choice of forum should remain unchanged.”127 Where the plaintiff is a nonresident of the forum district that it has selected, the plaintiff’s choice of venue is accorded no greater weight than any other factor considered in the balance-of-factors test.128 Below is a non-exhaustive list of factors considered when weighing “convenience” under a motion to transfer under 28 U.S.C. Section 1404(a):

1. Location of witnesses;
2. Proof of the backlog (or lack thereof) of each court’s docket;
3. Domicile of plaintiff;
4. Domicile of defendant(s); and
5. The parties’ financial ability to undergo a trial in any particular forum.129

<table>
<thead>
<tr>
<th>Checklist: Administrator Functions—Litigation—Determining Proper Venue Under Forum Non Conveniens Doctrine</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Research domicile of plaintiff.</td>
</tr>
<tr>
<td>2. Research domicile of defendant.</td>
</tr>
<tr>
<td>3. Identify locations of known and potential witnesses.</td>
</tr>
<tr>
<td>4. Identify extent of any wrongful acts allegedly committed by defendant in initial venue and target venue identified in the motion to transfer.</td>
</tr>
</tbody>
</table>

*Jaguar Cars Ltd. v. Nat’l Football League*, 886 F. Supp. 335 (S.D.N.Y. 1995) (venue was proper where the mark owner was located).

127 *Schieffelin & Co. v. Jack Co.*, 725 F. Supp. 1314, 1322, 13 U.S.P.Q.2d 1704, 1709 (S.D.N.Y. 1989) (transfer of case from a district court in New York to Florida, the defendants’ domicile, was denied because it would “switch the inconvenience from defendants to plaintiff”).


Checklist: Administrator Functions—Litigation—Determining Proper Venue Under *Forum Non Conveniens* Doctrine

5. Order a Hoover’s or Bloomberg report disclosing the financial profile of the corporate defendant.

6. Conduct online search for unsolicited comments regarding the backlog of initial venue and the new venue identified in motion for transfer.

7. Confer with experienced litigators about their experience with particular court dockets.

The required timing of a transfer motion can vary from court to court, with some courts requiring a defendant to file such a motion after the defendant enters a general appearance, while others will allow a defendant to request a change of forum once some discovery has uncovered that convenience lies in a different forum owing to access to witnesses.130

**E. Alternative Dispute Resolution (Arbitration, Mediation, Mediation-Arbitration)**

There are principally two categories of alternative dispute resolution (ADR): consensual and mandatory. ADR comprises dispute resolution processes and techniques that assist disagreeing parties in reaching an agreement short of litigation. ADR is a collective term for the mechanisms that parties can use to settle disputes, with (or without) the help of a third party, including arbitration, mediation, and/or mediation-arbitration. The latter may be court-ordered or agreed to be the sole dispute resolution

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mechanism between two parties to an agreement. Since there are no legal barriers to two parties’ consenting to the use of ADR, parties involved in a dispute involving trademarks or unfair competition can opt to avoid the uncertainty and costs of the judicial process altogether by consensually electing binding or nonbinding ADR to resolve their dispute. (For further information about the basics of ADR, see INTA, Global Trademark Resources, “Mediation: About ADR and Mediation.”)

Mediation is a nonbinding process in which the parties to a dispute work with an impartial third party (a “neutral” or “mediator”), who helps them to reach a settlement. (For a list of the benefits to mediation, see INTA, “Choosing Mediation Checklist.”) The mediator does not decide the case but, rather, facilitates a consensual agreement among the parties to the dispute. Except under some court-mandated programs, mediation is a consensual effort: both parties must agree to it. Often, mediation is employed after it becomes apparent that direct negotiation between adversaries will not resolve the dispute efficiently.

Perhaps the most attractive aspect of mediation is that it can be tailored to suit the needs of each individual dispute. The mediator can play a low-key and conciliatory role, or take on a more proactive role by making suggestions and probing for convergent interests. The parties can also decide to convert the mediation into an arbitration proceeding, granting the mediator the power to issue a binding decision. Where mediation does not settle all the issues in a case upon its conclusion, it may still assist the parties by focusing them on the issues in order to reach a quicker settlement.

Arbitration is a process in which a dispute is referred to one or more impartial persons for a final, binding decision. The parties to this “quasi-litigation” procedure may contractually limit the issues subject to the arbitration as well as the procedural aspects of the process.

Mediation-Arbitration (“med-arb”) is a combination process in which an impartial person is employed first as a mediator and then, if the mediation fails, as an arbitrator. Other combinations of binding and nonbinding processes are possible as well.
In short, a trademark owner should carefully consider its objectives in the dispute and determine which forum or mechanism for resolution best suits those objectives. In many instances, litigation may be the most expensive and least certain option for accomplishing those objectives, and alternative means should be given serious consideration in those instances.

The Administrator may be called upon to perform a number of different functions in ADR, which mirror his or her function in traditional litigation, but with an emphasis on compromise in order to reach a mutually agreed-upon settlement.

**Checklist: Administrator Functions—ADR**

**Client Interview**

1. Begin investigation folder/notebook. Divide into sections:
   a. Parties.
      i. Client’s desire to mediate/arbitrate.
      ii. Opponent’s state of mind and desire to mediate/arbitrate.
      iii. Willingness of parties to compromise.
      iv. State of relationship between client and opponent (i.e., friendly, respectful, contentious, etc.).
      v. Relative financial strengths of both parties.
   b. Trademarks and markets at issue.
      i. Importance of client’s mark to client.
      ii. Importance of opponent’s mark to opponent.
      iii. Client’s financial investment in client’s business signified by client’s mark (i.e., expenditures to date, market exposure, projected use of mark in target markets, willingness to change mark at issue or coexist with opponent’s mark).
      iv. Opponent’s financial investment in opponent’s business signified by opponent’s mark (i.e., expenditures to date, market exposure, projected use of mark in target markets, willingness to change mark at issue or coexist with client’s mark).
Checklist: Administrator Functions—ADR

v. Copies of any correspondence exchanged between parties.
vii. Research, on the USPTO’s website and through Internet sources, which party has priority of use of its mark in U.S. commerce.

c. Client’s business options in the event that ADR fails.
d. What the client is prepared to concede in order to reach a settlement with the opponent.
e. What is non-negotiable for the client.
f. What, in the client’s opinion, the opponent is likely to deem non-negotiable and what the opponent is likely to concede.
g. Memoranda and evidence of facts.
h. Questions requiring additional information and/or data.

Preliminary Investigation

2. Identify key documents and witnesses.

3. Research proposed mediators’ backgrounds for cost, complaints regarding partiality, areas of competency, strengths, weaknesses, and efficacy in bringing parties to settle.

4. Research history of opponent’s willingness to settle in past litigation with third parties using litigation docket programs such as PACER.

Preparation of Documents for Discovery and Production

5. Obtain copies of trademark registrations.

6. Obtain Internet evidence (make sure to have the URL visited and date/time stamped on the document).

7. Obtain company profiles and histories as needed for the mediation statement drafted by attorneys.

8. Obtain evidence from client. Redact proprietary, confidential information or anything that otherwise appears to be a trade secret.
VI. Why: Objectives and Remedies

Remedies are the kinds of relief that the plaintiff in an action under the Lanham Act seeks from the defendant. They can include, *inter alia*, injunctive relief, money damages, attorney’s fees, and the costs of the action. The Lanham Act largely governs the remedies available in trademark infringement and unfair competition actions, which fall into two categories: (1) legal remedies, or monetary damages to compensate the plaintiff for injuries caused by the defendant’s acts; and (2) equitable remedies, which are imposed by the court in its discretion when monetary damages alone are insufficient to provide complete relief to the plaintiff. (For a chart summarizing the types of relief available, see Section VI.B.4, below.)

An Administrator often will be asked to organize and maintain documents and other materials pertinent to these remedies. This role can be particularly important when monetary remedies are being sought, because the Administrator often may be called upon to make and verify important mathematical calculations, preserve the relevant documentary evidence, and otherwise assist in assuring that the evidentiary requirements for obtaining monetary relief are met.

A. Injunctive Relief (Preliminary and Permanent)

Section 34(a) of the Lanham Act, 15 U.S.C. § 1116(a), provides that a court “shall have power to grant injunctions, according to the principles of equity and upon
such terms as the court may deem reasonable,” for remedying infringement of a plaintiff’s trademark.

An injunction is a court order prohibiting a party from doing some specified act. In the trademark context, plaintiffs commonly seek a court order prohibiting the defendant from using the accused mark (or any form of the plaintiff’s mark) in connection with specified goods or services. Injunctive relief is a standard remedy in trademark actions because money damages usually are inadequate to remedy the injury to the plaintiff caused by the defendant’s continued infringement. Indeed, if an injunction were not available, the plaintiff would be required to sit by and watch the defendant continue to violate the law and infringe upon the plaintiff’s rights until such time as the plaintiff decided to sue again for money damages as compensation for the past injury incurred. Injunctive relief also prevents continuing harm to the public by preventing confusion in the marketplace.

Injunctive relief is an equitable remedy that is granted by the court upon the filing of a motion by the plaintiff. This type of relief can be sought either at the outset of the action, in the form of a motion for preliminary injunction, or after a judge or jury has already found in favor of the plaintiff on the merits, in the form of a motion for a permanent injunction. A plaintiff that obtains preliminary injunctive relief can ask that the injunction be made permanent at the end of a successful action.

1. Preliminary Injunction

A preliminary injunction is a remedy by which the plaintiff can prevent the defendant from engaging in allegedly infringing acts that are causing the plaintiff ongoing injury while the case is pending. A plaintiff need not wait until the defendant begins to sell products under the accused mark before seeking injunctive relief, so long as the defendant has made some form of commercial use of the mark, such as marketing the product.

A preliminary injunction is obtained by the filing of a motion, usually at the same time or shortly after the complaint is filed. If granted, the injunction stays in place until trial is completed or the case is otherwise resolved. Usually, the
plaintiff is required to post a bond to protect the defendant as a condition to the grant of the motion.

A motion for preliminary injunction should be supported by a legal brief and witness affidavits containing the relevant facts and attaching documentary evidence. In considering a motion for preliminary injunction, the court typically holds an evidentiary hearing to allow both sides to present evidence, although a hearing is not required and a court can rule on the parties’ briefs and submitted evidence.

To issue a preliminary injunction, the court need not find that the evidence guarantees a verdict in the plaintiff’s favor. Instead, it must determine whether the evidence establishes the following elements:

1. A substantial likelihood of success on the merits;
2. A substantial threat of irreparable injury if the injunction were not granted;
3. That the threatened injury to the plaintiff outweighs the harm that an injunction may cause the defendant; and
4. That granting the injunction would not disserve the public interest.131

Practically speaking, persuasive evidence that there is a likelihood of confusion will establish the elements of both a probability of success on the merits and irreparable injury.

The “irreparable injury” requirement means that the plaintiff must show that damages are inadequate and that it will suffer injury waiting for trial without an injunction. By showing a likelihood of confusion, the plaintiff can show that it will likely lose control of the reputation and goodwill of its brand as a result of the defendant’s activities.132 Also, if a likelihood of confusion exists, it follows that the public interest would be served by eliminating the possibility of confusion among consumers.

131 See McCarthy, supra note 4, § 30:31 (discussing that, while each jurisdiction has developed its own test for preliminary injunction, all courts will consider these factors).

The granting or denial of a preliminary injunction does not amount to an ultimate adjudication of the case on the merits. At the full trial, the court is not bound by determinations made at the hearing on a preliminary injunction. The decision to grant a motion for preliminary injunction merely determines that the court, in balancing the respective rights of the parties, concludes that, pending a trial on the merits, the defendant should or should not be restrained from the conduct at issue.

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**Checklist: Administrator Functions—Preliminary Injunctions**

1. Prepare witness affidavits and supporting exhibits, which should include:
   a. Images of the parties’ respective marks.
   b. Information regarding the parties’ respective goods or services.
   c. Evidence of the strength of plaintiff’s mark, such as sales, consumer awareness, and extent of advertising.
   d. Information regarding target customers and retail trade channels.
   e. Examples of advertising using the marks.
   f. Evidence of actual confusion.
   g. Evidence regarding defendant’s intent.
   h. Testimony regarding irreparable harm to plaintiff if injunction is not granted.

2. Prepare and file pleadings with the court, including preliminary injunction motion, supporting legal memorandum, supporting affidavits, and proposed order.

3. Prepare witness notebooks with key exhibits, to be used to prepare witnesses to testify at the preliminary injunction hearing, including all exhibits attached to each witness’s affidavit.

4. Prepare exhibits to be used at the preliminary injunction hearing.
2. **Permanent Injunction**

While preliminary injunctions are more challenging to obtain, permanent injunctions where a plaintiff succeeds on the merits commonly are granted by courts, even where the defendant has already ceased the complained-of conduct.

A plaintiff may obtain a permanent injunction by demonstrating that

1. It has suffered an irreparable injury;
2. Remedies available at law, such as monetary damages, are inadequate to compensate for that injury;
3. Considering the balance of hardships between the plaintiff and the defendant, a remedy in equity is warranted; and
4. The public interest would not be disserved by a permanent injunction.133

Because injunctions are intended as remedial devices, the scope of an injunction will depend on the facts of the case. Thus, the court only will grant relief broad enough to cure the effects of the harm caused by the defendant’s conduct.134 For example, the court may not enjoin all use of an accused mark by the defendant, but only use in connection with certain products. Federal courts have the authority to issue injunctions that are nationwide in territorial scope.135

A permanent injunction typically is granted by the court upon motion by the plaintiff after a decision on the merits in the plaintiff’s favor. The role of the Administrator in seeking a permanent injunction can include assistance with the preparation of a motion for injunction and proposed order and filing pleadings with the court.

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133 *McCarthy*, *supra* note 4, § 30:1.
135 See *Golden Door, Inc. v. Odisho*, 437 F. Supp. 956, 968 (N.D. Cal. 1977), aff’d, 646 F.2d 347 (9th Cir. 1980).
B. Monetary Remedies

In addition to enjoining the defendant’s actions, a prevailing plaintiff is entitled to a monetary award for the injury that the defendant’s acts have caused. Unlike the equitable remedy of injunctive relief, the amount of monetary damages is an issue for the jury to determine unless the parties have consented to a bench trial before a judge.

Section 35(a) of the Lanham Act, 15 U.S.C. § 1117(a), governs the award of monetary remedies in trademark infringement and unfair competition cases. The statute provides for (1) actual damages, that is, any damages sustained by the plaintiff; (2) the defendant’s profits; and (3) attorney’s fees and other costs of the action. In extraordinary cases, usually involving willful infringement, damages may be enhanced by the court under this provision. Punitive damages may also be available under state law. (See “U.S. Trademark Registration”; INTA, U.S. State Trademark and Unfair Competition Law.)

Both the Lanham Act and the common law permit a successful plaintiff to recover both its actual damages and the defendant’s profits; the plaintiff need not elect to recover one or the other. These two forms of recovery are different in nature, as is the kind of proof needed to support them, and parties seeking relief should be aware of these distinctions and the legal requirements for each.

1. Actual Damages

Actual damages are to compensate the plaintiff for any actual injury resulting from the infringement. The most commonly awarded types of actual damages are plaintiff’s lost profits or a reasonable royalty. However, courts have also allowed awards representing compensation for the diminution in the goodwill of the plaintiff’s mark or the costs of corrective advertising.
a. **Plaintiff’s Lost Profits**

Actual damages may be measured by the profits lost by the plaintiff because of the defendant’s infringements.\(^{136}\) To determine what profits the plaintiff would have made but for the defendant’s infringement, the court may use a pre-infringement “base period” as the basis for predicting what the plaintiff would have made during the period of infringement. Another possible method of measuring the trademark owner’s lost profits is to multiply the trademark owner’s profit margin by the number of infringing items sold by a competitive infringer.

b. **Reasonable Royalty**

A reasonable royalty is available as a measure of damages if the plaintiff is unable to prove actual lost sales as a result of the defendant’s conduct.\(^{137}\) These damages are calculated by multiplying a reasonable royalty rate by the number of infringing units sold by the defendant. The royalty rate can be based upon a rate previously used by the plaintiff to license the mark, or a hypothetical rate based upon a hypothetical license negotiation between the parties.

c. **Other Considerations**

To recover actual damages, the plaintiff must show some form of compensable injury. Some federal circuits require that a plaintiff prove actual injury with evidence that consumers were actually confused.\(^{138}\) However, direct evidence of

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\(^{136}\) See, e.g., *Taco Cabana Int'l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1128 (5th Cir. 1991) (affirming a jury award of $306,000 for lost profits and $628,300 for lost income from franchise fees and royalties); *Zelinski v. Columbia 300, Inc.*, 335 F.3d 633, 639-40 (7th Cir. 2003) (affirming award of lost profits).

\(^{137}\) See, e.g., *Ramada Inns, Inc. v. Gadsden Motel Co.*, 804 F.2d 1562, 1565 (11th Cir. 1986) (affirming award of a reasonable royalty as plaintiff’s actual damages); *Boston Profl Hockey Ass’n, Inc. v. Dallas Cap & Emblem Mfg. Inc.*, 597 F.2d 71, 75 (5th Cir. 1979) (upholding award of a reasonable royalty on ground that plaintiff had sustained injury to its brand and business reputation).

\(^{138}\) See, e.g., *Boosey & Hawkes Music Publishers, Ltd. v. Walt Disney Co.*, 145 F.3d 481, 493 (2d Cir. 1998) (holding that for a Lanham Act plaintiff to receive an award of damages the plaintiff must prove either actual consumer confusion or deception resulting from the
actual confusion is difficult to obtain, as consumers who are confused often do not report their mistake or may not even know that they were confused. Thus, it is nearly impossible to determine how many consumers were actually confused, and finding these individuals and obtaining their testimony can be a challenging task.

Recognizing this challenge, other circuits permit recovery based on all elements of injury to the business of the trademark owner caused by the infringement, without direct proof of actual confusion. The proof sufficient to establish actual injury as a result of infringement can include the results of consumer surveys, direct testimony, and market analyses. This more flexible approach allows an injured plaintiff to be compensated where direct evidence of actual confusion is not available, or where the defendant has not profited from its infringement.

While the amount of damages resulting from lost profits can be presented as an estimate and need not be proven with certainty, damages may not be speculative. In trademark cases, evidence of the amount of actual damages is typically presented through expert testimony.

2. Accounting of Defendant’s Profits

Often it is difficult to show actual damages that have been caused by the defendant’s infringement. Therefore, the Lanham Act provides that a plaintiff can also obtain monetary relief in the form of the defendant’s profits from the sale of the infringing products or services. Recovery of defendant’s profits is a remedy that is equitable in nature, and flows not from the trademark owner’s injury or damage but from the infringer’s unjust enrichment or the need for deterrence.

violation, or that the defendant’s actions were intentionally deceptive, thus giving rise to a rebuttable presumption of consumer confusion); Web Printing Controls Co. v. Oxy-Dry Corp., 906 F.2d 1202, 1205 (7th Cir. 1990) (same).

Section 35(a) provides that in calculating defendant’s profits, “the plaintiff shall be required to prove defendant’s sales only; defendant must prove all elements of cost or deduction claimed.” Thus, a prevailing plaintiff need demonstrate an infringing defendant’s “sales only,” which can be shown with evidence of the defendant’s gross revenue from sales of the accused goods or services.

The burden then shifts to the defendant, which bears the burden of proving all offsets from those sales by (1) apportioning those sales between infringing and non-infringing uses, and then (2) documenting the costs incurred in making whatever sales the defendant apportions to its infringing uses.\textsuperscript{140} Because the defendant bears the burden of proving apportionment by a preponderance of the evidence, a defendant that fails to prove that the portions of its gross (and not infringing) revenues that arise from lawful sales may be subject to the disgorgement of the entirety of those revenues. A defendant also bears the burden of proof as to the second of the relevant inquiries, namely, what costs it is entitled to deduct from those revenues it has failed to prove were not driven by its infringement. A defendant therefore must present sufficient evidence that it incurred costs and that the expenditures in question are directly related to, or necessitated by, sales of the infringing goods or services.

Thus, for example, evidence of blanket undifferentiated or unidentified expenditures or general expenditures such as “overhead” will be insufficient.\textsuperscript{141} Fixed costs that would have been incurred even if the defendant had not engaged in the challenged conduct are not permissible deductions from the defendant’s overall revenues.\textsuperscript{142}

Both actual damages and defendant’s profits typically are proven by a plaintiff at trial. The Administrator can assist with the presentation of this proof by compiling witness notebooks to prepare testifying witnesses for trial, and by preparing exhibits to be used at trial to prove these damages. The Administrator

\textsuperscript{140} \textit{See WMS Gaming, Inc. v. WPC Prods. Ltd.}, 542 F.3d 601, 608 (7th Cir. 2008); \textit{Venture Tape Corp. v. McGills Glass Warehouse}, 540 F.3d 56, 64 (1st Cir. 2008); \textit{Wynn Oil Co. v. Am. Way Serv. Corp.}, 943 F.2d 595, 606 (6th Cir. 1991).

\textsuperscript{141} \textit{See, e.g., Louis Vuitton S.A. v. Spencer Handbags Corp.}, 765 F.2d 966, 973 (2d Cir. 1985).

will also be involved during discovery with production of documents related to the plaintiff’s claim for damages, as well as the preparation of witnesses, including expert witnesses, on the topic of damages.

3. Attorney’s Fees and Costs

The court may award reasonable attorney’s fees to a prevailing party in “exceptional cases.” While the standards vary among circuits, an “exceptional case” generally has been defined by courts as conduct by a party that is malicious, fraudulent, deliberate, or willful. Attorney’s fees have also been awarded to prevailing defendants in exceptional cases, usually in which the court found that the plaintiff was vexatious or unjustified in bringing or conducting the litigation. The “exceptional case” standard is difficult to meet, and even where the plaintiff is able to obtain an award of attorney’s fees from the court, typically the award is less than the amount of fees sought.

The measurement of “reasonable” attorney’s fees usually is made by use of the so-called “lodestar” method of computation, which multiplies the number of reasonable hours expended by a reasonable rate. The reasonableness of the fees must be proven by the party seeking fees, usually in the form of an attorney affidavit explaining why the fees and the hours expended on the case were reasonable.

While a jury may advise as to whether an award of attorney’s fees is appropriate, the ultimate determination of whether fees should be awarded is made by the court, upon a motion by the prevailing party. Pursuant to Rule 54(d)(2)(B) of the Federal Rules of Civil Procedure, a motion for attorney’s fees must be filed no later than 14 days after the entry of judgment.

Costs of the action, on the other hand, are automatically awarded to the successful party pursuant to Rule 54(d)(1), which provides: “Unless a federal statute, these rules, or a court order provides otherwise, costs—other than

143 McCarthy, supra note 4, § 30:100 (gathering cases).
144 Id. § 30:101.
attorney’s fees—should be allowed to the prevailing party.” Costs typically include document copying and processing, management and storage of electronic documents, deposition transcription fees, and postage fees. The party seeking costs must file a Bill of Costs with the court clerk following a judgment.

<table>
<thead>
<tr>
<th><strong>Checklist: Administrator Functions—Costs</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Following the entry of judgment by the court, docket and monitor deadlines to file motion for attorney’s fees and Bill of Costs.</td>
</tr>
<tr>
<td>2. Prepare supporting affidavit of attorney to support motion for attorney’s fees, which should include as exhibits:</td>
</tr>
<tr>
<td>a. Pro formas or invoices showing the hours worked and fees incurred for the case.</td>
</tr>
<tr>
<td>b. The bio of each attorney that worked on the case.</td>
</tr>
<tr>
<td>c. Evidence from a legal publication showing average fees of other intellectual property attorneys working in the same geographic area, such as from the American Intellectual Property Law Association Report of the Economic Survey.</td>
</tr>
<tr>
<td>3. Prepare and file motion for attorney’s fees with the court, including the motion, supporting memorandum of law, affidavits, and proposed order.</td>
</tr>
<tr>
<td>4. Prepare and file Bill of Costs with the court.</td>
</tr>
</tbody>
</table>

4. **Punitive Damages**

The Lanham Act does not specifically allow for the recovery of punitive damages, and courts have held that punitive damages are not recoverable in cases brought under the Act.146

However, where state law or common-law causes of action are brought in addition to Lanham Act claims, punitive damages may be available under state law.

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146 See, e.g., Getty Petroleum Corp. v. Bartco Petroleum Corp., 858 F.2d 103, 112 (2d Cir. 1988); McCarthy, supra note 4, § 30:95.
law. As a general rule, in jurisdictions where punitive damages are allowable in tort cases, they are equally allowable in cases of trademark infringement and unfair competition under state law.\footnote{McCarthy, supra note 4, § 30:96.}

Punitive damages generally are awarded to punish willful conduct or to deter the defendant from future misconduct. Thus, there is usually a heightened burden of proof required to recover punitive damages, such as proof that the defendant acted maliciously, willfully, wantonly, or in reckless disregard of the plaintiff’s rights.\footnote{See, e.g., Transgo, Inc. v. Ajac Transmission Parts Corp., 768 F.2d 1001, 1024 (9th Cir. 1985) (affirming award of punitive damages under California law, which permits an award of punitive damages where the “wrongdoers acted maliciously, wantonly or oppressively”); Getty Petroleum Corp. v. Island Transp. Corp., 862 F.2d 10, 13-14 (2d Cir. 1988) (affirming award of punitive damages under New York law where the jury found that the defendant’s actions in infringing plaintiff’s registered trademark were done intentionally and “with a callous disregard for the rights of [plaintiff] in its trademark”); Big O Tire Dealers, Inc. v. Goodyear Tire & Rubber Co., 408 F. Supp. 1219 (10th Cir. 1977) (affirming jury award of punitive deliberately and intentionally infringed the plaintiff’s trademark, which constituted a “wanton and reckless disregard” of the plaintiff’s rights).}

In most jurisdictions, punitive damages cannot be awarded unless there are some actual damages awarded, no matter how small.

<table>
<thead>
<tr>
<th>Monetary Remedy</th>
<th>Burden of Proof</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual damages</td>
<td>Compensable injury to plaintiff in the form of lost sales, reasonable royalty, or injury to goodwill in the mark</td>
</tr>
<tr>
<td>Defendant’s profits</td>
<td>Defendant’s gross sales of infringing product, minus any demonstrated costs and deductions from such sales</td>
</tr>
</tbody>
</table>

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\footnote{McCarthy, supra note 4, § 30:96.}
### Summary of Monetary Relief

| **Attorney’s fees** | “Exceptional case” standard: malicious, fraudulent, deliberate, or willful conduct  
Reasonableness of fees under lodestar method |
<table>
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<tbody>
<tr>
<td><strong>Costs of the action</strong></td>
<td>Costs are taxed after Bill of Costs is filed with the clerk pursuant to Fed. R. Civ. P. 54(d)(1)</td>
</tr>
</tbody>
</table>

### C. Refusal of Registration

Section 37 of the Lanham Act, 15 U.S.C. § 1119, provides: “In any action involving a registered mark the court may determine the right to registration, order the cancelation of registrations, in whole or in part, restore canceled registrations, and otherwise rectify the register with respect to the registrations of any party to the action.”

This provision essentially gives the federal courts concurrent power with the TTAB to conduct cancellation proceedings, and thus a registration may be collaterally attacked in any civil action where validity of the mark is at issue, and the court may order the cancellation of the mark in whole or in part.

Section 37 does not alone, however, create grounds for federal jurisdiction, and although the court’s cancellation power is concurrent with that of the TTAB, that power only extends where there is some other independent basis for federal jurisdiction. Thus, a party cannot short-circuit the jurisdiction of the Board by bringing an action solely for cancellation of a registration in federal court. Rather, the action must also involve claim(s) pertaining to a registered mark over which the court may exercise jurisdiction.¹⁴⁹ For example, a plaintiff alleging issues of

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¹⁴⁹ See Nike, Inc. v. Already, LLC, 663 F.3d 89, 95 (2d Cir. 2011).
infringement could properly seek cancellation of a registration covering the accused mark.\textsuperscript{150}

While federal courts have the power to order cancellation of a registration, it is less clear whether the court’s authority under Section 37 extends to pending applications for registration. In some instances, federal courts have determined issues of registrability of pending applications in a dispute in which a different registered mark is involved, so long as there is a connection between the registered mark at issue and the mark that is the subject of the pending application.\textsuperscript{151}

<table>
<thead>
<tr>
<th>Type of Remedy</th>
<th>Statute or Rule</th>
<th>Judge vs. Jury</th>
<th>Burden of Proof</th>
</tr>
</thead>
<tbody>
<tr>
<td>Injunctions</td>
<td>Lanham Act § 34</td>
<td>Judge</td>
<td>Likelihood of success on the merits (preliminary only)</td>
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<td>Irreparable injury</td>
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<td>Remedies available at law are inadequate to compensate for that injury</td>
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<td>Balance of hardships favors the plaintiff</td>
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<td>Public interest would not be disserved</td>
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</table>

\textsuperscript{150} See Goya Foods, Inc. v. Tropicana Prods., Inc., 846 F.2d 848, 853-54 (2d Cir. 1988) (holding that where a civil action “concerns infringement, the interest in prompt adjudication far outweighs the value of having the views of the PTO”).

<table>
<thead>
<tr>
<th>Summary of Types of Relief Available</th>
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<tbody>
<tr>
<td>Actual damages</td>
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<tr>
<td>Defendant’s profits</td>
</tr>
<tr>
<td>Attorney’s fees</td>
</tr>
<tr>
<td>Punitive damages</td>
</tr>
<tr>
<td>Cancellation/refusal of registration</td>
</tr>
</tbody>
</table>
Sample Complaint

IN THE UNITED STATES DISTRICT COURT
FOR THE __________ DISTRICT OF __________
____________ DIVISION

P, INC.,
Plaintiff,
v. C
Civil Action No. ____________
D, INC.,
Defendant.

COMPLAINT

Plaintiff P, Inc. (“P”), by and through its attorneys, states the following for its Complaint against Defendant D, Inc. (“D”):

NATURE OF THE ACTION


2. P has extensively used the coined term WIDGET as a trademark in connection with its cookware products for over one hundred years, since 1911. P’s WIDGET trademark is the subject of an incontestable federal registration and is
widely known among consumers as an indicator of the quality and source of P’s fine cookware products.

3. Long after P’s products were established under the WIDGET mark as among the best in the industry, D began using the confusingly similar GIDGET mark to designate its own line of cookware. D’s use of the GIDGET mark for goods related to P’s, marketed to the same or similar customers in overlapping channels of trade, is an intentional effort to mislead and confuse consumers and the public and to trade on P’s substantial goodwill in the WIDGET mark.

PARTIES

4. Plaintiff P is a corporation organized and existing under the laws of the State of Delaware, having its principal place of business in the State of Georgia at 9000 Peachtree Avenue, Atlanta, Georgia 30303.

5. Defendant D, on information and belief, is a corporation organized and existing under the laws of the State of Georgia, having its principal place of business in the State of Georgia at 22242 Peachtree Boulevard, Atlanta, Georgia 30047.

JURISDICTION AND VENUE

6. The Court has original jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331, 1338(a), and 1338(b) and 15 U.S.C. § 1121. The Court has supplemental jurisdiction over the state law claims here alleged because these claims are so related to claims in the action within the Court’s original jurisdiction that they form part of the same case or controversy as provided in 28 U.S.C. § 1367.

7. Venue and personal jurisdiction are proper in this Court pursuant to 28 U.S.C. § 1391. On information and belief, Defendant resides in and is doing business in this district.

FACTS COMMON TO ALL CLAIMS FOR RELIEF

A. P and Its WIDGET Trademark

8. P has long owned an incontestable federal registration for the mark WIDGET in connection with cookware in International Class 21 (Reg. No. 3,999,999). P has used the WIDGET mark in connection with cookware since
June 5, 1911, and its federal registration for the mark issued on October 3, 1911. The WIDGET registration has been renewed and is currently in full force and effect and is incontestable under 15 U.S.C. § 1065. A copy of the WIDGET registration certificate is attached hereto as Exhibit 1.

9. For over a century, P has operated a business manufacturing and marketing in interstate commerce a full range of kitchen products, including a wide variety of cookware.

10. P extensively advertises its products bearing the WIDGET mark to the consuming public and to the cookware distributing trade, and the WIDGET mark has become and is widely and generally known to the consuming public and the cookware trade and has acquired significant meaning as a symbol of P’s goodwill in the industry. The WIDGET mark has become extremely valuable to P in its business and has become known to the public as the exclusive trademark identifying Plaintiff’s cookware products.

11. Sales of P’s cookware products bearing the WIDGET mark in the United States alone have been in excess of Nine Hundred Million dollars for the last five years, and P has spent in excess of Eighty-Five Million dollars advertising and promoting its cookware products bearing the WIDGET mark over that same time period.

B. D and Its Unlawful Activities

12. Upon information and belief, D and its agents, servants, and employees had actual knowledge, at the time of the acts hereinafter complained of, of the extremely valuable nature of P’s WIDGET mark and the fact that the mark is owned and is used exclusively by P to identify only P’s cookware products.

13. Upon information and belief, long after P’s adoption and use of the WIDGET mark, and without P’s authorization, D, with actual and constructive knowledge of P’s use of the WIDGET mark and in contravention of P’s trademark rights, adopted and used the designation GIDGET in connection with cookware products, and D has offered and continues to offer, for sale to the public in interstate commerce, cookware products bearing the designation GIDGET.
14. The designation GIDGET, as used by D, so resembles P’s trademark WIDGET as to be likely, when applied to D’s cookware products, to cause confusion, or to cause mistake, or to deceive.

15. Upon information and belief, D has only recently begun to use the designation GIDGET as a trademark for its cookware products, placing it on its goods so as to associate the name in the consumer’s mind with the famous mark of P and leaving the impression with the consuming public that the goods of D originate with, are produced by, are licensed by, or are sponsored in some way by P, when, in truth and fact, P does not now have, nor has it ever had, any connection with the manufacture or sale of the goods of D; P has never produced goods for D; and P has never licensed or approved D’s use of the designation GIDGET.

16. Prior to the commencement of this action, P duly advised D by a letter dated February 13, 2012, of P’s claims with respect to D’s use of the GIDGET designation. A true and correct copy of this letter is attached hereto as Exhibit 2. However, upon information and belief, D is continuing to use the designation GIDGET and will continue to do so in the future unless enjoined by this Court.

17. Upon information and belief, subsequent to P’s notification to D of P’s exclusive rights in the WIDGET mark, D filed for a federal registration of the trademark GIDGET for cookware products in the United States Patent and Trademark Office, averring therein that “no other person, firm, corporation or association has the right to use said mark in commerce, either in the identical form or in such near resemblance thereto as may be likely, when applied to the goods of such other person, to cause confusion or to cause mistake or to deceive....”

18. Upon information and belief, the use of the designation GIDGET by D as aforesaid was done and continues to be done with the purpose of: injuring P; deceiving, misleading, imposing upon, and confusing the public in general; depriving P of its trade; obtaining the benefit of P’s reputation, goodwill, and advertising; and inducing the public to believe that D is connected with P, or believe that D’s business is authorized by P, or believe that P has authorized D to use the designation GIDGET.
COUNT I

FEDERAL TRADEMARK INFRINGEMENT

19. P repeats and incorporates by reference the allegations of each of the paragraphs above as if fully set forth herein.

20. Upon information and belief, the purchasing public will likely be and has been confused and deceived into believing that D’s cookware product, bearing the designation GIDGET, is part of P’s business and/or is a product authorized by P, and/or that the goods originating from D are of the same quality as the cookware products of P.

21. Upon information and belief, P’s cookware products bearing its federally registered trademark WIDGET travel through the same trade channels, are offered for sale to the public through the same retail outlets, and are purchased by the same class of customers as D’s cookware products that bear the designation GIDGET.

22. P’s trademark WIDGET and D’s designation GIDGET are virtually identical marks in sound and appearance, and they leave the same commercial impression on the public. The phonetic and visual similarities of the two marks and the similarities of the type of goods, namely cookware products, increase the likelihood of public confusion.

23. By reason of all of the foregoing circumstances as described herein, P has been, and now is, and, unless the relief herein prayed for is granted, will hereafter be hindered, annoyed, and unlawfully interfered with by D’s use of the designation GIDGET upon its cookware products, and will be irreparably damaged and will suffer great and irreparable loss by the diversion of its customers and trade. P cannot obtain relief except in this Court by injunction against future infringement.


COUNT II

FEDERAL UNFAIR COMPETITION

25. P repeats and incorporates by reference the allegations of each of the paragraphs above as if fully set forth herein.
26. Upon information and belief, D has, through its use of the designation GIDGET, knowingly caused goods to enter into commerce, which goods bear a false designation of origin. This false designation of origin causes irreparable damage to P and deceives the public.

27. By virtue of D’s actions hereinabove pleaded, D has engaged in unfair competition with P, which is in contravention of 15 U.S.C. § 1125(a).

28. The conduct of D as herein alleged has damaged P and will, unless restrained, further impair, if not destroy, P’s trademark and goodwill, and P has no adequate remedy at law.

COUNT III

STATE AND COMMON-LAW TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION

29. P repeats and incorporates by reference the allegations of each of the paragraphs above as if fully set forth herein.

30. D introduced its GIDGET mark with knowledge of P’s prior rights to the WIDGET mark.

31. D’s actions with knowledge of P’s mark demonstrate an intent to trade on the goodwill associated with the WIDGET mark with the intention of deceiving and misleading the consumers of its products and the public to the great and irreparable injury of P.

32. D’s attempts to encroach upon P’s business by the use of an identical trademark and name with the intention of deceiving and misleading both consumers and suppliers constitutes a fraud for which equity must grant relief under Georgia law.


34. D’s acts also constitute common-law trademark infringement and unfair competition and have created and will continue to create a likelihood of confusion to the irreparable injury of P unless restrained by this Court.
35. As a result of D’s acts, P has been damaged in an amount not as yet determined or ascertainable. At a minimum, however, P is entitled to all relief authorized under Ga. Code Ann. § 51-1-6 (2011) to the extent granted by the Court.

36. The conduct of D as herein alleged has damaged P and will, unless restrained, further impair, if not destroy, P’s trademark and goodwill, and P has no adequate remedy at law.

COUNT IV

FEDERAL TRADEMARK DILUTION

37. P repeats and incorporates by reference the allegations of each of the paragraphs above as if fully set forth herein.

38. D has, by its use of the designation GIDGET on the same or similar goods of the same class as P’s cookware, injured P’s business reputation and diluted the value of P’s trademark, and the continuing use of such designation by D will further adversely affect and deprive P of the distinctiveness in its mark.

39. D’s use of the designation GIDGET on its goods offered for sale to the general public and to the trade is likely to injure P’s business reputation and dilute the distinctiveness of P’s trademark WIDGET for its goods.

40. D’s application to register its trademark GIDGET and any registration that issues from such application cause and will cause a dilution of the distinctiveness of P’s trademark.

41. D’s acts herein complained of violate 15 U.S.C. § 1125(c) and are willful and intentional acts conducted by D with the full knowledge of the fame of P’s trademark and of P’s rights in its mark.

42. The conduct of D as herein alleged has damaged P and will, unless restrained, further impair, if not destroy, P’s trademark and goodwill, and P has no adequate remedy at law.
COUNT V

STATE TRADEMARK DILUTION

43. P repeats and incorporates by reference the allegations of each of the paragraphs above as if fully set forth herein.

44. D’s actions demonstrate a willful, intentional, and malicious intent to trade on the goodwill associated with P’s WIDGET trademark to the great and irreparable injury of P.

45. D’s unauthorized use of P’s trademark dilutes and is likely to continue diluting the distinctiveness of P’s mark by eroding consumers’ exclusive identification with the mark, tarnishing and degrading the positive associations and prestigious connotations of the mark, and otherwise lessening the capacity of the mark to identify and distinguish P’s products.


Plaintiff therefore is entitled to injunctive relief, damages, and costs, as well as enhanced damages and reasonable attorneys’ fees.

COUNT VI

UNFAIR AND DECEPTIVE TRADE PRACTICES

47. P repeats and incorporates by reference the allegations of each of the paragraphs above as if fully set forth herein.

48. D markets its products under the GIDGET mark in such a way as to purposefully pass off its goods as those of P marketed under the confusingly similar WIDGET mark.

49. D has engaged in deceptive trade practices within the meaning of the Georgia Uniform Deceptive Trade Practices Act, Ga. Code Ann. § 10-1-372(a) (2009). D has violated the Act by (1) passing off its goods as those of P; (2) causing a likelihood of confusion or of misunderstanding as to the source, sponsorship, approval, and certification of its goods; (3) causing a likelihood of confusion or of misunderstanding as to an affiliation, connection, or association with P; (4) representing that its goods have a sponsorship or approval from P that they do not have; and (5) engaging in other conduct that similarly creates a likelihood of confusion or misunderstanding.

50. D’s conduct in passing off its goods as those of P has caused, and will continue causing, a likelihood of confusion or of misunderstanding as to the source, sponsorship, or approval of D’s goods, and a likelihood of confusion as to D’s affiliation, connection, or association with P, and has otherwise damaged the public, constituting unfair and deceptive acts or practices in the course of business, trade, and other commerce in violation of the unfair and deceptive trade practices statutes of other states, including California, CAL. BUS. & PROF. CODE §§ 17000 et seq. (West 2008); Delaware, DEL. CODE ANN. tit. 6, §§ 2531-2536 (2008); Florida, FLA. STAT. ANN. §§ 501.201-213 (West 2008); Illinois, 815
ILL. COMP. STAT. ANN. 0/1-510/7 (West 2008); Maine, ME. REV. STAT. ANN. tit. 10, §§ 1211-1216 (2009); Massachusetts, MASS. GEN. LAWS ANN. ch. 93A, §§ 1-11 (West 2006); Michigan, MICH. COMP. LAWS ANN. §§ 445.101 et seq. (West 2002); Minnesota, MINN. STAT. ANN. §§ 325D.43-.48 (West 2004); Nebraska, NEB. REV. STAT. §§ 87-301–87-306 (2008); New Mexico, N.M. STAT. ANN. §§ 57-12-1–57-12-22 (West 2003); New York, N.Y. GEN. BUS. LAW § 349 (McKinney 2004); Ohio, OHIO REV. CODE ANN. §§ 4165.01-4165.04 (West 2008); Oklahoma, OKLA. STAT. ANN. tit. 78, §§ 51-55 (West 2009); Oregon, OR. REV. STAT. ANN. §§ 646.605-646.656 (West 2008); Pennsylvania, 73 PA. CONS. STAT. ANN. §§ 201-1–201-9.3 (West 2008); and Wisconsin, WIS. STAT. ANN. §§ 100.20 and 100.26 (West 2004).

51. D’s unauthorized use of a confusingly similar trademark is causing, and will continue to cause, substantial injury to the public and to P, which is thus entitled to all relief available as the Court deems appropriate.

52. D’s unfair competition has been willful and in bad faith, making this an exceptional case under Ga. Code Ann. § 10-1-373(b)(2) (2009).

**PRAYER FOR RELIEF**

WHEREFORE, P prays that:

1. D, its officers, agents, servants, employees, and attorneys, and all in active control or participation with them, be enjoined by permanent injunction from thereafter:

   a. using the designation GIDGET or any facsimile of P’s trademark, alone or in combination with other words or symbols, in any manner, in the United States or in any foreign country, in connection with any part of the advertising, promoting, selling, labeling, and any and all other identifying of cookware products not of P’s manufacture;

   b. using the designation GIDGET or any facsimile of P’s trademark alone or in combination with other words or symbols, in any manner, in the United States or in any foreign country, which causes, or is likely to cause, purchasers to believe that any product of D is produced by P, or has any connection with P;
c. filing applications for registration of or registering the word GIDGET as a trademark in any city, county, or state or with the United States or any foreign country;

d. representing to the public, directly or indirectly, that the products that D sells are the products of P;

e. unfairly competing with P by using the designation GIDGET or any facsimile of P’s trademark in the marketing of any of D’s products;

f. injuring P’s business reputation and diluting the distinctive quality and value of P’s trademark through the use of its designation GIDGET or any other designation that is confusingly similar to P’s trademark in any manner whatsoever in the marketing of any of D’s products.

2. D be enjoined and directed to file with this Court and serve on P, within a set period of time not to exceed ten (10) days from the order, a report in writing under oath, setting forth in detail the manner and form in which D has complied with the injunction.

3. D be enjoined and required to deliver up to P all labels, containers, devices, literature, advertising, and other materials bearing the infringing and/or diluting trademark.

4. P be awarded the profits from D’s sale of cookware bearing the GIDGET trademark.

5. P be awarded its damages for the injuries it has received from D’s infringing use of the trademark GIDGET.

6. P be awarded its damages for the injuries it has suffered as a result of D’s willful dilution of P’s famous trademark WIDGET by use of the trademark GIDGET.


8. P be awarded its attorneys’ fees in view of the extraordinary nature of this case.

9. P have and recover its costs in this suit.
10. P be awarded such other and further legal and equitable relief as the Court may deem just and appropriate.

Dated this ____ day of ____, 20__.

Respectfully submitted,

[Attorney]
[Email Address]
[Firm Name]
[Address]
[Telephone Number]

Attorneys for Plaintiff
Sample Letter of Protest

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant : [Applicant’s Name]
Mark : [Applied-for Mark—Subject of the Letter of Protest]
Serial No. : [Serial No. for Application]
Filed : [Application Date]
Int’l Class No. : [International Class(es) in Application]
Attention : Deputy Commissioner, Office of the Deputy Commissioner for Trademark Examination Policy

Letter of Protest
ATTN: Deputy Commissioner for Trademark Examination Policy
600 Dulany Street
Alexandria, VA 22314-5793

LETTER OF PROTEST

Dear Sir or Madam:

This letter is submitted pursuant to TMEP § 1715. We are attorneys for [Name of Protestor(s)]. We write in respect to the captioned application Serial No. [Serial No. for Application] for [Applied-for Mark], owned by [Applicant] in connection with “[Description of Goods or Services]” in International Class ___ (the “[Mark Name] Application”).

We submit that it would be an error for the United States Patent and Trademark Office (“USPTO”) to register the [Mark Name] Application under Section 2(d) based upon prior registrations owned by [Protestor(s)] for [its]
[their] mark(s) for identical and/or highly related goods and services, including those identified below.

<table>
<thead>
<tr>
<th>Trademark</th>
<th>Reg. No.</th>
<th>App. Date/Reg. Date</th>
<th>Goods/Services (first use date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Protestor’s First Mark Forming Basis of Letter of Protest]</td>
<td></td>
<td>[App. date] [Reg. date]</td>
<td>Class __: [Description of goods] [Date of first use]</td>
</tr>
<tr>
<td>[Protestor’s Second Mark Forming Basis of Letter of Protest, if any]</td>
<td></td>
<td>[App. date] [Reg. date]</td>
<td>Class __: [Description of goods] [Date of first use]</td>
</tr>
<tr>
<td>[Protestor’s Subsequent Mark Forming Basis of Letter of Protest, if any]</td>
<td></td>
<td>[App. date] [Reg. date]</td>
<td>Class __: [Description of goods] [Date of first use]</td>
</tr>
</tbody>
</table>

Together, the marks underlying the registrations above are referred to as the “[Insert Literal Element Common to Protestor’s Marks] or [PROTESTOR] Marks.” There is no issue as to priority. [Protestor] (or its predecessor-in-interest) applied to register and registered the [PROTESTOR] Marks long prior to [Applicant]’s filing date of [Application Date].

Trademarks are compared for likelihood of confusion purposes under Section 2(d) based on the multi-factor test set out in In re E.I. du Pont de Nemours & Co., 476 F.2d 1357 (C.C.P.A. 1973); see TMEP § 1207.01. A review of the relevant factors confirms that [Applicant]’s mark is confusingly similar to the [PROTESTOR] Marks. Indeed, the marks are visually, phonetically, and conceptually similar and create the same overall commercial impression, the goods offered under the marks are identical or highly related, and the channels of trade are identical. Any doubts should be resolved in [Protestor]’s favor.
I. THE SIMILARITY OF THE MARKS

The first du Pont factor is the similarity of the marks. [Applicant]’s mark is visually, phonetically, and conceptually highly similar to the [PROTESTOR] Marks and it creates the same overall commercial impression as [Protestor]’s [PROTESTOR] Marks. The [Applicant’s Mark] mark utilizes the dominant term _____ from [Protestor]’s ____________ word mark, with the addition of the nondistinctive term ____________. Though not conclusively determinative, sharing the same dominant term does support a finding of similarity between the marks. See In re Inca Textiles, LLC, 344 Fed. Appx. 603, 605 (Fed. Cir. 2009) (affirming finding of likelihood of confusion between INCA MAMA and INCA GIRL marks). Indeed, where two marks share an identical dominant word, with a difference in the two marks only in the prefix, and where the goods and services are generally similar, there is such similarity as to create a likelihood of confusion. See Dollar Rent A Car Systems, Inc. v. Sand Dollar Car Rentals, Inc., 765 F. Supp. 876, 880 (D.S.C. 1990) (finding likelihood of confusion between DOLLAR and SAND DOLLAR); Pizzeria Uno Corp. v. Temple, 747 F.2d 1522, 1530 (4th Cir. 1984).

Whether intended or not, consumers will view the [Applicant’s Mark] mark as a play on the [PROTESTOR] word mark, suggesting an affiliation or connection as a tandem or affiliated company. Viewed together, [Applicant’s Mark] and [Protestor’s Mark] as names for [companies in common trade] will suggest an affiliation or connection when none exists. When marks appear on identical goods, as they do here, the degree of similarity necessary to support a conclusion of likely confusion declines. Century 21 Real Estate Corp. v. Century Life of America, 970 F.2d 874, 877, 23 U.S.P.Q.2d 1698, 1700 (Fed. Cir. 1992).

[Applicant]’s addition of the term ____________ is insufficient to distinguish the marks in any meaningful way. Specifically, the term ____________ is generic or, at best, merely descriptive, of [Applicant]’s goods. [Applicant] has admitted the descriptiveness of the term ____________ by voluntarily disclaiming exclusive rights in it. The addition of a descriptive term is insufficient to preclude confusion. See S. Gumpert Co. v. ITT Continental Baking Co., 191 U.S.P.Q. 409, 411 (T.T.A.B. 1976) (“One cannot take the trademark of
another and, by adding thereto descriptive or subordinate matter, avoid a likelihood of confusion or mistake or deception.”); see also In re Toshiba Medical Systems Corp., 91 U.S.P.Q. 2d 1266, 1269 (T.T.A.B. 2009) (affirming examiner’s refusal to register where applicant’s TITAN VANTAGE mark incorporated registrant’s entire TITAN mark and added the term VANTAGE, holding “[t]he addition of a distinctive term … does not necessarily result in marks that are dissimilar”); Squirtco v. Tomy Corp., 216 U.S.P.Q. 937, 939 (T.T.A.B. 1983) (“The marks SQUIRT and SQUIRT SQUAD are, however, of such similarity that they are more likely to create confusion than prevent it. Not only does appellee’s mark SQUIRT SQUAD incorporate the whole of appellant’s mark SQUIRT, but also, in SQUIRT SQUAD, SQUIRT retains its identity.”); In re Pierre Fabre S.A., 188 U.S.P.Q. 691, 692 (T.T.A.B. 1975) (“Insofar as the marks are concerned, applicant’s mark ‘PEDI-RELAX’ incorporates the registered mark ‘RELAX’ in its entirety, and the addition thereto of the term ‘PEDI’, which immediately suggests feet and thereby the fact that applicant’s product is a foot deodorant lotion or cream, is insufficient to distinguish applicant’s mark as a whole from the registered mark and to avoid confusion in trade”).

[Protestor’s Mark] and [Applicant’s Mark] have such similarity that their coexistence is more likely to create confusion that prevent it. Moreover, the dominant term ____________ taken from the [PROTESTOR] Mark retains its identity despite the addition of descriptive matter to the later-filed mark. The dominant portions of marks are given greater weight than the non-dominant portions when evaluating a likelihood of confusion. In re National Data Corp., 753 F.2d 1056, 1058, 224 U.S.P.Q. 749, 751 (Fed. Cir. 1985) (“[I]n articulating reasons for reaching a conclusion on the issue of confusion, there is nothing improper in stating that, for rationale reasons, more or less weight has been given to a particular feature of a mark, provided the ultimate conclusion rests on consideration of the marks in their entireties.”).

[Protestor]’s [PROTESTOR’S MARK] word mark is a [fanciful/arbitrary/suggestive] mark and, as the first word in the [Applicant’s] mark, the word ____________ is the “prominent feature.” See Palm Bay Imports, Inc. v. Veuve Cliquot Ponsardin Maison Fondee En 1722, 396 F.3d 1369, 1372, 73 U.S.P.Q. 2d 1689, 1692 (T.T.A.B. 2005) (finding the common term VEUVE to be an arbitrary mark and as the first word in applicant’s mark to
be the “prominent feature”). The dominant presence of the term ________ in both parties’ marks heightens the chance that consumers will be confused. Id. at 1373, 73 U.S.P.Q.2d at 1693 (“Here, the common term—VEUVE—is distinctive, and as such its presence in both parties’ marks enhances the likelihood of confusion.”). Accordingly, this first du Pont factor heavily favors a finding of likelihood of confusion.

II. THE SIMILARITY OF THE GOODS AND SERVICES

The [Applicant’s Mark] Application covers goods that are identical and/or highly related to the goods in [Protestor]’s prior registrations. The similarity of the parties’ respective goods is clear when one compares the language of [Applicant]’s application to that found in [Protestor]’s prior registrations. See Hewlett-Packard Co. v. Packard Press Inc., 281 F.3d 1261, 1267 (Fed. Cir. 2002) (“This ‘relatedness of the goods’ factor compares the goods and services in the applicant’s application with the goods and services in the opposer’s registration.”); CBS Inc. v. Morrow, 708 F.2d 1579, 1581, 218 U.S.P.Q. 198, 199 (Fed. Cir. 1983). Specifically, the [Applicant’s Mark] Application covers:

[Goods or Services Identified in Applicant’s Trademark Application]

These goods are all identical and/or highly related to the “[Goods/Services Identified in Protestor’s Prior Registration(s) Forming Basis of Letter of Protest]” and related goods and services covered by [Protestor]’s registrations for [Protestor]’s [PROTESTOR’S MARK] Marks as identified above. Morton-Norwich Products, Inc. v. S.C. Johnson & Son, Inc., 189 U.S.P.Q. 413 (C.C.P.A. 1976) (refusing registration of applicant’s mark, finding the incorporation of the term RAIN in opposer’s and applicant’s marks, coupled with the relatedness of the goods, was likely to cause confusion).

The similarity of the goods, in combination with the shared use of ________ as the dominant term, substantially increases the likelihood of confusion. As such, this second du Pont factor also clearly weighs in favor of a finding of likelihood of confusion.
III. CHANNELS OF TRADE

Lending further support to a likelihood of confusion finding is the fact that [Applicant]’s recitation of goods is not limited to any particular channel of trade, and, therefore, it is presumed that the services will travel through the same channels of trade as the goods and services covered by [Protestor]’s registrations. See, e.g., Hewlett-Packard Co., supra, 281 F.3d at 1268 (stating “absent restrictions in the application and registration, goods and services are presumed to travel in the same channels of trade to the same class of purchasers”); CBS Inc., supra, 708 F.2d at 1581, 218 U.S.P.Q. at 199 (stating that in the absence of specific limitations in the application and registration, the “normal and usual channels of trade and methods of distribution” are presumed).

IV. ANY DOUBT IS RESOLVED IN [PROTESTOR]’S FAVOR

Finally, to the extent that the Examining Attorney has any doubt whatsoever as to whether there is a likelihood of confusion between [Applicant]’s [Applicant’s Mark] mark and [Protestor]’s [PROTESTOR’S MARK] Marks, such doubt must be resolved in favor of the prior registrant, [Protestor]. See TMEP § 1207.01(d)(i) (citing In re Shell Oil Co., 992 F.2d 1204 (Fed. Cir. 1993)); In re Hyper Shoppes (Ohio), Inc., 837 F.2d 463 (Fed. Cir. 1988); Century 21 Real Estate Corp., supra; Ava Enterprises Inc. v. Audio Boss USA Inc., 77 U.S.P.Q.2d 1783 (T.T.A.B. 2006); Baseball America Inc. v. Powerplay Sports Ltd., 71 U.S.P.Q.2d 1844 (T.T.A.B. 2004)).

V. CONCLUSION

In light of the foregoing factors, namely, the similarities between the respective marks, the similarities between the respective goods and services, the presumed identical channels of trade, and the presumption in favor of [Protestor(s)] as the prior registrant, the USPTO should refuse registration of application Serial No. [Application Serial No.] for [Applicant’s Mark] under Section 2(d) of the Lanham Act.
Dated: _____________________

Respectfully submitted
ATTORNEYS FOR PROTESTOR
Attorneys for [Protestor]

By: /Attorney Signature/
   Attorneys of Record

Address for Correspondence
CERTIFICATE OF TRANSMISSION

I hereby certify that this correspondence is being filed electronically with the United States Patent and Trademark Office on the date shown below.

/Electronic Signature/
Attorney Name

Date: ____________, 201___