ANNUAL REVIEW

A. United States:
The Fifty-Fourth Year of
Administration of the
Lanham Trademark Act of 1946

David J. Kera
Theodore H. Davis, Jr.
TABLE OF CONTENTS

ARTICLES AND REPORTS

ANNUAL REVIEW

A. United States: The Fifty-Fourth Year of Administration of the Lanham Trademark Act of 1946
   David J. Kera and Theodore H. Davis, Jr.

| Introduction | .......................................................... 1 |
| Part I. Ex Parte Cases | .......................................................... 4 |
   A. Court of Appeals for the Federal Circuit | .................................................... 4 |
      1. Descriptiveness | .......................................................... 4 |
   B. Trademark Trial and Appeal Board | .......................................................... 7 |
      1. Likelihood of Confusion | .......................................................... 7 |
         a. Likelihood of Confusion Found | ................................................. 7 |
      2. Geographical Deceptive Misdescriptiveness | ......................................... 10 |
         a. Geographical Deceptive Misdescriptiveness Found | ................................ 10 |
      3. Surnames | .......................................................... 13 |
         a. Mark Not Found to Be Surname | ............................................... 13 |
      4. Configuration of Goods | .......................................................... 14 |
         a. Propounded Mark De Facto Functional but Without Acquired Distinctiveness | ................................................. 14 |
      5. Container Design | .......................................................... 17 |
         a. Mark Found to Be Inherently Distinctive | ........................................... 17 |
      6. Descriptiveness | .......................................................... 18 |
         a. Mark Merely Descriptive | .......................................................... 18 |
      7. Amendment of Drawing | .......................................................... 21 |
         a. Amendment Refused | .......................................................... 21 |
C. Commissioner of Patents and Trademarks.............................. 22
  1. Petition to Commissioner— Letter of Protest .................... 22

Part II. Inter Partes Cases............................................................. 22

A. Court of Appeals for the Federal Circuit ................................. 22
  1. Likelihood of Confusion ....................................................... 22
     a. Likelihood of Confusion Found...................................... 22
  2. Likelihood of Confusion and Abandonment of Opposer's Mark .......................................................... 25
     a. Likelihood of Confusion Found; Opposer Had Not Abandoned Mark..................................................... 25
  3. Finding of Likelihood of Confusion Vacated........................... 26
     a. Finding Vacated ............................................................. 26
  4. Olympic and Amateur Sports Act ....................................... 28
     a. Act Found Applicable to Pending Opposition............... 28
  5. Likelihood of Confusion and Deceptively Misdescriptive Mark .......................................................... 29
     a. No Likelihood of Confusion: Mark Not Deceptive or Deceptively Misdescriptive............................................ 29
  6. False Suggestion of Connection........................................... 31
     a. Laches a Possible Defense ............................................. 31
  7. Claim Preclusion .................................................................. 32
     a. Claim Preclusion Not Found ......................................... 32

B. United States District Court ..................................................... 36
  1. Unconstitutionality and Laches as Defense to Cancellation Proceeding Under Section 2(a) of the Lanham Act .......................................................... 36
     a. Decisions Deferred ......................................................... 36

C. Trademark Trial and Appeal Board ......................................... 37
  1. Abandonment ....................................................................... 37
     a. Abandonment Proved..................................................... 37
  2. Rights Arising Under the Pan American Convention....... 38
     a. Motion to Dismiss Claims Stated Under Convention Denied.......................................................... 38
  3. Likelihood of Confusion ....................................................... 40
     a. Likelihood of Confusion Found...................................... 40
  4. Surname, Genericness, Mere Descriptiveness, Deceptive Misdescriptiveness.......................... 42
     a. Opposition Dismissed on Some Grounds. Dismissal Without Prejudice on Other Grounds. .................... 42
5. Genericness or Deceptiveness ............................................. 44
   a. Summary Judgment Denied.......................................... 44
6. Descriptiveness, Summary Judgment ............................... 45
   a. Opposer Had Standing, Summary Judgment Denied........ 45
7. Geographical Deceptiveness............................................. 46
   a. Motion for Summary Judgment for Defendant
      Denied............................................................................. 46
8. Phantom Marks..................................................................... 47
   a. Phantom Mark Not Registrable .................................... 47
9. Violation of Discovery Order ............................................ 48
   a. Judgment Granted as Sanction..................................... 48
10. TTAB Motion Practice ...................................................... 49
    a. Brief of Excessive Length Refused Consideration........ 49
11. Deposition in a Foreign Country .................................... 49
    a. Compliance With Foreign Law Sufficient..................... 49

Part III. Trademark Infringement and Unfair Competition
         in the Courts of General Jurisdiction ................. 50

A. Acquisition of Trademark Rights ..................................... 50
1. What Can Qualify as a Protectible Mark?......................... 50
2. The Use in Commerce Requirement ................................ 52
   a. The Nature and Quantity of Use Necessary to
      Establish Protectible Rights...................................... 52
   b. Use Necessary to Create a “Family” of Marks or
      Trade Dresses............................................................ 55
3. Distinctiveness............................................................. 56
   a. Distinctiveness of Word Marks ................................ 56
      (1) Generic Terms ....................................................... 56
      (2) Descriptive Marks ................................................. 61
      (3) Suggestive Marks .................................................. 62
      (4) Arbitrary or Fanciful Marks................................. 62
   b. Distinctiveness of Trade Dresses ............................... 63
   c. Secondary Meaning Determinations ............................ 64
      (1) Cases Declining to Find Secondary Meaning ...... 64
      (2) Cases Finding Secondary Meaning ...................... 67
      (3) Secondary Meaning yet to Be Determined ............. 69
   d. Effect of Federal Registration on the Distinctiveness
      Inquiry ............................................................................. 70
   e. Licensee Estoppel......................................................... 72
4. Functional Features.......................................................... 72
   a. Utilitarian Functionality .......................................... 72
   b. Aesthetic Functionality............................................. 79
B. Establishing Liability ......................................................... 81

1. Likelihood of Confusion ....................................................... 81
   a. Factors Considered......................................................... 81
      (1) The First Circuit....................................................... 81
      (2) The Second Circuit ................................................... 81
      (3) The Third Circuit ..................................................... 82
      (4) The Fourth Circuit ................................................... 83
      (5) The Fifth Circuit ...................................................... 83
      (6) The Sixth Circuit .................................................... 83
      (7) The Seventh Circuit ............................................... 84
      (8) The Eighth Circuit ................................................... 84
      (9) The Ninth Circuit .................................................... 85
      (10) The Tenth Circuit ................................................... 85
      (11) The Eleventh Circuit................................................ 85
      (12) The District of Columbia Circuit............................. 86
   b. Holdings.......................................................................... 86
      (1) Likelihood of Confusion: As a Matter of Law............. 86
      (2) Likelihood of Confusion: After Trial ....................... 88
      (3) Likelihood of Confusion: Preliminary Relief ............. 89
      (4) Likelihood of Confusion to Be Determined ............... 94
      (5) Unlikelihood of Confusion: Preliminary Relief .......... 96
      (6) Unlikelihood of Confusion: As a Matter of Law ....... 99
      (7) Unlikelihood of Confusion: After Trial ................. 103
      (8) Surveys ................................................................... 106
      (9) Effects of Labeling/Disclaimers ............................. 108
   c. Contributory Infringement.......................................... 109

2. Dilution............................................................................... 109
   a. Qualifying for Protection Against Dilution............... 109
      (1) Degree of Mark Fame or Distinctiveness
         Necessary to Qualify for Protection....................... 109
      (2) The Timing of the Mark Fame Inquiry ................. 114
   b. The Nature of the Dilution Inquiry............................. 114
      (1) Tarnishment ........................................................... 114
      (2) Blurring ............................................................... 115
      (3) Internet Dilution Issues......................................... 118

3. Section 43(a) Claims .......................................................... 119
   a. Passing Off and Reverse Passing Off ......................... 119
   b. False Advertising and Commercial Disparagement .. 121
      (1) Establishing Commercial Advertising and
         Promotion ............................................................... 121
      (2) The Proper Test for Liability ............................... 123
(a) Mere “Puffery” .................................................. 124
(b) Literally False Claims ........................................ 126
(c) Accurate and Ambiguous, but Misleading,
    Claims ...................................................................... 129
c. Celebrity False Endorsement .......................... 130
d. Other Section 43(a) Claims ............................. 131
4. Cybersquatting Claims .................................... 132
   a. In Rem Actions .................................................. 132
   b. In Personam Actions ......................................... 134
5. State and Common Law Claims ....................... 138
   a. Preemption Issues ............................................ 138
   b. Rights of Privacy and Publicity ..................... 140
   c. Other State and Common Law Unfair Competition
      Claims .............................................................. 143
         (1) California ................................................ 143
         (2) Georgia ................................................... 144
         (3) Illinois ...................................................... 144
         (4) Maine ...................................................... 145
         (5) Michigan ............................................... 145
         (6) Nebraska ............................................... 146
         (7) New York ................................................ 146
         (8) Ohio ......................................................... 147
C. Counterfeiting Matters ...................................... 148
D. Defenses to Infringement and Dilution Claims ........................................ 150
   1. Legal Defenses ................................................ 150
      a. Jus Tertii ...................................................... 150
      b. First Amendment ......................................... 151
      c. Abandonment .............................................. 154
      d. Nominative and “Fair” Descriptive Use ........ 157
      e. Assignments in Gross .................................... 159
      f. “Naked” Licenses ........................................... 159
   2. Equitable Defenses ............................................ 160
      a. Unclean Hands ............................................ 160
      b. Laches ......................................................... 161
      c. Acquiescence .............................................. 164
      d. Statute of Limitations .................................... 164
      e. Claim and Issue Preclusion ......................... 165
E. Remedies .......................................................... 168
   1. Injunctive Relief ............................................... 168
      a. Preliminary Injunctions ............................... 168
      b. Permanent Injunctions ............................... 172
2. Contempt ............................................................................ 173
3. Monetary Recovery ............................................................ 175
   a. Awards of Actual Damages.......................................... 175
   b. Awards of Statutory Damages................................. 175
   c. Awards of Punitive Damages ................................. 176
   d. Accountings of Profits .......................................... 177
4. Attorneys’ Fees................................................................... 177
   a. Awards in Favor of Prevailing Plaintiffs ............... 177
   b. Awards in Favor of Prevailing Defendants .......... 178
   c. Calculation of Attorneys’ Fees ......................... 180
5. Personal Liability............................................................... 182

F. Procedural Matters .................................................................. 183
   1. Jurisdictional Issues .......................................................... 183
      a. Personal Jurisdiction ........................................... 183
         (1) Opinions Exercising Personal Jurisdiction........ 183
         (2) Cases Declining to Exercise Personal
               Jurisdiction.............................................. 187
         (3) Cases Deferring an Exercise of Jurisdiction..... 192
      b. Standing ............................................................................. 193
   2. Standing ............................................................................. 193
   3. Declaratory Judgment Actions......................................... 195
   4. Extraterritoriality of the Lanham Act .............................. 196
   5. Sanctions ............................................................................ 197
   6. Venue/Choice of Law.......................................................... 197
   7. Court Review of, and Deference to, United States
      Patent and Trademark Office Decisions............... 198
   8. Court Review of, and Deference to, UDRP Proceedings .. 199
   9. Insurance Coverage ........................................................... 199
   10. Attorney Disqualification .................................................. 202

G. Antitrust Matters..................................................................... 203

H. Miscellaneous Matters............................................................. 204
   1. Right to Trial by Jury ........................................................ 204
   2. Exhaustion of Rights and Diverted Goods...................... 204
   3. Necessary Parties ............................................................... 208
   4. Fraud Before the Patent and Trademark Office as a
      Basis for Cancellation.................................................. 208
   5. Corporate Due Diligence................................................. 211
   6. Judicial Recusals............................................................... 212

Table of Current Cases Reviewed................................................. 213

Annual Index 2001 (Volume 91) ..................................after page 228
ANNUAL REVIEW

A. UNITED STATES

THE FIFTY-FOURTH YEAR OF ADMINISTRATION OF THE LANHAM TRADEMARK ACT OF 1946

By David Kera and Theodore H. Davis, Jr.

INTRODUCTION

Paradigm—an example or pattern, especially an outstandingly clear or typical example or archetype. It is rare when a decision is

* The Annual Review published here is a continuation of the work originated in 1948 by Walter J. Derenberg and written by him through The 25th Year in 1972. The Review here presented covers the period July 1, 2000 through June 30, 2001 (as reported in The United States Patents Quarterly "U.S.P.Q." Volumes 55 U.S.P.Q.2d-58 U.S.P.Q.2d). After adding The 37th Year, 74 TMR 469, The 38th Year, 75 TMR 573, The 39th Year, 76 TMR 445, The 40th Year, 77 TMR 471, The 41st Year, 78 TMR 683, The 42nd Year, 79 TMR 757, The 43rd Year, 80 TMR 591, The 44th Year, 81 TMR 601, The 45th Year, 82 TMR 1041, The 46th Year, 83 TMR 904, The 47th Year, 84 TMR 635, The 48th Year, 85 TMR 607, The 49th Year, 86 TMR 651, The 50th Year, 87 TMR 741, The 51st Year, 89 TMR 1, The 52nd Year, 90 TMR 1 and The 53rd Year, 91 TMR 1, a complete list of the prior Annual Reviews can be found in The Thirty-Sixth Year of Administration of the Lanham Trademark Act of 1946, 73 TMR 577 fn 1. References to prior Annual Reviews will be made in the familiar form of the abbreviated title for the Review of a particular year followed by the citation, eg, The 36th Year, 73 TMR 577.

** Partner in the firm of Oblon, Spivak, McClelland, Maier & Neustadt, P.C., Arlington, Virginia, Associate Member of the International Trademark Association; former Member of the Trademark Trial and Appeal Board; member of the New York, District of Columbia, and Virginia Bars. Author of Introduction and Parts I-II of The 54th Year.


a paradigm of a well-written opinion or a poorly written opinion. It is virtually unprecedented for a single opinion to embody paradigms of both varieties. The Trademark Trial and Appeal Board (“TTAB” or “Board”) achieved that result in its decision on the registrability of a mark for use in electronic commerce. The issue was the descriptiveness of VIRTUAL FASHION for computer software for consumer use in shopping over the Internet and electronic retailing services over the Internet. Registration of the mark had been refused on the ground that it was merely descriptive of the applicant’s goods and services. Applicant argued that there were numerous third-party registrations on the Principal Register for marks that included the word VIRTUAL combined with a non-distinctive word and that the registrations of marks so constructed were sufficient precedents for the registration of VIRTUAL FASHION. The Board rejected this argument with the familiar response that prior registrations offer little help in making a determination on the merits in an appeal; that, while uniform treatment under the Lanham Act is an administrative goal, the Board’s task in the appeal was to determine, based on the record before it, whether applicant’s mark was merely descriptive; each case must be decided on its own merits; the Board was not privy to the records in the files of the registrations cited by the applicant; and, moreover, the determination of registrability of particular marks by the Trademark Examining Groups could not control the results in another case involving a different mark for different goods or services. After conceding that the United States Patent and Trademark Office (“USPTO”) had in the past not always taken a consistent position on the registrability of VIRTUAL type marks similar in nature to that of applicant’s, the Board advanced the far more persuasive argument that the word “virtual” had made its way into the general language far more pervasively in the years since the third-party registrations listed by applicant had been issued. In addition, the general recognition of the meaning of “virtual” in relation to computers and the Internet existing when the appeal was decided resulted in the Board’s decision that VIRTUAL FASHION was merely descriptive.

The Board, when presented with an argument in an ex parte appeal or inter partes proceeding based on the existence of registrations, both where the issue is likelihood of confusion and where the issue is inherent registrability, has not infrequently resorted to the mantra recited in the VIRTUAL FASHION case. This formulaic rejection of arguments based on the state of the Register represents in some cases a refusal to recognize the importance of history as a guide to present decisions. When a

---

pattern of registrations for a significant number of marks over a long enough period of time indicates that not only the USPTO but also the registrants have recognized that certain situations can exist, such as the co-existence of marks containing the same word\(^3\) or the registrability of marks that might be on the borderline of inherent validity, it becomes unnecessary to consider the contents of particular registration files. The pattern is of more importance than decisions by individual Trademark Examining Attorneys. Trademark counsel and their clients rely to an extent on the existence of registrations (and published unopposed pending applications) as guides to the registrability of new marks. Analyses of results of searches, based in part on what the record reveals, lead in turn to commercial decisions to adopt new marks for the promotion and sale of products and services. These are decisions that may entail commitments to the expenditures of large sums of money. The expectations fostered in part by what has already transpired in the USPTO should not be frustrated with decisions repeating familiar phrases. Departures from consequences of many individual decisions reached by many registrants and many different trademark Examining Attorneys should be undertaken with reflection and with reasonable explanations, as in the VIRTUAL FASHION case, of why an inconsistent decision is being made.

The Supreme Court has written again on the subject that is broadly described as trade dress but, in this case, as in others involving the shape of goods, is more accurately termed product configuration.\(^4\) The interesting issue was the effect of expired utility patents on the determination of whether the plaintiff’s claimed design was functional.\(^5\)

It should come as no surprise that dilution and cybersquatting are two subjects on which courts have issued published decisions alongside opinions on the classic issues of distinctiveness, infringement and false advertising. Interesting cases on all of these subjects appear in this report.

Once again, your writer is impelled to call upon the TTAB to publish more decisions on the procedural and on the substantive questions that it decides to guide practitioners and their clients and to serve as current subject matter for the increasing number of trademark courses in the nation’s law schools.

---

5. For prior Supreme Court decisions in the field of trade identity, see The Fifty-Third Year of Administration of the Lanham Trademark Act of 1946, 91 TMR 1 (2001).
PART I. EX PARTE CASES

A. Court of Appeals for the Federal Circuit

1. Descriptiveness

The Court of Appeals for the Federal Circuit (“CAFC”) has now apparently settled on lack of support by substantial evidence as the standard for reversing the TTAB’s findings of fact.6 Applying the Dickinson v. Zurko standard, the court affirmed the TTAB’s determination that the phrase THE ULTIMATE BIKE RACK was descriptive and accordingly affirmed a refusal of registration in the absence of a disclaimer of that phrase apart from the mark.7 The court noted that the placement of a term on the fanciful-suggestive-descriptive-generic continuum is a question of fact. A word is merely descriptive if it immediately conveys the qualities or characteristics of the goods. However, if a mark requires imagination, thought, and perception for a person to arrive at the qualities or characteristics of the goods, the mark is suggestive and qualifies for registration without evidence of acquired distinctiveness or, as it is also known, secondary meaning. Any competent source is sufficient to show the relevant purchasing public’s understanding of a contested term. Laudatory marks that describe the alleged merit of the goods are descriptive because they simply describe the characteristics or quality of the goods in a condensed form.

The court conceded that there is no clear boundary between suggestiveness and descriptiveness and the ultimate determination depends on the use of the term, the context, and other factors that affect the public’s perception. ULTIMATE has elements of suggestiveness because the word does not define any characteristic, but on the other hand it has some elements of descriptiveness because it has a laudatory or puffing connotation. The applicant’s own specimens supplied the evidence that supported the TTAB’s finding that customers would immediately regard THE ULTIMATE BIKE RACK as a laudatory descriptive phrase touting the superiority of the bike racks.

Applicant had submitted to the Examiner a list of registrations in support of the argument that a disclaimer was not necessary. The CAFC commented that the court encourages the USPTO to achieve a uniform standard for assessing the registrability of marks. Nonetheless, the TTAB and the court in its limited review must assess each mark on the record of public

---

6. Dickinson v. Zurko, 527 U.S. 150, 119 S. Ct. 1816, 144 L. Ed.2d 143, 50 U.S.P.Q.2d 1930 (1999), discussed in The 52nd Year, 90 TMR 2. The other three bases upon which the CAFC could overturn a finding of fact by the TTAB are whether it is arbitrary, capricious, or an abuse of discretion.

perception submitted with the application. On that basis, the court found little persuasive value in the registrations that the applicant had submitted.

In a decision with a surprising twist, the CAFC reversed the TTAB and held that 1-888-M-A-T-R-E-S-S was registrable, on an intent-to-use application, as a service mark for telephone shop-at-home retail services in the field of mattresses. The applicant claimed that the mark was either inherently distinctive or, alternatively, that it had acquired distinctiveness pursuant to Section 2(f) of the Lanham Act by virtue of the applicant's ownership of other registrations which contained either the word MATTRESS or variations on that spelling. There was no dispute that the 888 toll-free area code designation was devoid of source-indicating significance.

The CAFC noted that it reviews the TTAB's conclusions of law de novo and affirms the TTAB's findings of fact if they are supported by substantial evidence. The first question was whether 1-888-M-A-T-R-E-S-S was generic and therefore unregistrable. Generic terms are words that the relevant purchasing public understands primarily as describing the genus of goods or services being sold. Generic terms are incapable of indicating a particular source and cannot be registered. The determination of whether a proposed mark is a generic term is a two-part inquiry. First, what are the goods or services at issue? Second, is the term sought to be registered understood by the relevant public primarily to refer to those goods or services? The distinctiveness or lack of distinctiveness of a term is a question of fact. The USPTO bears the burden of proving that a term is generic. Any competent source will suffice to show the relevant purchasing public's understanding of a contested term, including purchaser testimony, consumer surveys, dictionary definitions, trade journals, newspapers, and other publications.

When a term is a compound word, the USPTO may satisfy the burden of proving it generic by producing evidence that each of the constituent words is generic and that the separate words joined to form a compound have a meaning identical to the meaning common usage would ascribe to those words as a compound. In other words, the combination of the two words into one does not detract from the generic message conveyed by each. However, when a proposed mark is a phrase, the TTAB must conduct an inquiry into the meaning of the disputed phrase as a whole. The TTAB applied an incorrect test in holding that the Trademark Examining Attorney met the burden of proving that an alphanumeric telephone number was generic merely by showing


that it was composed of a non-source-indicating area code and a
generic term. The Examining Attorney had to produce evidence of
the meaning that the relevant purchasing public accorded to the
proposed mnemonic mark as a whole. Substantial evidence did not
support the conclusion that the mark was generic. There was no
evidence of record to show that the relevant public referred to the
class of shop-at-home telephone mattress retailers as 1-888-
MATRESS. The term did not immediately and unequivocally
describe the service at issue. Furthermore, competitors were, for
all practical purposes, already precluded from using and promoting
the same number.

The CAFC then considered whether the proposed mark was
descriptive. Descriptiveness results if a mark immediately conveys
knowledge of the ingredients, qualities, or characteristics of a
product or service. A mark need not recite each feature of the
goods or services in detail in order to be descriptive. 1-888-
MATRESS did immediately convey the impression that a service
relating to mattresses was available by calling the telephone
number.

In order to establish secondary meaning or acquired
distinctiveness, an applicant must show that, to the relevant
public, the primary significance of a mark is to identify the source
of the product or service. An application filed on the basis of an
intent to use the mark ordinarily will not claim acquired
distinctiveness unless the mark is used after the filing of the
application and succeeds in acquiring distinctiveness. However,
Trademark Rule 2.41(b)\textsuperscript{10} provides that, in appropriate cases,
ownership of one or more prior registrations for the same mark on
the Principal Register may be accepted as prima facie evidence of
distinctiveness. Therefore, an applicant may establish acquired
distinctiveness in a mark that is the subject of an intent-to-use
application when it can show that the same mark acquired
distinctiveness for identical or related goods or services and that
this acquired distinctiveness will transfer to the goods or services
described in the application. A proposed mark is the same mark for
the purpose of Rule 2.41(b) if it is the legal equivalent of the
registered mark. Legal equivalency requires that the mark create
the same continuing commercial impression so that a consumer
would consider them both to be the same mark. Whether marks
are legal equivalents is a question of law subject to the CAFC’s de
novo review. No evidence need be entertained other than the
appearance or sound of the marks. The difference in spelling
between M-A-T-R-E-S-S and M-A-T-T-R-E-S was immaterial and
the USPTO conceded the legal equivalence.

\textsuperscript{10} 37 C.F.R. § 2.41(b).
As the same mark or legal equivalent of (212) M-A-T-T-R-E-S, the mark 1-888-M-A-T-R-E-S-S was entitled to rely on the former as prima facie evidence of acquired distinctiveness. Therefore, the applicant could establish acquired distinctiveness because the (212) mark had acquired distinctiveness for related goods or services and a further showing that the acquired distinctiveness would transfer to the goods or services specified in the application. The services specified in the (212) mark, “retail outlet services and retail store services featuring mattresses” were found to be closely related to telephone shop-at-home retail services in the field of mattresses and the applicant had made a prima facie showing of acquired distinctiveness and a close relationship of the goods or services to support registration of the new mark pursuant to Section 2(f) of the Lanham Act.11

The somewhat unusual element of this case was the CAFC’s willingness to equate the (212) mark with the 1-888 mark. Although the court applied the same legal test it had previously used in tacking cases,12 the CAFC, in Dial-A-Mattress, accepted what might be called connotative similarity as an adequate substitute for strict visual similarity, but it is still very much an open question whether the CAFC would adopt the same standard in an opposition or cancellation proceeding founded on likelihood of confusion.

B. Trademark Trial and Appeal Board

1. Likelihood of Confusion

a. Likelihood of Confusion Found

An applicant cited in vain some old history involving the same mark in the USPTO to contest a refusal of registration based on likelihood of confusion.13

The application was for the mark PINE CONE BRAND and design for packaged fresh citrus fruit. The cited mark was PINE CONE for canned fruits and vegetables. The test of likelihood of confusion was whether the marks were sufficiently similar in overall commercial impression that confusion about the source of the goods was likely. It was not improper to give more weight to PINE CONE as the dominant feature of the marks because PINE CONE was arbitrary and therefore entitled to a broad scope of protection. The two marks created essentially an identical overall commercial impression. The TTAB found that the goods were related on the basis of ten third-party registrations submitted by

the Examining Attorney, in which the identifications of goods included both fresh fruits and canned fruits or canned vegetables. The Board conceded that the registrations were not evidence that the marks were in commercial use or that the public was familiar with them, but they were probative evidence to suggest that fresh fruits and canned fruits or vegetables may emanate from a single source under a single mark. Applicant presented no evidence to the contrary.

Although the Board found that the relevant classes of purchasers for applicant’s goods were limited to wholesalers and store owners and did not include the general public, the finding was of no assistance because the registrant’s description of goods was unlimited and therefore the TTAB had to presume that the registrant’s goods were marketed in all normal trade channels to all normal classes of purchasers, which included wholesalers and retail store owners.

The trademark history invoked by the applicant was that its mark was a revival of an old label that had been in use as early as 1901 by an unrelated company, which subsequently abandoned the mark. The use of the 1901 label predated the 1925 filing date and date of first use of the registration cited against the application. According to the applicant, the 1901 mark was used in most markets of the United States and there was inherent in the cited registrant’s decision to use and apply for registration of PINE CONE a good faith belief that there would be no likelihood of confusion arising from the use of the mark. This, according to applicant, gave rise to judicial estoppel. The TTAB was not persuaded. The evidence was insufficient to prove that the owner of the cited registration knew of the 1901 mark and there was no basis for attributing laches or estoppel to the owner of the cited registration. Applicant also appeared to argue that the absence of actual confusion during “decades” of simultaneous use by the cited registrant and by the 1901 company of their PINE CONE marks was evidence that there was no likelihood of confusion. The TTAB correctly pointed out that no evidence had been entered as to actual confusion. Therefore, it could not conclude that there were no instances of actual confusion. Furthermore, there was no evidence from which the Board could determine that opportunity for actual confusion had ever existed.

After considering systematically all of the DuPont factors the TTAB turned to the applicant’s argument that it was entitled to registration because of the administrative law doctrine of reasoned decision-making. Applicant contended that a federal agency must treat like cases alike and may not casually ignore its own past decisions. Prior decisions are not binding forever on an agency, but

any inconsistency must be rationally explained.\textsuperscript{15} The TTAB was not persuaded that reasoned decision-making precluded its affirming the refusal of registration under Section 2(d) of the Lanham Act. The USPTO’s decision in 1933 to register the mark applicant now seeks to register was not the type of previous agency precedential decision that triggers the doctrine. In all the cases cited by applicant, the prior agency decisions were fully adjudicated decisions made by administrative law judges or equivalent policy-making and adjudicative personnel. The Board therefore adhered to its long standing well-settled precedent holding that the TTAB is not bound by prior decisions of Trademark Examining Attorneys and that each case must be decided on its own merits on the basis of its own record. Even assuming that the reasoned decision-making doctrine was applicable, there was a plausible rational explanation for the inconsistent result; the law had changed since 1933. The standard then was whether the goods of a cited registration were of the same descriptive properties as the goods in an application.\textsuperscript{16} Under the Lanham Act passed in 1946 and the subsequent case law, the test is the more flexible standard of whether the use of the new mark on its goods would be likely to cause confusion.

The TTAB affirmed the refusal of an application to register SATURN INFORMATION SYSTEM for computer software that assists anesthesiology on the ground that the mark was likely to cause confusion with the registered marks SATURN and SATURN and design for pre-recorded computer programs and computer hardware.\textsuperscript{17} The cited registrations had been issued before the USPTO changed its policy to require greater specificity in the identification of computer software.\textsuperscript{18}

The words INFORMATION SYSTEM were disclaimed by applicant and had little or no source-indicating significance. The marks were so similar that even sophisticated purchasers could well believe that the software of applicant and registrant came from the same source. The question of likelihood of confusion had to be determined on the basis of the goods described in the application and the goods described in the cited registrations rather than on what any evidence showed the goods to be. Since the registrant’s goods were broadly identified as computer programs without any limitation of the kind of programs or the field of use, the TTAB had to assume that the goods encompassed all computer programs including those intended for medical use.

\textsuperscript{15} Wilson, 57 U.S.P.Q.2d at 1870.
\textsuperscript{16} Id. at 1872.
\textsuperscript{17} In re N.A.D. Inc., 57 U.S.P.Q.2d 1872 (T.T.A.B. 2001).
\textsuperscript{18} See Trademark Manual of Examining Procedure § 804.03(b) for the current Office policy.
As such, they could travel in the same channels of trade normal for those goods and to all classes of prospective purchasers for those goods. When the goods were so viewed, confusion was likely.

The Board expressed sympathy for applicant’s concern about the scope of protection given to the cited registrations and noted that the applicant was not without remedies. Applicant could seek a consent from the owner of the cited registrations or could seek to restrict the registrations under Section 18 of the Lanham Act. Restriction under Section 18 is a remedy that is available for a party who believes that a restriction in a cited registration may serve to avoid a likelihood of confusion.

2. Geographical Deceptive Misdescriptiveness

a. Geographical Deceptive Misdescriptiveness Found

The TTAB decided three appeals from the refusals of applications because the alleged marks were primarily geographically deceptively misdescriptive under Section 2 (e)(3) of the Lanham Act, and three times the Examining Attorney’s were affirmed.

In one case, HOTEL MONACO was a proposed service mark for a hotel not located in the Principality of Monaco. Applicant did not dispute that Monaco is a geographical location generally known by the public and that Monaco did not have any meaning other than its significance as the name of a geographical place. Applicant also did not dispute that its hotel services did not originate in Monaco. The only issue was whether there was sufficient evidence for the TTAB to conclude that the public was likely to associate hotel services with the place named by applicant’s mark.

Relying upon information from geographical dictionaries, travel guide books, the NEXIS database, and material provided by Monaco’s Travel Bureau, as well as other sources, the Examining Attorney argued that the Principality of Monaco had an important tourism industry that accounted for between twenty percent and twenty-five percent of its gross national product. The Principality had at least eighteen hotels plus other facilities for tourists. Monaco was home to four of Europe’s most exquisite and legendary hotels. The Examining Attorney also introduced evidence to show that there are hotels in the United States that have foreign ownership or foreign-based operations.

Applicant submitted a survey designed to demonstrate that the relevant public would not associate HOTEL MONACO with

the Principality of Monaco. The survey failed of its purpose because there was an insufficient number of survey respondents and the survey asked the wrong question.

The TTAB concluded that consumers seeing HOTEL MONACO hotel services would erroneously believe that the services had their origin in Monaco or were otherwise related to a hotel located there. The Board noted that applicant’s brochures emphasized the French and European aspects of applicant’s hotels.

A prima facie case for refusing an application because a mark is primarily geographically deceptively misdescriptive requires a showing that the primary significance of the mark is geographic; that purchasers would be likely to think that the services originate in the geographical place identified in the mark (the services/place association); and that the services do not in fact originate in the named place.

The issue in the next case was whether CUBA L.A. for pre-recorded phonograph records and cassette tapes featuring music and pre-recorded compact discs and CD-Roms featuring music or music coupled with images and text in Class 9 and entertainment services, namely, live performances by a musical band and other related services in Class 41 was primarily deceptively geographically misdescriptive.22

The applicant was a Wisconsin corporation located in Milwaukee that acknowledged that L.A. was an abbreviation for Los Angeles and that its goods and services did not originate in either Cuba or Los Angeles.

The TTAB recited the usual tests. The mark is primarily geographically deceptively misdescriptive if the primary significance of the mark is a generally known geographical place, the public would make a goods or services/place association and that the goods or services did not originate from the place named in the mark. The TTAB found that purchasers would understand that applicant’s mark referred to the two places that were named rather than to some mythical place called “Cuba L.A.” The primary significance of CUBA L.A. when used as a mark for applicant’s musical goods and services was that the goods and services were performed in or originated from both of the locations that were named. Purchasers could reasonably assume that applicant’s goods and services involved music from Cuba that was performed, recorded, or distributed in or from Los Angeles. Applicant did not present any evidence to show that there was a recognized genre or style of music known as “Cuba L.A.”

CUBA L.A. was composed of the names of two well-known geographical locations that were neither obscure or remote. The mere combination of those two names into the composite did not

---

detract from the primarily geographical significance of each of the place names or the mark as a whole. The Board further found that purchasers would make an association between Cuba and the goods and services by reasonably assuming that music-related goods and services of Cuban origin were available in the United States.

It was not incumbent upon the Examining Attorney to prove that Cuba was famous or well-known for the goods and services of the application. There was sufficient evidence in the record to show that the particular types of goods and services would be known or assumed to originate in or from the places named in the mark. Moreover, the Examining Attorney submitted an Internet search printout that included listings and synopses of websites involving the music industry in Los Angeles, which was sufficient to establish that purchasers would reasonably assume that music-related goods and services could and did originate in Los Angeles. Applicant’s argument that there was no connection between Los Angeles and applicant’s particular style of music was not persuasive.

The third case\(^{23}\) required the Board to reach the somewhat improbable conclusion that purchasers would regard ROYAL HAVANA RESORT & CASINO as indicating origin of wearing apparel, beauty products, and perfumes in Havana, Cuba. It was less implausible for the Board to come to the same conclusion about the mark HAVANA RESORT & CASINO for wearing apparel. Both applications were refused on the ground that the marks were primarily geographically deceptively misdescriptive under Section 2(e)(3) of the Lanham Act.\(^{24}\) The Examiner proved all three factual premises for the legal conclusion that the two marks were primarily geographically deceptively misdescriptive. Although applicant’s asserted marks contained more words than the name of the geographical location Havana, the additional wording did not detract from that meaning. The TTAB further found that purchasers would believe that the goods emanated from, or were authorized, sponsored, or licensed by, a resort casino in Havana. Even if applicant had established an association between Havana and a particular lifestyle, that would not have contradicted the primary geographical significance of the term.

Registration pursuant to Section 2(f)\(^{25}\) of the Lanham Act, based on proof of acquired distinctiveness (secondary meaning), is not available for marks that are primarily geographically deceptively misdescriptive unless they became distinctive of the goods in commerce before the date of enactment of the North


American Free Trade Agreement Implementation Act (December 8, 1993).  Applicant cited third-party registrations of marks consisting of geographical names, but this showing was dismissed by the Board with the usual recitation that each application for registration of a mark for particular goods or services must be separately evaluated; the Board did not know what records were before the Examining Attorneys in those cases; and that the duty of the Board to decide appeals from the refusals of applications pursuant to Section 20 of the Lanham Act could not be delegated by the adoption of conclusions reached by Examining Attorneys in different cases on different records.

3. Surnames

a. Mark Not Found to Be Surname

An application to register HACKLER for alcoholic beverages was refused on the ground that the mark was primarily merely a surname under Section 2(e)(4) of the Lanham Act; the Board reversed. A term is primarily merely a surname if, when applied to a particular product or service, its primary significance to the purchasing public is that of a surname. The burden is on the Trademark Examining Attorney to establish a prima facie case. The factors considered are whether the surname is rare, whether anyone connected with the applicant has the term as a surname, whether the term has any other recognized meaning, and whether the term has the look and feel of a surname. The Board noted that the question of whether a term is primarily merely a surname can be resolved only on a case by case basis.

Based on the record, the TTAB found that HACKLER was a rare surname (one listing in Manhattan and three listings in the Washington, D.C. and Northern Virginia telephone directories). When considering Phonedisc evidence, the TTAB noted the massive scope of that database, which had approximately 80 million entries when the Examiner accessed the information. Phonedisc had 1,295 HACKLER listings.

HACKLER had a meaning other than as a surname. To hackle is to separate long fibers of a plant by combing with a hackle, and a hackler was defined in a dictionary as one that hackles. In addition, the applicant submitted a copy of a poem with the word “Hackler” in the title and some of its own promotional literature that stated that the HACKLER brand name was based on a real person, the Hackler of Grouse Hall, who lived in 19th century

Ireland and was a weaver and distiller. The Board found that while the term HACKLER could be a surname, it had another significance or meaning. There was no evidence that HACKLER was the surname of anyone connected with applicant. Whether the word HACKLER had the look and feel of a surname was a close question on which the Board could not reach a conclusion whether it was a surname or an arbitrary term. The TTAB found that the relatively rare surname would not be perceived as primarily merely a surname and it could not be said that the primary significance to the relevant purchasing public would be solely that of a surname. With surnames, as with descriptive terms, doubt is resolved in favor of an applicant, which allows an application to be published and opposed by any interested party who believes that it would be damaged. The refusal was reversed.

Deciding whether an expression is an inherently registrable mark or a surname in part on whether it has the “look and feel” of a surname imports into the decision making process a degree of subjectivity, and therefore arbitrariness, which seems to be inconsistent with a desire that the law be as objective and consistent as is possible under the circumstances. It may not be possible to avoid all subjectivity when the questions are suggestiveness versus descriptiveness or likelihood of confusion. It has been judicially recognized that there is subjectivity in those cases, but efforts are made to reduce that factor to an irreducible minimum as, for example, by the use of factors to decide on likelihood of confusion and the use of evidence such as dictionaries, trade journals, surveys, NEXIS and Internet databases, as well as an applicant’s and competitors’ use of the term in question, when the issue is descriptiveness or suggestiveness. There is equivalent evidence available in surname cases, such as telephone directories and computerized databases (for example, Phonedisc) and dictionaries to see whether a given term has a non-surnominal meaning, to avoid “look and feel” as a factor in deciding the issue in contradistinction to the recognition that subjectivity is present in likelihood of confusion and descriptiveness cases without being utilized as a factor in deciding those issues.

4. Configuration of Goods

a. Propounded Mark De Facto Functional but Without Acquired Distinctiveness

Applications to register configurations of eyeglass lens holders and eyeglass/spectacle frame display holders and brackets were refused.31


The first question was whether the configurations of the goods were de jure functional. The TTAB wrote that a product configuration that is a superior design essential for competition is de jure functional and may be refused registration on that ground. A product configuration that is not a superior design essential for competition, but merely performs some function or utility, is de facto functional, for which the proper ground for refusal on the Principal Register is that the configuration is not inherently distinctive as a matter of law and thus does not function as a trademark. A de facto functional product configuration may be registered on the Principal Register with a showing of acquired distinctiveness under Section 2(f) of the Lanham Act. Citing Wal-Mart Stores, Inc. v. Samara Bros., Inc., the TTAB noted that, while consumers are predisposed to regard word marks or product packaging as indications of source, consumers are not predisposed to equate a product design with a source. The burden of proving acquired distinctiveness in an ex parte proceeding rests with the applicant; it may be shown by direct or circumstantial evidence. Direct evidence includes testimony, declarations, or surveys of consumers showing their state of mind. Circumstantial evidence is evidence from which consumer association may be inferred, such as years of use, extensive sales and advertising, and similar evidence showing wide exposure of the mark to consumers. There is no fixed rule for the amount of proof necessary to demonstrate acquired distinctiveness, but the burden is heavier in a case of product configuration. In general, the evidence required to show acquired distinctiveness is directly proportional to the degree of nondistinctiveness of the mark at issue.

Applicant’s evidence of acquired distinctiveness was insufficient. Form declarations from distributors and customers were entitled to little weight. The statements made by distributors concerning distinctiveness were of minimal value because they were not the ultimate customers for applicant’s products. The distributors’ and customers’ declarations failed to specify the particular features of the configurations that served to identify and distinguish applicant’s products. The Board was unable to determine whether the declarants truly understood which features of the product configurations represented applicant’s marks. The circumstantial evidence of distinctiveness was insufficient. Successful sales were not necessarily probative of purchaser recognition of the configurations as indications of source.

A critical question was the effectiveness of the advertisements in creating consumer association between the product configurations and the producer. Advertisements that stress the product configuration in a trademark sense are the most...
significant evidence of acquired distinctiveness. Applicant did not present any convincing evidence of advertising or promotional efforts that focused upon the trademark significance of the product configurations rather than upon the utilitarian or desirable features of the products. Advertising that touts a product feature for its desirable qualities and not primarily as a way to distinguish the producer’s product not only fails to be evidence that the feature has acquired secondary meaning but also directly undermines such a finding.

The Board was not convinced that competitors intentionally copied the applicant’s configurations to trade on the asserted distinctiveness of the configuration as an indication of the source of the products. There was no concrete evidence of intentional copying. The Board commented that it is more common that competitors copy product designs for desirable qualities or features. The fact that a few competitors entered into license agreements with applicant for the particular configurations did not convince the Board that the configurations had acquired distinctiveness. Complete copies of the license agreements were not introduced into evidence and applicant did not explain fully the circumstances surrounding them. The TTAB was unable to determine whether the parties entered into the license agreements in recognition of the acquired distinctiveness of the product configurations, or because of applicant’s patents on the configurations, or to settle litigation. The Board held that the configurations were not inherently distinctive and had not been shown to have acquired distinctiveness.

Two comments are in order. First, a product configuration which is de jure functional must be refused registration on that ground. Functionality of a mark is now a statutory ground for refusal under Section 2(e)(5) of the Lanham Act.33

Second, in the TrafFix Devices case,34 the Supreme Court reiterated what it had previously said in Inwood Laboratories.35 In general terms, a product feature is functional and cannot serve as a trademark if it is essential to the use or purpose of the article, or if it affects the cost or quality of the article.36 The Court went on to say that it is proper to inquire into a significant non-reputation-related disadvantage resulting from the granting of exclusive rights to a design in cases of aesthetic functionality, but when the design is functional under the Inwood formulation there is no need to proceed further to consider if there is a competitive necessity for

36. TrafFix, 121 S. Ct. at 1261, 58 U.S.P.Q.2d at 1006.
the feature. Therefore, in future cases of product configuration, we may expect the TTAB to focus on whether a configuration of a product is essential to its use or purpose or if the configuration affects the cost or quality of the article without considering, much less requiring, evidence that there is a competitive need for the particular shape for which a claim of trademark significance is made.

5. Container Design

a. Mark Found to Be Inherently Distinctive

An unusual shape of a bottle used as a container for a line of toiletries was held to be inherently distinctive and therefore a registrable mark.37

Both the trademark Examining Attorney and the applicant relied on registrations of other marks to support their contrary positions. The Examining Attorney relied on registrations to show that trade dress in the nature of a configuration of a container generally is registered on the Supplemental Register or on the Principal Register only upon a showing of acquired distinctiveness. In refutation, the applicant made of record many registrations of container configurations that were on the Principal Register and did not appear to rely on a claim of acquired distinctiveness so that they were registered as inherently distinctive marks. The Examining Attorney’s argument that many of the marks on which applicant relied may have been prosecuted on a claim of acquired distinctiveness but without resort to Section 2(f) of the Lanham Act was rebutted by the Board, which pointed out that the USPTO abandoned many years ago the practice of registering marks on the basis of a claim of distinctiveness without citing Section 2(f).38

There must be objective evidence to support an Examining Attorney’s conclusion that a product configuration is a common shape not ordinarily perceived as a trademark. When a container configuration is obviously a commonplace design so that it would

38. Some history based on the author’s personal experience may help to clarify this point. Many years ago, Dr. Stephen P. Ladas persuaded the Assistant Commissioner for Trademarks to omit references to Section 2(f) from Certificates of Registration. At the time, a number of foreign countries required a certified copy of a United States registration as one of the documents for an application. In addition, when arguing for the registrability of marks in foreign countries, United States applicants frequently argued that the marks were registered in the United States and provided copies of the United States registrations. When references to Section 2(f) were on the copies of the United States registrations, the foreign trademark offices were alerted to the fact that the marks were not inherently distinctive and consequently required proof of distinctiveness in the countries where the applications were filed. To avoid raising the red flag of nondistinctiveness, Dr. Ladas persuaded the Assistant Commissioner for Trademarks to omit references to Section 2(f) from the certificates of registration issued by the USPTO. As pointed out in the Board’s decision, that practice has long since been abandoned.
be unreasonable to assume that the design would indicate the source of goods, the Examining Attorney’s burden of proof is lighter. When it is not obvious that the design is commonplace, the Examining Attorney’s obligation is to make a prima facie showing that the container configuration is not entitled to registration.

Applicant argued that, in making its evaluation of distinctiveness, the TTAB was required to apply the test for assessing distinctiveness of word marks articulated in Abercrombie & Fitch Co. v. Hunting World, Inc. The Examining Attorney argued that the correct test was that written by the Court of Customs and Patents Appeals in Seabrook Foods. The Abercrombie & Fitch test uses the now-familiar continuum of generic, descriptive, suggestive, or arbitrary or fanciful evaluation of a mark whereas the Seabrook test examines the design to see whether it is a common basic shape, whether it is unique or unusual in a particular field, whether it is a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods, or whether it is capable of creating a commercial impression distinct from the accompanying words. After evaluating Supreme Court and CAFC decisions, the Board found that the Abercrombie and Seabrook tests are complementary, not mutually exclusive. Under both the Seabrook test and the Abercrombie test, the Board held that the design of the bottle was unique and unusual in the field of cosmetics and fanciful or arbitrary. Therefore the refusal of registration was reversed.

6. Descriptiveness

a. Mark Merely Descriptive

A requirement for the entry of a disclaimer was the setting for a holding that PSYCHOLOGY PRESS was merely descriptive for non-fiction books in the field of psychology. The entire mark consisted of the words PSYCHOLOGY PRESS and the words ALERE FLAMMAN (Latin for “to feed, or nourish, the flame”) and a design of a burning lamp with a human hand within a circle. The Board recited the usual explanation that a term is merely descriptive if it forthwith conveys an immediate

41. Abercrombie, 537 F.2d at 9, 189 U.S.P.Q. at 764.
42. Seabrook, 568 F.2d at 1344, 196 U.S.P.Q. at 291.
idea of an ingredient, quality, characteristic, feature, function, purpose, or use of the goods or services and that it is enough if the term describes one significant attribute, function, or property of the goods or services. The determination is made in relation to the goods or services for which registration is sought, the context in which the words are used, and the possible significance that the term would have to the average purchaser. The word PSYCHOLOGY was merely descriptive of the subject matter of applicant’s books. The Board took judicial notice that PRESS is defined as a printing or publishing establishment, which was supported by NEXIS database evidence submitted by the Trademark Examining Attorney. When used in connection with publishing establishments, the word PRESS was a generic entity designation incapable of serving a source-indicating function. The word PRESS was found to be merely descriptive of applicant’s books because it directly and immediately said that the books originated from a printing or publishing establishment. A mark which names the type of commercial establishment from which particular goods come is merely descriptive of those goods. Separately and together, the words PSYCHOLOGY and PRESS were merely descriptive of the goods. PSYCHOLOGY PRESS was readily separable from the rest of the mark in appearance and connotation and created its own independent commercial impression. The entire mark was not a unitary mark into which PSYCHOLOGY PRESS was so integrated that a disclaimer would be improper. The requirement was proper and applicant was given the usual thirty days to enter a disclaimer, in which event the decision affirming the refusal of registration would be set aside.

In Styleclick.com Inc., the unsuccessful applicant for registration of VIRTUAL FASHION was also the unsuccessful applicant for registration of E FASHION for computer software for consumer use via the Internet and computer software for providing fashion, beauty, and shopping advice and electronic retailing services. E FASHION immediately described, without conjecture or speculation, a significant characteristic or feature of the goods and services. There was nothing ambiguous, or incongruous, or anything susceptible to any other plausible meaning, in the mark. In this appeal, as in its VIRTUAL FASHION appeal, the applicant pointed to registered marks (for E FASHION, the examples were marks with the prefix E) as justification for the registration of its mark, E FASHION. The Board acknowledged that uniform treatment under the Lanham Act is an

47. 58 U.S.P.Q.2d 1523.
administrative goal, but its task in this appeal was to determine, based on the record, whether applicant’s mark was merely descriptive; each case must be decided on its own merits; the Board was not privy to the records in the files of the prior registrations; and the determination of registrability of particular marks by the trademark Examining Attorneys could not control the result in another case involving a different mark for different goods and services. Further acknowledging the past inconsistent treatment of E-prefix marks, the TTAB explained that the Internet daily becomes more pervasive and that many Internet words such as e-mail and e-commerce have entered the language. The registrations cited by the applicant had not been issued recently. “E” generally means electronic in relation to computers and the Internet and when coupled with a descriptive word such as FASHION, the whole is merely descriptive and must be free for public use.

In the VIRTUAL FASHION appeal, the TTAB’s reasoning was substantially the same. The recitation that administrative consistency is a goal coupled with the standard explanation why it is not possible in a particular case has become so commonplace that it adds nothing to an understanding of the Board’s reasoning and may, in some cases, ignore the proper place of history in the determination of questions of registrability. However, as mentioned in the introduction, the TTAB’s explanation that the evolution of language and vocabulary related to the Internet has changed the public’s understanding of the letter “E” and the word “VIRTUAL” so that neither adds distinctiveness to a mark is a reasoned and more informative and satisfying explanation of the result that the Board reached.

An application to register the mark BEST! SUPPORTPLUS PREMIER for membership services in the nature of providing computer software consultation and computer consultation and support services and an application to register the BEST! SUPPORTPLUS for the same services were met with requirements for disclaimers of the word BEST and a disclaimer of the word PREMIER on the ground of descriptiveness. The Examining Attorney cited TTAB and CAFC decisions that had held expressions containing the word BEST to be laudatory descriptive phrases. Applicant relied on its own prior registration of BEST! and prior registrations that contained the word PREMIER or variations thereof, all of which had been registered without a disclaimer or any claim of acquired distinctiveness.

48. Id.
49. Supra note 2 et seq.
The Board disregarded the third-party registrations cited by the applicant for the usual reasons. Applicant’s prior registration of the mark BEST! did not overcome the requirement for a disclaimer in its two applications because the applications covered services beyond those included in the registration. The Board stated that nothing in the statute conferred the right to register a mark for additional goods when items are added to a company’s line or substituted for other goods covered by a registration. BEST and PREMIER were merely descriptive laudatory words that should be disclaimed.

7. Amendment of Drawing
   a. Amendment Refused

A request by the applicant to amend the drawing of a mark from TACILESENSE to TACTILESENSE was denied on the ground that the amendment would constitute a material alteration of the mark. The goods were fingerprint imaging systems, namely fingerprint image generator, image sensor, and image processor.

Trademark Rule 2.72, in all three subdivisions (covering applications based on use, based on intent to use, and based on ownership of a foreign registration), provides that the description or drawing of a mark may be amended only if the proposed amendment does not materially alter the mark. Rule 2.52(a) states that a drawing depicts the mark sought to be registered. Rule 2.72, read in conjunction with amended Rule 2.52(a), makes it clear that the mark is that which is depicted in the drawing and that any proposed amendment is subject to the material alteration standard so that no amendment is permissible if it materially alters the mark depicted in the original drawing. The modified mark must contain what is the essence of the original mark and the new form must create the impression of being essentially the same mark. Under this standard, TACILESENSE and TACTILESENSE were held to project distinctly different commercial impressions so that the amendment to TACTILESENSE would be a material alteration.

The Board noted that, at least in a likelihood of confusion case, there is no “correct” pronunciation of a trademark. However, it did not follow that any and all suggested pronunciations of a trademark must be deemed to be correct or viable, even those which are inherently implausible and inconsistent with common

---

52. 37 C.F.R. § 2.72, as amended September 8, 1999.
53. 37 C.F.R. § 2.52(a).
54. 57 U.S.P.Q.2d at 1218.
phonetic usage and practice. It was highly implausible that anyone would pronounce TACILESENSE with a hard “c” or “k” sound. TACILESENSE and TACTILESENSE were dissimilar phonetically, which, with their dissimilar meanings or connotations, precluded any finding that the two terms created essentially the same commercial impression.

The question of whether two terms create essentially the same commercial impression is not controlled by whether a new search would be necessary, although that is a factor. The issue is whether, assuming that the original mark had already been published, republication of the amended mark would be necessary to give fair notice to third parties.

C. Commissioner of Patents and Trademarks

1. Petition to Commissioner—Letter of Protest

The Commissioner denied a petition to reverse the decision of the Administrator for Trademark Classification and Practice to deny accepting a Letter of Protest.55 The issue raised by the Letter of Protest was properly handled through an inter partes proceeding. The Administrator has broad discretion in determining whether or not to accept a Letter of Protest. The Commissioner will reverse the action of the Administrator only when there has been an abuse of discretion. The question of proper ownership of a trademark is an issue that should be decided by the TTAB in an inter partes proceeding.

The Letter of Protest is an informal examination procedure created by, and existing at, the discretion of the USPTO. It is not intended to serve as a substitute for an opposition proceeding and it may not be used as a means to delay registration or to present purely adversarial arguments.

PART II. INTER PARTES CASES

A. Court of Appeals for the Federal Circuit

1. Likelihood of Confusion

a. Likelihood of Confusion Found

The TTAB granted the petition of Laser Golf Corp., based on the use and registration of LASER for golf clubs and golf balls, to cancel Cunningham’s registration of LASERSWING for golf clubs. The CAFC affirmed.56 The standard of review applied by the CAFC was whether there was substantial evidence to support the Board’s

factual findings. The CAFC reviewed the TTAB’s legal conclusion de novo.

A party seeking cancellation of a registration must prove that it has standing and that there are valid grounds for canceling the registration. Standing requires only that the party seeking cancellation believe that it is likely to be damaged by the registration. A belief in likely damage can be shown by establishing a direct commercial interest. The LASERSWING registration was less than five years old when the petition was filed and therefore any ground that would have prevented registration qualified as a valid ground for cancellation. The thirteen DuPont57 factors are relevant in a likelihood of confusion analysis. All of the DuPont factors relevant to the issue of likelihood of confusion and for which there is evidence in the record must be considered. If there is no evidence of record, there is no obligation to consider a factor. It is sufficient for the TTAB to give some indication that it has considered the factors and it need not discuss each of them.58

The Board was justified in examining each component of the mark LASERSWING and the effect of that component on the issue of likelihood of confusion between the marks in their entireties. For rational reasons, more or less weight may be given to a particular feature of a mark provided that the ultimate conclusion rests on a consideration of the marks in their entireties.59 There was substantial evidence supporting the TTAB’s findings that the marks were similar. The descriptive component of a mark may be given little weight in reaching a conclusion on likelihood of confusion.

The evidence of the difference between respondent’s product and an ordinary golf club was not probative given that respondent’s registration identified the goods as simply golf clubs. The Board is required to look to the registration to determine the scope of the goods. Proceedings before the TTAB are concerned with registrability and not the use of a mark. The identification of goods in the registration, not the goods actually sold by the registrant, frames the issue.

The respondent’s defense based on the alleged sophistication of golfers was outweighed by the TTAB’s findings of a strong similarity of the marks and the identity of the goods.

The court inferred that the Board assumed that the petitioner’s mark was not famous. Even if the Board had ignored the arguments regarding the absence of the fame of petitioner’s

58. 55 U.S.P.Q.2d at 1845.
59. Id. at 1845.
mark, it would not have resulted in any harm. The Board considered the absence of actual confusion but stated it could not conclude that there had been an opportunity for actual confusion to arise.

The respondent’s argument based on the particular display of his mark was irrelevant. The registration for LASERSWING showed the mark in plain type. Typed drawings are not limited to any particular rendition of the mark and are not limited to the mark as it is used in commerce. The Board correctly ignored, as irrelevant, the respondent’s particular display of his mark in commerce.

Laser Golf had the burden of proving by a preponderance of the evidence that there was a likelihood of confusion between the marks. The Board’s opinion contained sufficient findings and reasonings to permit review by the court. The court sits to review judgments, not opinions. Therefore the TTAB’s judgment was affirmed.

The CAFC affirmed a TTAB decision holding that the mark TREVIVE NUTRIENTS FOR THE LIFE OF YOUR HAIR (depicted with a stylized V) for hair care products was likely to cause confusion with opposer’s TRES-prefix marks for hair care products. Alberto-Culver owned trademark registrations for six marks beginning with TRES, which were used on products sold as part of a TRESEMME product line. TRESEMME appeared on all of the packaging in the line.

The court stated that the Board’s finding that the marks were similar in sound was a factual determination that could not be disturbed because it was supported by substantial evidence in the record. Substantial evidence also supported the finding that consumers would perceive TREVIVE as a term derived from French. Substantial evidence also supported the Board’s finding that the TRES-prefix was a family element. Although extended periods of side-by-side sales without actual confusion may tend to refute likelihood of confusion, the TTAB did not err in failing to consider the absence of actual confusion because Han Beauty submitted no evidence of the length of time its marks and Alberto-Culver’s marks were in beauty salons or the circumstances under which the salons marketed the products of both companies. Without evidence about the extent of third-party uses, the probative value of the evidence was minimal. The Board must consider each factor for which there is evidence, but may focus its analysis on dispositive factors, such as similarity of the marks and relationship of the goods.

2. Likelihood of Confusion and Abandonment of Opposer’s Mark

   a. Likelihood of Confusion Found; Opposer Had Not Abandoned Mark

The court affirmed two decisions by the TTAB. The opposition was based on a claim of likelihood of confusion between AOL’s ONLINE TODAY mark for providing access to online computer services and Careline’s ON-LINE TODAY for providing telecommunications connections to the global computer network. The cancellation claim was based on the alleged abandonment by AOL of its ONLINE TODAY mark. The Board sustained the opposition and dismissed the petition for cancellation.

As an initial point, the CAFC resolved its indecision about which of the Administrative Procedure Acts standards of review would be utilized in appeals from the USPTO tribunals. Citing In re Gartside, the court decided that the appropriate standard of review for TTAB findings of fact is whether a finding is supported by substantial evidence. The substantial evidence standard requires the reviewing court to ask whether a reasonable person might find that the evidentiary record supports the agency’s conclusion. A review for substantial evidence involves examination of the record as a whole, taking into account evidence that both justifies and detracts from an agency’s decision. The possibility of drawing two inconsistent conclusions from the evidence does not prevent an Administrative Agency’s finding from being supported by substantial evidence.

It was undisputed that the marks ONLINE TODAY and ON-LINE TODAY were similar in appearance, sound, and connotation. ON-LINE TODAY was a mark for providing Internet connection services. AOL’s ONLINE TODAY was a service mark for providing Internet content. The Board found that the services were closely related, which was supported by substantial evidence. It was reasonable to believe that the general public would be likely to assume that the origin of the services was the same. The TTAB found that Internet connection services and Internet content publications were shown to be available from a single source. Careline’s own witness indicated that a person could potentially subscribe to both companies’ services. There was no reason to

---

64. 56 U.S.P.Q.2d at 1475.
65. Id.
66. Id.
disturb the Board’s finding that the markets for both services were broad and that both companies targeted customers who did not necessarily have the knowledge to distinguish between the two services. The TTAB discounted the absence of evidence of actual confusion, which on appeal On-Line Careline did not demonstrate, was a finding unsupported by substantial evidence. The Board did not err in finding that a likelihood of confusion existed.

On the abandonment issue, the court noted that a registered trademark may be canceled if it has been abandoned. Since service mark registrations are presumed to be valid, the party must rebut the presumption by a preponderance of the evidence. The party seeking cancellation may establish a prima facie case by showing proof of nonuse for three consecutive years. Establishing a prima facie case eliminates the challenger’s burden of establishing the intent element of abandonment as an initial part of its case and creates a rebuttable presumption that the trademark owner has abandoned the mark without intent to resume use. The burden then shifts to the trademark owner to produce evidence that it either used the mark during the statutory period or intended to resume use. The burden of persuasion always remains with the petitioner to prove abandonment by a preponderance of the evidence. Abandonment is a question of fact.

The TTAB found that AOL had provided its users with access to its service through on-screen menu items and that AOL therefore had used ONLINE TODAY in accordance with the registration and did not abandon the mark. The finding was supported by substantial evidence. The TTAB did not err in finding that AOL had not abandoned the ONLINE TODAY mark.

3. Finding of Likelihood of Confusion Vacated

a. Finding Vacated

A TTAB decision sustaining an opposition based on the trademark HEWLETT-PACKARD for a wide variety of computer hardware products and for data processing consulting services against an application to register PACKARD TECHNOLOGIES for information processing, data transmission, and related services was vacated.

The Board made a mistake in its analysis of the similarity or dissimilarity of the marks, which had to be considered in their entireties with respect to appearance, sound, and connotation. In this case, the Board improperly dissected the marks and failed to make any finding about the appearance or sound of the marks.

68. 56 U.S.P.Q.2d at 1476.
Without any explanation, the TTAB considered only the PACKARD portion of HEWLETT-PACKARD. That statement, absent further explanation of the TTAB's reasoning, was insufficient for proper review of its finding of fact. Judicial review under the substantial evidence standard can take place only when the agency explains its decisions with sufficient precision, including the underlying fact findings and the agency's rationale. Only then can the CAFC engage in reasoned review of agency decision-making and provide the deference that the court must give to the USPTO's factual determinations. For this reason, the court vacated the Board's decision on the DuPont factor of similarity and remanded the case.  

Although the Board correctly noted that it was proper to give greater weight to the PACKARD portion of PACKARD TECHNOLOGIES on the ground that the word TECHNOLOGIES is highly suggestive or merely descriptive for the services at issue and that one accepted rationale for giving less weight to a portion of a mark is that it is descriptive or generic with respect to the goods or services, the Board failed to consider the appearance and sound of the mark as a whole. The Board misapplied the correct legal test, which is not that goods and services must be related if used together, but merely that the finding is part of the underlying factual inquiry whether the goods and services at issue can be related in the mind of the consuming public with respect to the origin of the goods or services. The court could not reach any conclusion because the Board's decision was opaque on the precise legal standard applied on that DuPont factor. In order for correct appellate review to occur, the Board must take care to express clearly both the facts and the law that it applies to those facts.

The question of the registrability of an applicant's mark must be decided on the basis of the identification of goods or services set forth in the application regardless of what the record may show about the particular nature of the applicant's goods, the particular channels of trade, or the class of purchasers to which sales of the goods or services were directed. The Board correctly assigned no weight to PACKARD's arguments narrowly characterizing the nature of the services it planned to offer as being limited to electronic transmission of data for commercial printing services. The Board did not err by looking to the identification of the services in Packard's application. When an application or registration does not contain a limitation describing a particular channel of trade or class of customer, the goods or services are assumed to travel in all normal channels of trade.

---

70. Id. at 1354.
71. Id. at 1355.
The fame of a prior mark, when it exists, plays a dominant role in the process of balancing the DuPont factors; famous marks enjoy a wide latitude of legal protection. Because Hewlett-Packard did not proffer any evidence in support of its argument that its marks were famous, the Board declined to make such a finding. The CAFC on one occasion has taken judicial notice of the fame of a mark when considering a Board decision on appeal. In that case, the request for judicial notice was made in the briefs and not at the late stage of oral argument. The court consequently declined to consider whether to take judicial notice of the fame of Hewlett-Packard’s marks. The court had no occasion in this case to consider whether its authority to take judicial notice of a mark’s fame, when argued for the first time on appeal, survives in light of Dickinson v. Zurko. The court held that the Board correctly declined to consider the fame factor because the conclusion that a mark is famous is based on important factual findings. The relevant evidence must be submitted in support of a request for a finding that a mark is famous. The responsibility to create a factual record is heightened under the more deferential standard that the CAFC must apply when reviewing findings of fact of the USPTO. The decision was vacated and the case was remanded for further proceedings.

4. Olympic and Amateur Sports Act

a. Act Found Applicable to Pending Opposition

The TTAB’s dismissal of an opposition by the United States Olympic Committee (“USOC”) against an application to register PAN AMERICAN for miniature toy trucks was reversed because the Board erred in declining to consider the intervening enactment of the Olympic and Amateur Sports Act, as it was not pleaded in the notice of opposition.

The notice of opposition was premised on Section 2(a) of the Lanham Act and Section 2(d). During the pendency of the opposition, the Olympic and Amateur Sports Act was enacted. This enlarged the exclusive rights of the USOC to use PAN

---

72. Id. at 1356.
76. 36 U.S.C. § 220501.
77. 15 U.S.C. § 1052(a), which prohibits the registration of marks which falsely suggest a connection with persons, institutions, beliefs, or national symbols.
78. 15 U.S.C. § 1052(d), which prohibits the registration of marks which are likely to cause confusion with a previously registered or previously used mark.
AMERICAN. The USOC cited the amended statute in its brief, but the Board declined to consider the statute and held that the violations of Sections 2(a) and 2(d) of the Lanham Act had not been established.

The court held that it was improper for the TTAB to refuse to consider the 1998 enactment. The general rule is that a tribunal must apply the law as it exists at the time of its decision. This is subject to exceptions when justice requires, such as when vested rights are materially affected by the change in law. Because the application was based solely on an intention to use the mark, there was no vested property right or investment in trademark use by the applicant. There is no suggestion that the application of the 1998 Act would impair any rights possessed before its enactment, increase the applicant’s liability, or impose new duties for past conduct. The unambiguous statutory language of the amended Act reserved to USOC the commercial use of the words PAN AMERICAN without requiring any showing of likelihood of confusion or false suggestion of connection. The Board’s findings were irrelevant to the issue. As a matter of law, the USOC had to prevail.

5. Likelihood of Confusion and Deceptively Misdescriptive Mark

a. No Likelihood of Confusion: Mark Not Deceptive or Deceptively Misdescriptive

Royal Appliance filed an application to register THE FIRST NAME IN FLOORCARE for electrical vacuum cleaners for domestic and industrial use. Hoover’s opposition alleging likelihood of confusion with the unregistered mark NUMBER ONE IN FLOORCARE and that Royal’s mark was deceptive or deceptively misdescriptive was dismissed by the TTAB. The dismissal was affirmed.79

The TTAB found that Hoover’s unregistered mark NUMBER ONE IN FLOORCARE was not inherently distinctive and had not acquired distinctiveness. Because Hoover’s mark was not inherently distinctive and the mark had not acquired distinctiveness, there was no basis for an opposition based on likelihood of confusion. The CAFC said that Hoover had the burden of establishing that NUMBER ONE IN FLOORCARE was distinctive of its goods. Substantial evidence supported the TTAB’s finding that the slogan was a generally laudatory phrase. Self-laudatory or puffy marks are regarded as a condensed form of describing the character or quality of the goods. Descriptive terms are in the public domain and should be free for use by all who can

---

truthfully employ them to describe their goods. The laudatory phrase NUMBER ONE did not necessarily indicate a single source. A new number one, which was hypothetically possible, should be free to employ truthfully the descriptive term NUMBER ONE to describe its goods. Whether a mark has acquired distinctiveness is a question of fact. Hoover presented no evidence showing how consumers actually perceived this slogan and only minimal evidence of the use of the slogan. The slogan was used in close proximity to the principal trademark HOOVER, so the slogan was more likely to be perceived as a laudatory statement about the goods than as a trademark. Hoover never conducted a consumer brand recognition survey. Substantial evidence supported the TTAB’s finding that NUMBER ONE IN FLOORCARE had not acquired distinctiveness.

On the issue of whether Royal’s mark THE FIRST NAME IN FLOORCARE was deceptive in violation of Section 2(a) of the Lanham Act or violated Section 2(e) of the Lanham Act as being deceptively misdescriptive, Hoover bore the burden of establishing that Royal did not have the right to register its mark. There is a three-part test for determining whether a mark is deceptive under Section 2(a): is the mark misdescriptive of the character, quality, function, composition, or use of the goods? If so, are prospective purchasers likely to believe that the misdescription actually describes the goods? If so, is the misdescription likely to affect the decision to purchase? Whether a mark is misdescriptive is a question of fact. The TTAB acknowledged that THE FIRST NAME connotes a position of preeminence in a general sense, but it was equally reasonable that the term THE FIRST NAME suggests general familiarity, as in being on a first name basis with an individual. The possibility of drawing two inconsistent conclusions from the evidence did not prevent the Board’s finding from being supported by substantial evidence. Substantial evidence supported the finding that the phrase neither misdescribed nor misrepresented Royal’s goods, and the Board correctly held that the mark was not deceptive. A mark may be deceptively misdescriptive under Section 2(e) if it misrepresents any fact concerning the goods that may materially induce a purchaser’s decision to buy. Substantial evidence existed to support the finding that THE FIRST NAME IN FLOORCARE did not misdescribe or misrepresent Royal’s goods and the Board properly held that the mark was not deceptively misdescriptive.

Hoover’s potential contention that Royal’s mark was unregistrable as a generally laudatory descriptive phrase was not raised in the notice of opposition and the TTAB did not rule on it.

The CAFC declined to address the question for the first time on appeal.

6. False Suggestion of Connection
   
   a. Laches a Possible Defense

   The CAFC reversed a decision by the TTAB which granted a petition to cancel Bridgestone/Firestone’s registration of LEMANS for tires on the ground that the mark falsely suggested a connection with the Automobile Club and its sponsorship of the LeMans Race, in violation of Section 2(a) of the Lanham Act. Bridgestone raised, among other defenses, laches based on the passage of twenty-seven years between the issuance of Bridgestone’s LEMANS registration and the Automobile Club’s cancellation petition. Laches is an equitable defense and the TTAB's rulings are reviewed under the standard of abuse of discretion, which will lie when the Board’s decision rests on error of law, erroneous findings of fact, or if the decision manifests an unreasonable exercise of judgment in weighing the relevant factors. The defense of laches is available under Section 19 of the Lanham Act. The party raising the affirmative defense of laches bears the burden of proving there was an undue or unreasonable delay in the assertion of rights, resulting in prejudice to the party asserting the defense. In demonstrating that a party has slept on its rights for too long a period of time, it is necessary to show that the party knew or should have known that it had a right of action, yet did not act to assert or protect its rights.

   Section 22 of the Lanham Act provides that a registration on the Principal Register provides constructive notice of the registrant’s claim of trademark ownership. That constructive notice, plus widespread commercial use of LEMANS by Bridgestone, the knowledge of which was not denied by the Automobile Club, and the passing of twenty-seven years since the registration of LEMANS, with no reasonable excuse for inaction, required that the Automobile Club be charged with undue delay in seeking cancellation of the LEMANS registration. Laches ran from the time when action could have been taken against the registration.

   Two general categories of prejudice may flow from an unreasonable delay: (1) prejudice at trial owing to the loss of evidence or memory of witnesses; or (2) economic prejudice based

---

on loss of time, money, or foregone opportunity. It was undisputed that Bridgestone invested in and promoted the LEMANS brand tires over the lengthy period during which the Automobile Club was silent. The Board’s requirement of specific evidence of reliance by Bridgestone on the Automobile Club’s silence could relate to proof of estoppel but it did not apply to laches. When there has been an unreasonable period of delay by a plaintiff, economic prejudice to the defendant may ensue, whether or not the plaintiff overtly lulled the defendant into believing that the plaintiff would not act, or whether or not the defendant believed that the plaintiff would have grounds for action. Economic prejudice arises from investment in and development of the trademark, and the continued commercial use and economic promotion of a mark over a prolonged period adds weight to the evidence of prejudice. Bridgestone’s evidence of undue delay and prejudice was uncontroverted.

The rights protected under the false suggestion of association provisions of Section 2(a) of the Lanham Act are not designed primarily to protect the public but to protect persons and institutions from exploitation of their persona. The protection of rights of personal privacy and publicity distinguishes the Section 2(a) false suggestion of connection provision from the Section 2(d) likelihood of confusion provision. In the absence of misrepresentations or deceit, the equitable defenses of laches and estoppel are not barred in Section 2(a) false suggestion cases. There was no evidence that Bridgestone’s use of the LEMANS mark for tires entailed misrepresentation or that the public was deceived. Therefore, Bridgestone could avail itself of the defense of laches.

When the obligation arises to assert an objection to a trademark registration, that obligation is not postponed by continued use of the trademark. The theory of continuing wrong did not shelter the Automobile Club from defense of laches.

The Board’s ruling rested on an erroneous interpretation of the law of laches leading to an unreasonable exercise of judgment. There was an abuse of discretion and the ruling was reversed.

7. Claim Preclusion

a. Claim Preclusion Not Found

The CAFC reversed the TTAB’s dismissal of a cancellation petition on the ground of claim preclusion, also known as res judicata. The Board dismissed International Nutrition’s petition to cancel a registration of a mark owned by Horphag on the ground

of res judicata. The court concluded that the Board had erred and vacated the Board’s order and remanded the case for further proceedings.

Res judicata requires a prior final judgment on the merits by a court or other tribunal of competent jurisdiction; identity of the parties or those in privity with the parties; and a subsequent action based on the same claims that were raised, or could have been raised, in the prior action. Default judgments can give rise to res judicata. The only issue in the appeal was whether Horphag had established that International Nutrition and a company identified as SCERPA, which had opposed Horphag’s application to register the mark in question, but which opposition had been dismissed with prejudice for failure to prosecute, were the same party or in privity for purposes of the cancellation proceeding.

A variety of relationships between two parties can give rise to the conclusion that a non-party to an action is in privity with the party for purposes of the law of judgments. One situation in which parties have been held to be in privity is when they hold successive interests in the same property. When one party is a successor in interest to another with respect to particular property, the parties are in privity only with respect to an adjudication of rights in the property that was transferred. They are not in privity for other purposes such as an adjudication of rights in other property that was never transferred between the two. In finding that International Nutrition and SCERPA were in privity, the Board focused on the assignment of a French trademark from SCERPA to International Nutrition. The previous opposition and present cancellation proceedings, however, did not involve International Nutrition’s rights in the French trademark.

In order for res judicata to be based on successorship of title, the Board would have had to find that International Nutrition obtained its rights to the trademark directly or indirectly from SCERPA and that it did so after the unsuccessful opposition was filed. Furthermore, even if International Nutrition had obtained its rights in the trademark from SCERPA after the opposition was filed, that would not necessarily be enough to bar International Nutrition on res judicata grounds from seeking cancellation. The reason is that cancellation of a trademark registration can be sought under Section 14 of the Lanham Act88 even by a party with no proprietary rights to the trademark in issue. International Nutrition therefore might have been able to obtain cancellation without proving that SCERPA or International Nutrition ever had rights in the trademark superior to Horphag’s, in which case International Nutrition’s status as a successor to SCERPA with respect to rights in the mark would not be relevant to the cancellation proceeding.

The court could not determine whether the origin of International Nutrition’s rights in the trademark will affect further proceedings in the cancellation petition. The court left it to the TTAB on a remand to make the factual findings and legal conclusions necessary to resolve that question in light of the manner in which International Nutrition seeks to establish its rights to cancellation.

The TTAB did not decide the other ground for invoking res judicata that Horphag pressed, that SCERPA and International Nutrition were simply alter egos of the same individual and for that reason should be regarded as the same party for res judicata purposes. The issue was not before the court, and the CAFC left it to the Board to consider on remand, if necessary. The Board’s order granting summary judgment in favor of Horphag was vacated and the case was remanded for further proceedings.

A different cancellation petitioner appealed successfully from the dismissal by the TTAB of a cancellation petition on the ground of claim preclusion (res judicata). The mark at issue in the cancellation proceeding was AEROB-A-JET.

Jet owned the registered trademarks JET AERATION and JET for waste-water treatment devices for homes. Sewage Aeration owned a registration for the mark AEROB-A-JET. Jet sued Sewage Aeration for trademark infringement on the ground that AEROB-A-JET was likely to cause confusion with the JET and JET AERATION marks. In a district court lawsuit, Jet asserted infringement of only the JET mark. In the cancellation proceeding before the TTAB, Jet claimed that cancellation of the registration of AEROB-A-JET was required based on both JET and JET AERATION. The cancellation proceeding was suspended during the pendency of the infringement litigation, which resulted in a judgment that the simultaneous use of JET and AEROB-A-JET was not likely to cause confusion. Therefore, the infringement action was dismissed. After receiving notice of the final decision in the infringement case, the Board dismissed the cancellation action on the ground of res judicata because the infringement litigation involved the same claims as would be involved in the cancellation proceeding and, therefore, Jet was barred from pursuing the cancellation.

The Board’s conclusion that Sewage Aeration was entitled to judgment as a matter of law was reviewed by the CAFC de novo. The court stated that a reviewing court shall hold unlawful and set aside agency conclusions found not to be in accordance with law. Similarly, whether preclusion applies to a particular action is an


issue of law. Under the doctrine of res judicata or claim preclusion, a judgment on the merits in a prior suit bars a second suit involving the same parties or their privies based on the same cause of action.\textsuperscript{91} The doctrine incorporates common law concepts of merger and bar and therefore bars a second suit raising claims based on the same set of transactional facts.\textsuperscript{92}

A common set of transactional facts is to be identified pragmatically. One of the tests for determining whether or not causes of action should have joined in one suit is whether the evidence necessary to prove one cause of action would establish the other. Therefore, the CAFC had to determine whether, for purposes of claim preclusion, a claim for trademark infringement is based on the same set of factual allegations as a petition to cancel the defendant’s registration. The court held that the facts to establish a claim for infringement are different from the facts which underlie a petition for cancellation.\textsuperscript{93} The differences in transactional facts between infringement cases and cancellation proceedings demonstrated that claim preclusion, based upon an earlier infringement proceeding, cannot serve to bar a petition for cancellation. Dismissal of a claim or cause of action without prejudice indicated that the judgment was not on the merits and would have no preclusive effect.

The court noted that, upon remand, the Board would have the opportunity to consider whether issue preclusion prevented the question of likelihood of confusion between the JET mark and AEROB-A-JET from being relitigated before the Board. Issue preclusion, sometimes known as collateral estoppel, bars the revisiting of issues which have already been fully litigated. There are four factors: identity of the issues between the present and a prior proceeding; the issues were actually litigated; the determination of the issues was necessary to the resulting judgment; and the party defending against preclusion had a full and fair opportunity to litigate the issues.

In its opinion\textsuperscript{94} the court, in listing the facts that underlie a petition for cancellation, committed a serious error. One of the factors listed was “no possibility, as determined by the Commissioner of the USPTO, of concurrent use and registration.” That statement is contrary to settled practice at the USPTO. In the absence of a concurrent use application, the Commissioner (USPTO) has no power to order the commencement of a concurrent use proceeding.\textsuperscript{95} Therefore, the possibility or impossibility of a

\begin{itemize}
  \item \textsuperscript{91} 55 U.S.P.Q.2d at 1856.
  \item \textsuperscript{92} Id.
  \item \textsuperscript{93} Id. at 1857.
  \item \textsuperscript{94} Id. at 1857.
  \item \textsuperscript{95} 3 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, § 20:81 (4th ed. 2002); Trademark Trial and Appeal Board Manual of Procedure, § 1102.01 (1st ed.}
concurrent use registration is irrelevant to the filing, prosecution, or determination of a cancellation proceeding and cannot even be considered by the USPTO unless an applicant files an application for a concurrent use registration.

**B. United States District Court**

1. Unconstitutionality and Laches as Defense to Cancellation Proceeding Under Section 2(a) of the Lanham Act

   **a. Decisions Deferred**

   The cancellation proceeding by which Harjo and others are seeking to cancel the registrations of the REDSKINS marks of the Washington professional football team is now in district court in an action for review of the decision by the TTAB ordering the cancellation of the registrations.97

   In the action in district court, the parties who were the successful petitioners before the TTAB and are now the defendants in the district court action moved for judgment on the pleadings on the allegations in the complaint that Section 2(a) of the Lanham Act is unduly vague in violation of the Fifth Amendment and that the cancellation petition was barred by the doctrine of laches. The court ruled that findings of fact made by the TTAB are given great weight and are not upset unless new evidence is introduced that carries thorough conviction. However, the district court is just as able as the TTAB to determine issues of law and therefore reviews the legal questions de novo.

   Federal courts must pursue nonconstitutional avenues for decision before reaching any constitutional question. The court stated that it should not rule on the question of constitutionality unless such an adjudication is unavoidable. The avoidance doctrine foreclosed the court’s assessment of Pro-Football’s constitutional claims because nonconstitutional claims seeking the same relief remained unresolved. The doctrine was particularly fitting in this case because of the novel and disputed nature of the constitutional issues. No court had ever considered whether the Lanham Act’s prohibition of the registration of marks that may disparage people was so vague as to deny due process.

   The applicability of equitable claims in cases under Section 2(a) is a legal question. The TTAB had remarked that it was a

1995); Chichi’s Inc. v. Chi-Chi’s Inc., 222 U.S.P.Q. 831 (Commr. 1984). The Chichi’s decision also pointed out that a decision adverse to a respondent in a cancellation petition would not preclude the respondent from filing a new application seeking a concurrent use registration.


98. Compare the opinion of the CAFC on the applicability of the laches defense to a claim of false suggestion of connection, which also arises under Section 2(a) of the Lanham Act.
question of first impression. Laches bars relief to those who delay the assertion of their claims for an unreasonable length of time. It is founded on the notion that equity aids the vigilant and not those who slumber on their rights. The court found that Pro-Football had satisfied the three common law requirements for laches: a substantial delay by a plaintiff prior to filing suit; the plaintiff’s awareness that the disputed mark was being used; and reliance resulting from the defendant’s continued development of goodwill during the period of delay. A laches defense had been stated as a matter of common law. Section 19 of the Lanham Act\(^{99}\) states that the equitable principles of laches, estoppel, and acquiescence, where applicable, may be considered. The Lanham Act does not expressly preclude a laches defense in response to a cancellation petition like that brought by the cancellation petitioners. At the early stage of the case when the motion for judgment on the pleadings was filed, the court was unwilling to jettison the laches argument, and the motion on the pleadings was denied without prejudice.

\[\text{C. Trademark Trial and Appeal Board}\]

1. Abandonment

\[a. \text{Abandonment Proved}\]

A petition to cancel the registration by R.B. Marco & Sons of the trademark CORONA and design of crown for socks and stockings on the ground of abandonment was granted.\(^{100}\) Modelo was the brewer and distributor of CORONA beer. In the United States, Modelo’s subsidiary licensed the use of the CORONA mark for collateral merchandise, including clothing. Modelo’s applications to register CORONA for clothing were refused on the basis of Marco’s registration. These refusals were sufficient to establish Modelo’s standing. The burden of proof was on Modelo to show abandonment by a preponderance of the evidence.

The proceeding was started in 1993, when proof of nonuse of a mark in the United States for two consecutive years constituted a prima facie case of abandonment, which eliminated the petitioner’s burden to establish the element of intent to abandon as an initial part of its case and created a rebuttable presumption that the registrant had abandoned the mark without intent to resume or commence use.


In spite of the voluminous record, there was nothing in the form of business records to convince the TTAB that Marco had any bona fida sales of CORONA socks during the critical period 1991 to 1993. Modelo had repeatedly asked for financial records during discovery, but Marco produced no financial records for the company or any accounting of the volume of sales of CORONA socks.

Abandonment is a question of fact, based on the entire record. The TTAB found that Marco had no use of CORONA for the critical period. Self-serving testimony that Marco never intended to abandon the mark was unsupported and insufficient to rebut the presumption of abandonment. The most generous interpretation of the record was that any possible sales were consistent with a maintenance program and were not bona fida use of the mark in the ordinary course of trade. The record contained suspicious documents from Marco. Answers given under oath were disingenuous and were intentionally vague or unclear. The TTAB drew inferences adverse to Marco, which did not rebut the prima facie case. The mark was found to be abandoned.

2. Rights Arising Under the Pan American Convention
   a. Motion to Dismiss Claims Stated
      Under Convention Denied

   In what appears to be the United States episode of an international struggle, British-American Tobacco Co. petitioned to cancel registrations of the trademark BELMONT owned by Philip Morris Inc. A second party petitioner, identified as TISA, was alleged to be a Panamanian corporation that was a wholly-owned subsidiary of British-American. The petition alleged that petitioners manufactured and sold tobacco products under various BELMONT marks in Latin America and had registered BELMONT in Latin American countries. Respondent was alleged to be a competitor of British-American in the United States and around the world. Respondent was alleged to have obtained registrations of BELMONT in 1962 and in 1994 but without making any bona fida use of the mark in commerce. TISA filed United States applications to register BELMONT and BELMONT EXTRA SUAVE for cigarettes, but the applications were refused under Section 2(d) of the Lanham Act because of respondent’s BELMONT registrations. The petition sought cancellation of respondent’s BELMONT registrations under Article 8 of the Pan American Convention of 1929, which provides for cancellation of

103. 46 Stat. 2907.
the registration of an interfering mark in a country which is party
to the Pan American Convention if the petitioner proves certain
specified facts.

Philip Morris moved to dismiss the petition with the argument
that, whatever rights the Convention may create for petitioners, it
does not create any right that is actionable under the Lanham Act,
upon which the Trademark Trial and Appeal Board’s jurisdiction
must be based. British-American contended that the Convention is
a self-executing treaty that has the force of a federal statute
independent of the Lanham Act and that British-American’s
pleading under Article 8 of the Convention pertains to
registrability, which is proper subject matter for the Board’s
jurisdiction.

In a well-reasoned opinion, the TTAB held that it is
authorized under the Lanham Act to determine the registrability
of marks, including authority to order the cancellation of
registrations. The provisions of the Pan American Convention
relevant to this proceeding pertained expressly to the registrability
of marks and provides for the cancellation of registrations in
appropriate situations, which is directly within the Board’s
authority.\footnote{55 U.S.P.Q. at 1589.} Further, acceptance of petitioner’s Pan American
Convention Article 8 allegations did not violate the doctrine of
territoriality of trademark rights but was one of the reasoned
exceptions to the doctrine. There is no language in Section 45
(definitions)\footnote{15 U.S.C. § 1127.} or Section 14 (bases for cancellation)\footnote{15 U.S.C. § 1064.} of the
Lanham Act or in the legislative history indicating that Section 14
should be interpreted as limiting the language of Article 8 of the
Pan American Convention.\footnote{55 U.S.P.Q.2d at 1590.} The Board went on to say there is no
indication in the Lanham Act or in its legislative history to
warrant respondent’s assumption that Section 44 of the Lanham
Act (rights accorded to non-United States entities)\footnote{15 U.S.C. § 1126.} is the only
section intended to provide rights and remedies stipulated by
treaties and conventions. The Board denied respondent’s motion to
dismiss the petition for failure to state a claim upon which relief
may be granted and respondent’s motion to strike portions of the
petition to cancel.

\footnote{55 U.S.P.Q. at 1589.}
\footnote{15 U.S.C. § 1127.}
\footnote{15 U.S.C. § 1064.}
\footnote{55 U.S.P.Q.2d at 1590.}
\footnote{15 U.S.C. § 1126.}
3. Likelihood of Confusion
   
   a. Likelihood of Confusion Found

   In round two of its struggle, opposer succeeded where it had failed before in opposing an application to register COUNTRY ROCK CAFE for various articles of clothing. The opposer’s mark was HARD ROCK CAFE and other marks that included the words HARD ROCK for articles of clothing and for restaurant services. The applicant’s mark was COUNTRY ROCK CAFE for various articles of clothing. A substantial portion of the TTAB’s opinion dealt with evidentiary and procedural issues. Before discussing the substantive issues, the TTAB felt compelled to make a general comment on the behavior of both parties’ attorneys and specifically stated that the submission of evidence that was clearly improper or the filing of needless objections imposed a strain on the resources of the TTAB. Although parties may feel the need to make objections during the heat of a deposition, it creates a burden on the TTAB if they preserve needless objections in their final briefs.

   On the issue of proving its registrations, the Board noted that opposer had submitted, with the testimonial deposition of a witness, photocopies of its registrations prepared by the USPTO showing status and title. However, they were not deemed to be proper status and title copies under Rule 2.122(d). The photocopies were prepared too early to be subsequent to, or reasonably contemporaneous with, the filing of the notice of opposition and the witness did not testify on the current status of the registrations when he identified them. Opposer tried to remedy the evidence by submitting, with its reply brief, status and title copies of its registrations prepared by the USPTO in November 1998, but a brief may not be used as a vehicle for the introduction of evidence. It was opposer’s burden to provide evidence on the status and title of its registrations during its testimony-in-chief. Applicant was under no obligation to point out to opposer during the witness’s testimony deposition that opposer had not elicited testimony on the current status of the registrations. Apart from the registrations, however, there was sufficient evidence in the record to establish opposer’s priority. The DuPont factors controlled. The fame of opposer’s mark played a dominant role. In this case, unlike the previous opposition against the applicant, opposer established the fame of its marks.

111. 37 C.F.R. § 2.122(d).
Applicant’s goods were identical in part and otherwise closely related to opposer’s apparel. The goods may be purchased by the same classes of customers. Although the channel of trade for opposer’s goods was limited to its restaurants, there was no restriction in applicant’s identification on the channels of trade for his apparel, and therefore the TTAB deemed the clothing items to be sold in all channels of trade appropriate for such goods.

When marks appear on virtually identical goods, the degree of similarity necessary to support a conclusion of likely confusion declines. The words HARD ROCK CAFE were the dominant part of opposer’s marks. HARD ROCK CAFE and COUNTRY ROCK CAFE were found to project very similar commercial impressions. Applicant’s COUNTRY ROCK CAFE mark came too close to the zone of protection accorded to opposer’s famous mark. Consumers were likely to believe that the applicant’s goods either emanated from opposer or were sponsored by opposer. An additional factor in favor of finding a likelihood of confusion was that many of the items listed in the application were relatively inexpensive impulse products and the class of purchasers was the general public. In view of the limited sales of applicant’s apparel and recognizing that evidence of actual confusion is very difficult to obtain, the TTAB could not conclude from the lack of such evidence that confusion was not likely to occur.

The Board explained the different result in this opposition by pointing out that applicant’s COUNTRY ROCK CAFE was here presented in typed form, which was different from the COUNTRY ROCK CAFE and design mark that was the subject of the earlier application. The design element of applicant’s other mark was a significant factor in the overall commercial impression. Further, in the prior case, the opposer did not prove the fame of its mark, which is a very important factor.

The Board repeated the standard doctrine that any doubt about likelihood of confusion must be resolved against the newcomer and in favor of the prior user or registrant and that there is no excuse for even approaching the well-known trademark of a competitor.

Summary judgment for opposer was the appropriate disposition of an opposition based on TREK for bicycles and related products and for travel bags and athletic bags against TREKNOLOGY for travel and athletic bags.\(^\text{112}\) Summary judgment is appropriate to dispose of cases when there is no genuine issue of material fact and the case may be resolved as a matter of law. Opposer had priority of use and a registration of TREK for bicycles and related goods.

Because of differences in the way in which TREKNOLOGY was displayed, the TTAB's decision in the prior opposition between the parties did not result in issue preclusion or collateral estoppel. The fame of opposer's TREK mark carried great weight.

On remand from the CAFC, the Board rethought its decision and concluded that FIDO LAY for dog treats was likely to cause confusion with FRITO LAY for snack foods. In an opinion tinged with reluctance, the Board acknowledged that it was particularly mindful of the court's instruction that the fame of a mark must always be accorded full weight when determining likelihood of confusion and that the rule applies with equal force when evaluating likelihood of confusion between marks that are used on goods that are not closely related. The Board confessed to some doubt about its conclusion that confusion was likely, but, in accordance with the well-established rule of law, the TTAB resolved the doubt against Becton as the newcomer that had the opportunity and obligation to avoid confusion.


a. Opposition Dismissed on Some Grounds. Dismissal Without Prejudice on Other Grounds.

Cordon Art B.V. filed an application to register M.C. ESCHER as a trademark for a long list of goods in Classes 9, 14, 16, 24, 25, 27, and 28. The application was opposed by Michael S. Sachs Inc. on the ground that M.C. ESCHER was primarily merely a surname, that the mark was generic or merely descriptive of goods bearing the artwork of a well-known deceased Dutch artist whose name was M.C. Escher, that the mark was deceptively misdescriptive of goods not bearing Escher's artwork, that the term M.C. ESCHER did not function as a mark, that opposer had priority of use in connection with original artworks and other goods bearing the art of Escher, and that applicant improperly filed the application for registration to prevent others from reproducing artwork of Escher and identifying such reproductions of the artist.

Opposer was an art dealer whose business was almost exclusively devoted to the works of art of the deceased Dutch painter M.C. Escher. Applicant was a Netherlands corporation, which was the owner by assignment from the estate of Mr. Escher of all rights, including trademark rights, in the name and mark


M.C. ESCHER and also all copyrights in the works of art of M.C. Escher.

The Board stated that, to the extent that opposer’s arguments encompassed a claim that applicant did not intend to use M.C. ESCHER in the manner of a trademark for applicant’s goods, the issue could not be determined. The record was devoid of any evidence of applicant’s use of M.C. ESCHER on its goods in the United States. That part of the opposition was dismissed without prejudice. The Board commented that the name of an artist, in addition to identifying the artist, may serve a trademark function if it identifies the source of a product and distinguishes it from the goods of others.

Opposer alleged that M.C. ESCHER was primarily merely a surname and unregistrable under Section 2(e)(4) of the Lanham Act. Opposer’s evidence on the surname issue consisted of three “Escher” listings in telephone books and five NEXIS database excerpts showing references to individuals with the surname “Escher.” Opposer was not in a position to dispute M.C. Escher’s fame in the world of art. The test of whether a mark is primarily merely a surname is its primary significance to the purchasing public. The use of a first name initial followed by a surname reinforces, rather than diminishes, the surname significance of a term. “Escher” was a surname. Nonetheless, the Board agreed with applicant that the mark M.C. ESCHER named a specific individual of considerable renown and the Board was persuaded that the mark was not primarily merely a surname as contemplated under the Act. The primary significance of M.C. ESCHER was the artist, which far outweighed the surname significance. The addition of the initials “M.C.” to the surname in the present case did not reinforce the surname significance but conveyed the impression that it was a personal name of the well-known Dutch artist. The surname claim was dismissed with prejudice.

In the absence of use of the mark M.C. ESCHER in the United States, the Board was unable to evaluate the opposer’s claim that the expression was merely descriptive or generic. The name of an artist is presumptively not merely descriptive. There was no evidence to show how the mark would be used. The Board declined to decide the claim on the merits. That portion of the opposition was dismissed without prejudice. The claim that M.C. ESCHER was deceptively misdescriptive or deceptive was the opposite side of the mere descriptiveness coin. In the absence of evidence showing how the mark would be used in commerce, the issue of deceptive misdescriptiveness was not ripe for decision and was dismissed without prejudice. The deceptiveness claim under

Section 2(a) of the Act was summarily dismissed with prejudice because the claim was not pleaded in the second amended notice of opposition and there was no trial of this issue.

The Board’s opinion should also be read for some instructive rulings on evidence. Opposer attempted to introduce, by a notice of reliance, documents received in response to requests for production. Applicant objected. Opposer failed to respond to the objection, which was deemed conceded.

Certain of opposer’s exhibits were stricken on applicant’s objection that properly discoverable material was not produced during discovery and that opposer should be precluded from relying upon it at trial. Opposer also filed a notice of reliance on a printout retrieved from the Internet showing four hundred and seventeen listings of the surname “Escher.” The TTAB agreed with applicant that the material should have been produced during the discovery period. It was even more significant that a printout retrieved from the Internet does not qualify as a printed publication under Trademark Rule 2.122(e). The element of self-authentication that is essential to qualification under Rule 2.122(e) cannot be presumed to be capable of being satisfied by Internet printouts.

5. Genericness or Deceptiveness

a. Summary Judgment Denied

Anheuser-Busch Inc. opposed an application by Molson to register BLACK ICE for amber-colored alcoholic beverages on the alternative grounds that BLACK ICE was a generic term for beer or, alternatively, was deceptive or deceptively misdescriptive for amber-colored light beer. Opposer moved for summary judgment and moved to strike an affidavit which accompanied applicant’s response to the motion. Federal Rule of Civil Procedure 56(e) provides that, when affidavits are used to support or oppose a motion for summary judgment, the affidavit shall be made on personal knowledge, shall set forth such facts as would be admissible in evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated therein. Affiant’s statements on behalf of applicant that consumers’ perception regarding BLACK ICE was that they did not perceive the product to be a dark liquid and that consumers did not believe that it was a dark beer were not made on the basis of personal knowledge and were not substantiated with specific facts. Opposer’s motion to strike was granted in part to the extent that those two statements were stricken from the affidavit.

117. 37 C.F.R. § 2.122(e).
The Board found that the evidence established that the terms ICE and BLACK, individually, were generic for a type or style of beer. However, the Board also found that genuine issues of material fact existed regarding whether the composite phrase BLACK ICE was generic for the goods, whether the combined term BLACK ICE described the goods of the application, whether purchasers were likely to believe the misdescription, and whether the misdescription would materially affect purchasers' decisions to buy the beer. Accordingly, the motion for summary judgment was denied.

   a. Opposer Had Standing. Summary Judgment Denied

In the latest episode of what appears to be a long-running dispute over the right to the exclusive use of PETRO for truck stop services, James River opposed Petro's application to register PETRO for truck stop services. The opposition alleged that PETRO was descriptive for truck stop services. The parties filed cross motions for summary judgment on the issue of opposer's standing and opposer's claim of descriptiveness. Opposer primarily relied on the decision by the district court which held that there was no likelihood of confusion between the PETRO mark for truck stop services and James River's mark JAMES RIVER PETRO CARD for card lock services. In its decision, the district court found that PETRO was at least descriptive of truck stop services.

There was no genuine issue of material fact on opposer's standing in the opposition, which was found to exist as a matter of law. The opposer was engaged in the sale of the same or related products or services and it had a competitive need or equal right to use the term in a descriptive manner, that it was in a position to use the terms descriptively. Opposer showed that it had a personal interest in the outcome of the case.

Neither party met its burden with respect to the claim of descriptiveness. Opposer's reliance on the district court's opinion was misplaced. The district court found that PETRO was merely descriptive in the context of determining the strength of the PETRO mark for purposes of determining likelihood of confusion and not in the context of whether the mark was registrable.

---


The holding in Petro Stopping Centers v. James River Petroleum did not concern the validity or registrability of Petro's PETRO mark, and the statements relied upon by opposer in that decision were inapposite to the issues in the opposition. The holding of the Supreme Court in PARK 'N FLY\(^{122}\) did not prohibit James River from opposing the registration of PETRO on the ground of mere descriptiveness because Petro Stopping Centers owned a prior incontestable registration for the same mark for the same services. PARK 'N FLY held that a defendant in an infringement action may not attack the validity of the plaintiff's incontestable registration on the ground of mere descriptiveness.

The Board also found that there were genuine issues of material fact on whether applicant's proposed mark PETRO was merely descriptive of its truck stop services. Both motions for summary judgment were denied.

### 7. Geographical Deceptiveness

#### a. Motion for Summary Judgment for Defendant Denied

In oppositions by K-Swiss Inc. against applications filed by Swiss Army Brands\(^ {123}\), Swiss Army counterclaimed for cancellation of registrations consisting of or containing the expression K-SWISS on the ground that the marks were geographically deceptive under Section 2(a) of the Lanham Act\(^ {124}\). K-Swiss Inc. moved for summary judgment on the ground that, as a matter of law, it was entitled to judgment because its goods came from Switzerland at the time when the marks were registered.

The Board noted that to prove that a mark is geographically deceptive under Section 2(a) of the Act, the complaining party must show that: the mark consists of, or incorporates, a term that denotes a geographical location that is neither obscure nor remote; that there is an association between the goods on which the mark is used and the named geographical place; that the goods do not, in fact, originate in that place; and that the misdescription is likely to affect customers' purchasing decisions. Opposer argued that, because its goods came from Switzerland when the registrations were issued or can be "grandfathered" to such registrations, as a matter of law its registrations cannot be cancelled on the ground


\(^{123}\) K-Swiss Inc. v. Swiss Army Brands Inc., 58 U.S.P.Q.2d 1540 (T.T.A.B. 2001). The author of this section of the Annual Report has been a consultant to K-Swiss Inc. in this proceeding.


The Board distinguished Parma by describing the present case as one posing the legal question whether a registration more than five years old could be cancelled on the ground of geographical deceptiveness when the goods originated from the place named in the mark at the time the registrations were issued but whose place of origin was subsequently moved and the goods thereafter came from a different geographical place. In Parma, the Board had concluded that the critical date to establish geographical deceptiveness was the date of issuance of the registration. In that case, the respondent’s goods originated in the United States at the time of registration and at the time of the Board’s proceeding. In the K-Swiss case, it was K-Swiss’s activity changing the geographical origin of its goods which gave rise to Swiss Army’s claim that the mark was geographically deceptive. The Board stated that a registration more than five years old could be cancelled on the ground of geographical deceptiveness if a registrant, through its own actions, caused a mark to become geographically deceptive subsequent to the issue of the registration. Therefore, K-Swiss’s motion for summary judgment was denied.

8. Phantom Marks

\textit{a. Phantom Mark Not Registrable}

Cineplex petitioned to cancel a registration of the mark ---SHOW for providing movie schedule and location information and related services and thereafter moved for summary judgment on the ground that the respondent’s mark was a phantom mark, which is one in which an integral portion of the mark is represented by a blank or dashed line acting as a place holder for a general term or symbol that changes depending on the use of the mark.\footnote{Cineplex Odeon Corp. v. Fred Wehrenberg Circuit of Theatres Inc., 56 U.S.P.Q.2d 1538 (T.T.A.B. 2000).} Petitioner moved for summary judgment and respondent moved to dismiss for failure to state a claim upon which relief could be granted under Federal Rule of Civil Procedure 12(b)(6) in lieu of an answer to the petition.

The Board found that petitioner’s stated grounds in the petition to cancel, when taken together, were sufficient to set forth an allegation that respondent sought to register multiple marks in a single application and thus received a registration for multiple marks in single registration. This was the equivalent of a charge
that the mark was a phantom mark. The Board found that there was no genuine issue of material fact on that point and that, as a matter of law, the SHOW mark was not entitled to continued registration. Petitioner was entitled to judgment in its favor.

However, Cineplex had not, in its motion for summary judgment, demonstrated that there was no genuine issue of material fact about its standing, and Cineplex was allowed thirty days to submit sufficient evidence on that point, following which respondent would have twenty days to respond on that question.

9. Violation of Discovery Order

a. Judgment Granted as Sanction

In a long-pending opposition, the Board found that applicant and its counsel had engaged in a pattern of dilatory tactics, had purposely avoided applicant’s discovery responsibilities, and had willfully failed to comply with an order compelling applicant’s responses to opposer’s document requests and to produce a knowledgeable witness for a deposition and also to prepare and submit a protective order concerning confidential materials. The authority for the Board to order appropriate sanctions including the entry of a default judgment, appears in Trademark Rule 2.120(g)(1) and Federal Rule of Civil Procedure 37(b)(2). Default judgment is a harsh remedy but it is justified when no less drastic remedy would be effective and there has been a strong showing of willful evasion. In the course of its opinion, the court also ruled on numerous other procedural points.

When both parties violated at least four separate orders by the TTAB in its attempt to control a proceeding that was pending for more than eight years and was one of the oldest cases on the Board’s docket, the Board, after calling upon both parties to show cause why sanctions should not be imposed under Federal Rule of Civil Procedure 11 and the Board’s inherent authority, dismissed the opposition without prejudice and held the application abandoned without prejudice. The Board concluded that applicant’s pattern of filing baseless papers in violation of the Board’s order may rise to the level of harassment, needless delay, and increased expense described in Federal Rule of Civil Procedure 11(b)(1) and 37 C.F.R. § 10.18. The Board stated it would not tolerate any further misconduct by applicant. Opposer’s counsel’s conduct was said to demonstrate a reckless and willful disregard of

129. 37 C.F.R. § 2.120(g)(1).
the Board’s orders, which rose to the level of contempt of the Board.

In its opinion, the Board commented that the case had been litigated in the most aggressive, hostile, and time-consuming fashion. The kind of advocacy shown by the record had no place in any Board proceeding.

10. TTAB Motion Practice

a. Brief of Excessive Length Refused Consideration

The respondent in a cancellation proceeding filed a 42-page motion to compel responses to interrogatories, a 25-page motion to compel responses to requests for production of documents, and a 25-page amended motion to compel responses to interrogatories. The Board found that, in an attempt to circumvent the page limitation set forth in Trademark Rule 2.127(a), respondent had dissected what was a single motion to compel into two motions separately dealing with interrogatories and document requests, which was precisely the type of practice that the rules amendments were designed to prevent. The tactics were in clear violation of the rules, which set a 25-page limitation for a brief in a motion to compel. The motions were denied without prejudice. Because this was a case of first impression, the party was allowed thirty days to file, if it wished, a motion to compel which adhered to the 25-page limitation. The Board noted that future violations of the rule might not result in such leniency. If respondent believed that it required a brief longer than the 25-page limit it should have, either prior to or with the filing of the brief, filed a motion for leave to file a brief with a greater number of pages, with a showing of good cause. The Board noted that it found nothing in the record to support such a motion.

11. Deposition in a Foreign Country

a. Compliance With Foreign Law Sufficient

A testimonial deposition taken in Honduras on written questions, that complied with Honduran law, met the requirements of Federal Rule of Civil Procedure 28(b) and Trademark Rule 2.123 and noncompliance with the procedural requirements of Trademark Rules 2.125(d) and 2.123(g)(1-3)

132. 37 C.F.R. § 2.127(a).
133. 37 C.F.R. § 2.123.
134. 37 C.F.R. § 2.125(d).
135. 37 C.F.R. § 123(g)(1)-(3)
was inconsequential. The failure of the deponent to sign his deposition as required by Trademark Rule 2.123(e)(5) was curable and the Honduran equivalent of placing the deponent under oath was sufficient, subject to the service on the other party of a transcription and English translation of that part of the tape in which the witness stated that he would be speaking under oath.

PART III. TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION IN THE COURTS OF GENERAL JURISDICTION

A. Acquisition of Trademark Rights

1. What Can Qualify as a Protectible Mark?

As in past years, the issue of what can constitute a protectible designation arose in several reported cases. In an extreme example of a court pushing the envelope as a result of evidence of a defendant’s deliberate imitation, one opinion protected the format of an amateur boxing tournament as trade dress. Although the court did not clearly define the plaintiff’s claimed dress, elements making it up apparently included such pedestrian elements as an elimination format, three-round matches, head gear and sixteen-ounce gloves, weight classifications, loud music, and “ring girls.”

Another court recognized the potential right of a plaintiff to protect as trade dress a “vampire inspired line of sunglasses” and a related advertising campaign. The court’s analysis acknowledged that “[i]deas and concepts that are too general will not be protected,” but it nevertheless declined to grant the defendants’ motion to dismiss:

It seems apparent that [the plaintiff’s] marketing techniques and advertisements of actors posing as vampires, and his use of vampire symbols to convey the suggestion that his sunglasses protect vampires from the glare of sunlight, constitute trade dress. In other words, these elements have crossed the line from an unprotectible idea to a protectible expression of the idea.

137. 37 C.F.R. § 2.123(e)(5).
139. See id. at 1224.
141. Id. at 821.
142. Id. at 823.
Even in light of the broad definitions of “trademark” and “service mark” contained in Section 45 of the Act, however, not everything can qualify as a designation of origin. In Home Builders Association of Greater St. Louis v. L&L Exhibition Management, Inc., the Eighth Circuit gave short shrift to a plaintiff’s claim that the times and dates of a series of home and garden shows constituted protectible trade dress. As the court noted with considerable understatement in affirming entry of summary judgment of nonliability, the plaintiff simply had gone down the “wrong path” in alleging trade dress infringement by a defendant’s offering competitive shows.

In a far more dubious decision, the Second Circuit adopted an apparent bright-line rule that musical compositions cannot serve as trademarks. The song in question was “Sing, Sing, Sing (With a Swing),” composed by trumpeter Louis Prima, but popularized by clarinetist Benny Goodman. When the defendants used the slogan “Swing, Swing, Swing” backed by stock swing music in an advertisement for golf clubs, the owner of the rights to the Prima composition sued under the theory that the defendants’ use was likely to create confusion.

The district court entered summary judgment in the defendants’ favor on this aspect of the plaintiff’s case and the Second Circuit affirmed. Although the appellate court’s opinion might well have been grounded in the plaintiff’s apparent failure to cultivate trademark recognition in its alleged mark, the court instead held that “a musical composition cannot be protected as its own trademark under the Lanham Act.”

There were apparently two considerations supporting this conclusion. First, the plaintiff’s claims were “tantamount to saying that a product itself—in this case, the song—can serve as its own trademark.” Second, “[a] contrary conclusion would allow any copyright claim for infringement of rights . . . to be converted automatically into a Lanham Act [claim].”

Both rationales are flawed. As to the former, and even ignoring the registrability of strings of musical notes, the extension of trademark protection to a product hardly would be the radical development posited by the court. On the contrary, this.

---

144. 226 F.3d 944, 56 U.S.P.Q.2d 1197 (8th Cir. 2000).
145. See id. at 948, 56 U.S.P.Q.2d at 1200.
147. Id. at 64, 56 U.S.P.Q.2d at 1274.
148. Id. at 63-64, 56 U.S.P.Q.2d at 1275.
extension took place decades ago, and the court’s unfamiliarity with its own precedent in this area is puzzling, to say the least. As to the latter, mere allegations of copying are insufficient to state a Lanham Act violation: Rather, what is necessary is that the defendant affirmatively represent itself as the originator of the work. Thus, although judgment as a matter of law in the defendants’ favor might well have been appropriate in light of the apparent absence of this critical factual predicate for relief, the grounds actually chosen by the court were shaky.

Whatever the subject matter of their claimed marks, of course, plaintiffs cannot expect to prevail if they are unable to articulate for the court what they believe their mark to be. For example, in one case, the alleged owners of the rights to the 1800s Spanish California hero “Zorro” sought to protect a mark consisting of the “appearance, skills, secret identity motif, personality traits, personal background, setting, signature ‘Z’ mark, or ‘rearing horse’ mark, or any confusingly similar combination of some of those distinctive elements.” The court denied the plaintiffs’ motion for a preliminary injunction, however, noting that “Plaintiffs cannot point to a specific mark at issue...” A trade dress claim framed in equally ambiguous terms and directed against the defendants’ alleged copying of the plaintiffs’ “key advertising” suffered the same fate.

2. The Use in Commerce Requirement

a. The Nature and Quantity of Use Necessary to Establish Protectible Rights

Although United States trademark law formally abandoned the concept of token use with the 1988 enactment of the

---


155. Id. at 1196, 58 U.S.P.Q.2d at 1570.

156. See id. at 1197, 58 U.S.P.Q.2d at 1570.
Trademark Law Revision Act,\textsuperscript{157} two opinions recognized the potential right of a plaintiff to acquire protectible rights in the absence of actual use. In the first case, the plaintiffs had used the GIGANTE mark for grocery stores in Mexico for years before the defendants opened a store under the same mark in San Diego.\textsuperscript{158} To evade the potential effects of their lack of prior use in the United States, the plaintiffs invoked the Tea Rose-Rectanus doctrine\textsuperscript{159} for the proposition that the reputation of their mark extended into the United States at the inception of the defendants’ business. Relying in particular on survey evidence indicating that 72 percent of Spanish-speaking San Diego residents had heard of the plaintiffs’ operations before the defendants’ date of first use, the court concluded that the plaintiffs had prior rights, at least in the San Diego area.\textsuperscript{160} As the Ninth Circuit concluded in the second case,\textsuperscript{161} a finding of priority can occur under the “totality of the circumstances” standard even in the absence of an actual transaction involving the mark:

\[\text{T}he \ totality \ of \ the \ circumstances \ must \ be \ employed \ to \ determine \ whether \ a \ service \ mark \ has \ been \ adequately \ used \ in \ commerce \ so \ as \ to \ gain \ the \ protection \ of \ the \ Lanham \ Act. \ \text{In} \ \text{applying} \ \text{this} \ \text{approach,} \ \text{the} \ \text{district} \ \text{courts} \ \text{should} \ \text{be} \ \text{guided} \ \text{in} \ \text{their} \ \text{consideration} \ \text{of} \ \text{non-sales} \ \text{activities} \ \text{by} \ \text{factors} \ \ldots \ \text{such} \ \text{as} \ \text{the} \ \text{genuineness} \ \text{and} \ \text{commercial} \ \text{character} \ \text{of} \ \text{the} \ \text{activity,} \ \text{the} \ \text{determination} \ \text{of} \ \text{whether} \ \text{the} \ \text{mark} \ \text{was} \ \text{sufficiently} \ \text{public} \ \text{to} \ \text{identify} \ \text{or} \ \text{distinguish} \ \text{the} \ \text{marked} \ \text{service} \ \text{in} \ \text{an} \ \text{appropriate} \ \text{segment} \ \text{of} \ \text{the} \ \text{public} \ \text{mind} \ \text{as} \ \text{those} \ \text{of} \ \text{the} \ \text{holder} \ \text{of} \ \text{the} \ \text{mark,} \ \text{the} \ \text{scope} \ \text{of} \ \text{the} \ \text{non-sales} \ \text{activity} \ \text{relative} \ \text{to} \ \text{what} \ \text{would} \ \text{be} \ \text{a} \ \text{commercially} \ \text{reasonable} \ \text{attempt} \ \text{to} \ \text{market} \ \text{the} \ \text{service,} \ \text{the} \ \text{degree} \ \text{of} \ \text{ongoing} \ \text{activity} \ \text{of} \ \text{the} \ \text{holder} \ \text{to} \ \text{conduct} \ \text{the} \ \text{business} \ \text{using} \ \text{the} \ \text{mark,} \ \text{the} \ \text{amount} \ \text{of} \ \text{business} \ \text{transacted,} \ \text{and} \ \text{other} \ \text{similar} \ \text{factors} \ \text{which} \ \text{might} \ \text{distinguish} \ \text{whether} \ \text{a} \ \text{service} \ \text{has} \ \text{actually} \ \text{been} \ \text{“rendered \ in} \ \text{commerce.”}\textsuperscript{162}

Applying this rather long-winded standard to the facts before it, the appellate court affirmed the district court’s determination as a matter of law that the plaintiff had failed to prove priority. In an attempt to fend off the defendants’ motion for summary judgment, the plaintiff alleged that it had used its putative mark

\textsuperscript{159} See United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90 (1918); Hanover Star Milling Co. v. Metcalf, 240 U.S. 403 (1916).
\textsuperscript{160} Grupo Gigante, 119 F. Supp. 2d at 1093.
\textsuperscript{161} See Chance v. Pac-Tel Teletrac, Inc., 242 F.3d 1156, 58 U.S.P.Q.2d 1222 (9th Cir. 2001).
\textsuperscript{162} Id. at 1159, 58 U.S.P.Q.2d at 1228.
in a mailing to 35,000 potential customers, of whom 128 responded. No sales resulted, however, and the plaintiff’s subsequent efforts to use the mark were modest and sparsely documented. Reviewing this showing, the Ninth Circuit concluded that although there was “some evidence of commercial intent,” it paled beside the defendants’ contemporary efforts to bring services to the market under their own mark.

One set of defendants seeking to prove their prior use of a mark discovered that the rules governing priority apply with full force in that context. Although one defendant testified that he had used the mark in question on crates for his goods, the court found that “his testimony was equivocal on this point and he delicately avoided stating that the use was continuous to the present day.” By the same token, the defendants’ claim of other prior use failed to involve an actual sale of goods bearing the mark. Accordingly, the court held that this “only sporadic use” failed to establish priority of rights.

Another opinion reached the now-familiar conclusion that the mere registration of a domain name is insufficient in and of itself to create protectible trademark rights. Because of this proposition, an applicant to register a mark with the USPTO need not disclose to that agency the existence of domain name registrations that might bear on the applicant’s claim of priority. The defendants’ domain name-based claim of priority was fatally deficient for a more significant reason, however, as their electronic address registration post-dated the filing date of the plaintiff’s ultimately successful application in the USPTO.

Even if a plaintiff is able to document some prior use of a claimed mark, that use must be of the right kind. In one case, the Fourth Circuit rejected a plaintiff’s averments that it had established actual use of a service mark prior to the defendant’s filing of an intent to use application to register the same mark for related services. Although the plaintiff introduced 24 documents reflecting use of its mark, the Fourth Circuit noted that there was no consistent pattern to the mark’s appearance and, indeed, many of the uses were buried in dense text. Under the circumstances,

163. See id. at 1160, 58 U.S.P.Q.2d at 1228.
164. See id., 58 U.S.P.Q.2d at 1228-29.
166. See id. at 312, 57 U.S.P.Q.2d at 1195.
168. See id. at 1080, 57 U.S.P.Q.2d at 1611.
169. See id. at 1081 n. 16, 57 U.S.P.Q.2d at 1613 n.16.
the appellate court held that the district court had not erred in denying preliminary injunctive relief:

Use of a trademark to identify goods and services and distinguish them from those of others “does not contemplate that the public will be required or expected to browse through a group of words, or scan an entire page in order to decide that a particular word, separated from its context, may or may not be intended, or may or may not serve to identify the product.”\[171\]

One court hearing claims of infringement by a federal registrant with little apparent contemporary use of its mark clarified that “federal registration provides the holder with a presumption of ownership—but not actual ownership. Actual ownership derives from prior use.”\[172\]

**b. Use Necessary to Create a “Family” of Marks or Trade Dresses**

Without expressly referencing the term, the Third Circuit tackled the issue of what manner of use might be sufficient to create a “family” of designations of origin.\[173\] The case had its origins in several lines of crayons, markers, and colored pencils offered by the plaintiff in allegedly consistent packaging. When the defendant introduced competitive lines of products, the plaintiff sued, alleging that the packaging for certain of its lines—but not others—featured a cohesive trade dress. The district court, however, entered summary judgment in the defendant’s favor after determining that many items in the plaintiff’s overall inventory of products varied in appearance.

Reversing, the Third Circuit held that this methodology was legal error. The appellate court acknowledged that the district court properly had undertaken the inquiry into whether the plaintiff’s packaging featured a consistent overall look prior to an evaluation of the plaintiff’s claims of distinctiveness and nonfunctionality:

> Because of the broad reach that protection of trade dress for a series or line of products would embrace, we will require [a] more stringent test before the non-functionality/distinctiveness/likelihood of confusion test is applied. A plaintiff, seeking protection for a series or line of products, must first demonstrate that the series or line has a recognizable and consistent overall look. Only after the plaintiff has established

---

171. Id. at 341, 58 U.S.P.Q.2d at 1281 (quoting In re Morganroth, 208 U.S.P.Q. 284, 288 (T.T.A.B. 1980)).


the existence of recognizable trade dress for the line or series of products should the trial court determine whether the trade dress is distinctive, whether the trade dress is nonfunctional, and whether the defendant’s use of [the] plaintiff’s trade dress is likely to cause consumer confusion.174

Nevertheless, the Third Circuit took issue with the district court’s focus on the appearance of the plaintiff’s entire line of products, rather than just the products making up the trade dress alleged by the complaint. Noting that “the plaintiff in a trade dress action . . . is free to seek trade dress protection for whatever products or packaging it sees fit,” the appellate court concluded that the district court had erred by considering packaging that the plaintiff had not placed at issue.175 As it explained, “when applying the ‘consistent overall look’ standard, that is, when determining whether the trade dress alleged by the plaintiff is recognizable, protectible trade dress, a trial court should consider only the products or packaging for which the plaintiff is seeking trade dress protection.”176

3. Distinctiveness

a. Distinctiveness of Word Marks

(1) Generic Terms

The past year produced an unusually large number of cases finding claimed marks generic. In perhaps the most interesting opinion addressing the subject over the past year, the Connecticut Supreme Court affirmed a determination that the claimed trade name MOHEGAN TRIBE was a generic reference to Native Americans of Mohegan descent.177 Concluding that the terms “Mohegan” and “tribe” were generic standing alone, the court had little difficulty holding that their combination did not result in a protectible mark.178 In the process, the court disposed of the plaintiff’s argument that because “Mohegan” meant “wolf” in the Algonquin family of languages, the mark necessarily was an arbitrary one under the doctrine of foreign equivalents: “The doctrine of foreign equivalents is not applicable in the present case inasmuch as no sizable segment of the relevant public is likely to speak the Algonquin language and . . . the word [“Mohegan”] has

174. Id. at 173, 57 U.S.P.Q.2d at 1130-31.
175. Id., 57 U.S.P.Q.2d at 1131.
176. Id. at 175, 57 U.S.P.Q.2d at 1132.
178. See id. at 43-44, 58 U.S.P.Q.2d at 1381.
become synonymous in the English language with the unique Indian people commonly known by that name." 179

One Ninth Circuit panel heard an appeal stemming from a jury finding that the phrase “gracie jiu-jitsu” was generic for a school of martial arts instruction. 180 The appeal was not from this finding of unprotectibility, however, but instead from the district court’s subsequent refusal to order the cancellation of a federal registration covering the mark. Concluding that this failure was clear error, the appellate court reversed. 181

In another case involving a registered “mark” found to be generic, the plaintiff sought to protect the term “pilates” for certain types of exercise regimens and equipment used primarily in the dance industry. 182 Although the plaintiff sought to rely upon its registration to ward off the defendants’ motion for summary judgment, the court concluded that both the claimed mark and the registration were subject to attack on genericness grounds. Chief among the evidence cited by the court were (1) generic dictionary definitions of the term; (2) widespread generic use by third parties; (3) the plaintiff’s own generic usage; (4) generic references in books, media broadcasts, and articles; (5) survey evidence of genericness introduced by the defendants; and (6) the apparent unavailability of acceptable alternatives. 183 In reaching its conclusion, the court rejected the plaintiff’s own survey, which the court concluded impermissibly suggested to respondents that the particular exercise methods and equipment properly were themselves the subject of proprietary rights. 184

In another case, fought over the rights to the alleged mark THE CRAB HOUSE, in which the plaintiff sought to rely upon a federal registration with the key words disclaimed, the Fourth Circuit upheld the denial of the plaintiff’s preliminary injunction motion with the following observation:

In determining whether a mark is generic, courts should not parse terms to determine that they are made up of generic components. However, the principle that a mark must be considered as a whole to determine its validity does not preclude courts from considering the meaning of individual words in determining the meaning of the entire mark. Here,

179. Id. at 44 n.25, 58 U.S.P.Q.2d at 1381 n.25.
181. See id. at 1065, 55 U.S.P.Q.2d at 1260 (“Once the district court gave the jury the power to determine the validity of [the] service mark, refusing to cancel the registration . . . after the jury declared it to be incapable of serving as a mark was inconsistent with the [district] court’s duty to give effect to a jury verdict, and as such erroneous.”).
183. See id. at 297-304, 57 U.S.P.Q.2d at 1182-90.
184. See id. at 304, 57 U.S.P.Q.2d at 1188.
the meaning of the individual words is fairly clear. A crab is "any of numerous chiefly marine broadly built crustaceans," while "restaurant" is one of the many definitions of the word "house."\textsuperscript{185}

Because the plaintiff did not claim that it had originated the term in question, the appellate court saw no need to examine the plaintiff's claimed survey evidence of distinctiveness.\textsuperscript{186}

The Fourth Circuit also weighed in in another dispute over distinctiveness involving claims to the alleged marks YOU HAVE MAIL, IM, and BUDDY LIST, all for electronic mail services.\textsuperscript{187} Affirming the district court's entry of summary judgment in the defendant's favor as to YOU HAVE MAIL, the appellate court noted that there had been widespread generic use of the phrase prior to the plaintiff's attempted appropriation of it. Even more damning was the plaintiff's own generic use, which the court considered to be a "significant fact" weighing against the phrase's validity as a trademark. Concluding that the plaintiff's proffered survey evidence of distinctiveness demonstrated nothing more than "de facto secondary meaning," the court affirmed the district court's dismissal of the plaintiff's claims to the phrase.\textsuperscript{188}

Similar evidence resulted in a similar holding for the plaintiff's claimed IM mark, an apparent abbreviation of "instant messaging," which also had been found generic as a matter of law by the district court. Although the plaintiff had advised its employees to avoid improper uses of the phrase, its own generic usage again proved probative. Particularly in light of widespread third-party generic usage, the court held that the record warranted the denial of the plaintiff's request for relief; it did, however, note without further explanation that "we do not determine that 'IM' is generic. . . ."\textsuperscript{189}

Despite these holdings, however, the Fourth Circuit held that a factual dispute precluded dismissal as a matter of law of the plaintiff's claims to the BUDDY LIST mark. Chief among the evidence relied upon by the court was the USPTO's prior issuance of a registration covering the BUDDY LIST mark without requiring the plaintiff to make a showing of secondary meaning. Although rejecting the plaintiff's claims that the district court had been obligated to defer to the USPTO's apparent classification of


\textsuperscript{186} See id. at 255, 57 U.S.P.Q.2d at 1886.


\textsuperscript{188} See id. at 822, 57 U.S.P.Q.2d at 1907-11.

\textsuperscript{189} Id. at 823, 57 U.S.P.Q.2d at 1911.
the mark as suggestive, the Fourth Circuit nevertheless concluded
that the prima facie presumption of validity resulting from the
agency’s action created a justiciable issue of fact as to the mark’s
distinctiveness.\footnote{190}

In one procedurally interesting case, the Ninth Circuit held
that a party whose goods have been detained by Customs need not
exhaust its administrative remedies before filing a declaratory
judgment action seeking the invalidation, on genericness grounds,
of the allegedly infringed mark.\footnote{191} With respect to the mark
owner's procedural objections to the declaratory judgment action,
the appellate court noted that

it would have been futile for [the plaintiff] to exhaust its
administrative remedies, for two reasons: (1) the validity of a
trademark cannot be challenged in a forfeiture proceeding
because the [Court of International Trade] does not have
jurisdiction over substantive trademark issues; and (2) the
administrative process would have left [the plaintiff] without
any remedy during the detention period.\footnote{192}

With respect to the plaintiff’s claims that the defendant’s
incontestably registered FIRE-SAFE mark was generic for fire
resistant containers, the court concluded that the district court
had not erred in finding that the plaintiff was likely to succeed on
the merits.\footnote{193}

Although declining to make a definitive placement of the
plaintiff’s mark on the spectrum of distinctiveness, one court
turned back a strong genericness challenge to the mark’s
validity.\footnote{194} The mark in question was CHILDREN OF THE
WORLD, used by the plaintiff for charitable medical services. In
finding that the mark was protectible, the court relied heavily on
the availability to the defendant of equally suitable alternative
verbiage:

[T]here are other terms that can be used to describe the
targeted group, such as “Humanity’s Children,” or “The
World’s Children,” or “Healing the World’s Youth,” or
“International Healing Heart.” Such alternative terms convey
the same basic message as the subject mark, and do so in a
reasonably graceful way. . . . [T]he term “Children of the

\footnote{190}{See id. at 817-18, 57 U.S.P.Q.2d at 1905-06.}
\footnote{191}{See Stuhlbarg Int’l Sales Co. v. John D. Brush & Co., 240 F.3d 832, 57 U.S.P.Q.2d
1920 (9th Cir. 2001).}
\footnote{192}{Id. at 838, 57 U.S.P.Q.2d at 1924.}
\footnote{193}{See id. at 840, 57 U.S.P.Q.2d at 1926.}
\footnote{194}{Deborah Heart & Lung Ctr. v. Children of the World Found., Ltd., 99 F. Supp. 2d
481, 55 U.S.P.Q.2d 1088 (D.N.J. 2000).}
World” connotes a grouping of individuals that can be described in many other terms. . . .195

One opinion dismissing claims of the genericness of a federally registered mark illustrated the type of evidence that is inadequate to overcome the statutory presumption of validity.196 Sifting through documentation of the plaintiffs’ customer orders, the defendants identified 931 that allegedly made generic use of the mark. They then augmented this evidence with a compilation of Internet websites reflecting similar use. Rejecting each category of evidence, the Tenth Circuit noted of the former that the orders constituted less than 0.2 percent of the plaintiffs’ overall sales. Reviewing the latter, the court concluded that the probative weight of the defendant’s exhibits was undermined by the defendant’s selective compilation of them.197

Likewise, another opinion relied primarily on the defendants’ own usage to decline to hold as a matter of law that the incontestably registered HALL OF FAME mark was merely generic for an “educational institution dedicated to fostering an appreciation of the historical development of baseball and its impact on our culture.”198 Chief among the evidence relied upon by the court was the defendants’ promise of “Tickets to the Baseball Hall of Fame” and “Tickets to the Hall of Fame” to registrants at their cross-town “American Youth Baseball Hall of Fame.” As the court concluded, “[t]his use indicates that defendants believed that the terms ‘Baseball Hall of Fame’ and ‘Hall of Fame’ identify the producer, as opposed to the genus. . . .”199

Finally, one court entered summary judgment as a matter of law to the owner of the federally registered CHRISTIAN SCIENCE mark on the defendants’ allegations of genericness: “That a particular church publishes books and renders services with recognizable characteristics of the religion guiding the church does not convert the designation of source to a common or generic name.”200

195. Id. at 489, 55 U.S.P.Q.2d at 1093.
199. Id. at 1118.
(2) Descriptive Marks

The concept of distinctiveness requires that a mark identify a single source for the associated goods and services, even if that source is unknown.\(^{201}\) Consistent with this principle, one court rejected a defendant’s claims that the mark 1-800-PLUMBING—a mnemonic pointing to a single telephone number—was generic for “shop-at-home telephone plumbing services.”\(^{202}\) Rather, the court concluded, “1-800-PLUMBING is descriptive as immediately conveying the impression that a particular plumbing service is available by calling the telephone number.”\(^{203}\)

Another court held that the mark CIO INSIDER was descriptive of an electronic newsletter targeted toward chief information officers.\(^{204}\) Although not identifying the particular basis for this conclusion, the court apparently was swayed by the plaintiff’s argument that “taken together, the words CIO and Insider indicate a person who is knowledgeable about issues important to chief information officers.”\(^{205}\)

One court found both parties’ marks—THERMA-SCAN for the plaintiff and THERMOSCAN for the defendant—to be descriptive:

Both names reflect the mechanism of action for the respective service or product—"thermo" or “therma” pertaining to heat, plus scanning. [The plaintiff’s] service is to scan human bodies, using thermal imaging technology. [The defendant] sells a product, an ear thermometer, which measures infrared reflection from the tympanic membrane. Thus, both marks describe the product or service and should be considered “descriptive” trademarks, stronger than generic, but weaker than suggestive or arbitrary marks.\(^{206}\)

Other courts reached more dubious findings of descriptiveness. For example, the Eighth Circuit upheld a finding that the claimed marks THE ST. LOUIS BUILDERS HOME AND GARDEN SHOW and THE ST. LOUIS BUILDERS HOME AND REMODELING SHOW were descriptive (and not generic) of home, garden, and remodeling shows in the St. Louis area; the same opinion noted that a generic mark could be protected with a showing of secondary meaning.\(^{207}\) Likewise, one court subsequently invoked the Eighth Circuit’s decision in support of its finding that the

---

203. Id. at 363.
205. Id. at 433.
United States government’s POSTAL SERVICE mark was descriptive of mail delivery services. On the other side of the ledger, the Third Circuit held that two competing users of the COMMERCE mark for insurance services necessarily must demonstrate secondary meaning to establish their entitlement to relief.

Few decisions directly addressed the issue of geographic descriptiveness. One found the mark GREENPOINT to be merely descriptive for banking services provided in that section of New York City. Another held the term LIMERICK to be descriptive when used in connection with an auto body repair shop in Limerick, Pennsylvania.

(3) Suggestive Marks

“Suggestive marks are commonly used words that ‘suggest rather than describe the characteristics of the [associated] goods [or services],’ but require some imagination, thought, and perception to discern the good or service on which the mark is placed.” In one case over the past year, the court found that the marks SPEEDBALL, LOOK, BATH MATE, and TRIPLE TEAM were at least suggestive for cleaning products. Other marks found suggestive included HYPERCD for digital analog conversion software and an Internet-based content management.

(4) Arbitrary or Fanciful Marks

The past year saw a dearth of opinions holding marks arbitrary or fanciful. One exception to this pattern came in a case in which the plaintiff asserted proprietary rights to the mark M2 for software intended for use in the film and music industries. Incorrectly associating the mark’s placement in the spectrum of distinctiveness with mark strength for purposes of the likelihood of confusion analysis, the court concluded that “the M2 mark is an

---

arbitrary and fanciful mark, and therefore deserving of broad trademark protection.”216

Without distinguishing between the two categories, another court concluded that the marks PETERBILT and KENWORTH fell “into the categories of fanciful and arbitrary” when used in connection with trucks.217 As the court explained, “[t]he marks were derived as variations of the names of the original developers...”218

b. Distinctiveness of Trade Dresses

Although the Supreme Court acknowledged in Wal-Mart Stores, Inc. v. Samara Bros., Inc.219 that the distinction between product designs, on the one hand, and product packaging, on the other, might not be a bright line in some cases,220 two cases amply demonstrated this principle as effectively as the examples offered by the Wal-Mart Court. In the first, the plaintiff manufactured medical pipette tips, which were delivered in trays with the tips arranged to facilitate connection of the tips to the pipettes.221 When the defendant introduced a competitive product, complete with “remarkably similar” trays, the plaintiff sued, alleging that the trays constituted inherently distinctive packaging.

The court disagreed:

[A] common-sense functional analysis of the card-holding container confirms that it represents an integral part of the design of [the plaintiff’s] pipette product. The container performs several functions critical to the overall product, including holding and storing the pipette tips in their nested configuration and facilitating easy user access to each row in the holder card stack. The user does not discard the card-holding container upon receipt of the product, but rather, the container remains until the customer has put all of the pipette tips to use.222

Because the trays therefore constituted a critical component of the product itself, a showing of secondary meaning was necessary.223

216. Id. at 1067.
218. Id.
220. See id. at 213-16, 54 U.S.P.Q.2d at 1069-70.
222. Id. at 999, 56 U.S.P.Q.2d at 1553.
223. Id.
In the second case, the plaintiff sought to protect as trade dress the appearance of his “Cape Cod Canal Tunnel Permit” novelty bumper sticker. Rejecting the plaintiff’s claims that the contents of the bumper sticker were inherently distinctive, the court concluded that the plaintiff’s alleged designation of origin was the product itself:

Here, the essential commodity being purchased is a joke on a bumper sticker. All of the visual elements contained in the sticker are a part of this joke and indispensable to it. What is being purchased and consumed is the novelty sticker, not dress identifying the prestige or standing of its source. Because [the plaintiff] is seeking protection for the product being consumed, the proper classification of what [the plaintiff] seeks to protect is product design.

c. Secondary Meaning Determinations

(1) Cases Declining to Find Secondary Meaning

The need to prove secondary meaning at the time of a second user’s entry into the marketplace is an often overlooked requirement, but it proved fatal to one claimant in Commerce National Insurance Services, Inc. v. Commerce Insurance Agency, Inc. The plaintiff had begun using its mark in 1973, with the defendant following suit in the same state in 1983. The Third Circuit evaluated the plaintiff's claims of distinctiveness under that jurisdiction's multifactored test:

A non-exclusive list of factors which may be considered includes: (1) the extent of sales and advertising leading to buyer association; (2) length of use; (3) exclusivity of use; (4) the fact of copying; (5) customer surveys; (6) customer testimony; (7) the use of the mark in trade journals; (8) the size of the company; (9) the number of sales; (10) the number of customers; and, (11) actual confusion.

Although ten years worth of priority might ordinarily be the basis of a claim of acquired distinctiveness, the Third Circuit noted that much of the plaintiff’s record evidence had arisen after

---

225. Id. at 124, 57 U.S.P.Q.2d at 1237.
228. Id. at 438, 55 U.S.P.Q.2d at 1102
the defendant’s first use of its mark in 1983, rendering that evidence of limited value.230 Moreover, because the plaintiff was claiming rights to “a commonplace, descriptive term used by a variety of businesses in a variety of contexts,” the appellate court concluded that “the evidentiary bar must be placed somewhat higher.”231 Accordingly, it overturned the district court’s finding of secondary meaning as clearly erroneous.232

In a word mark case in which the plaintiff’s evidence did not suffer a similar temporal bar, the court was unconvinced nonetheless.233 Applying the Second Circuit’s multifaceted test for acquired distinctiveness, the court looked to (a) the plaintiff’s advertising expenditures, (b) consumer surveys linking the mark to the plaintiff, (c) unsolicited media coverage of the plaintiff’s good or service, (d) sales success, (e) attempts to plagiarize the mark, (f) the length and exclusivity of the plaintiff’s use of the mark.234 The court was not in a particularly generous mood in reviewing the second factor: Although the plaintiff adduced survey evidence of the secondary meaning of the mark GREENPOINT BANK, the court improbably concluded that “this is insufficient to establish secondary meaning . . . for the term ‘GREENPOINT’ [standing alone].”235 The plaintiff’s case also was not helped by extensive third-party use of similar marks.236

Likewise, a plaintiff seeking to protect the geographically descriptive term LIMERICK under Pennsylvania unfair competition law also failed to make the grade.237 In secondary meaning inquiries, the court noted, “[m]ost often, advertising and witness testimony have been the determining factors.”238 Although the plaintiff had adduced evidence of “extensive and effective” advertising, as well as instances of actual confusion, the court

231. Id. at 440-41, 55 U.S.P.Q.2d at 1104.
232. This holding was perhaps most notable in light of the court’s solicitous treatment of the claim of secondary meaning brought by the defendant in support of its counterclaim. Although acknowledging that the defendant’s showing “suffers from some of the same weaknesses as [the plaintiff’s] proof,” the court nevertheless held that “it is a reasonable inference that during the thirteen years [of allegedly prior use, the plaintiff] was able to build up substantial good-will for its general insurance services . . . .” Moreover, the court suggested, “in the context of a reverse confusion case, the evidentiary burden upon a smaller, senior user to establish the existence of secondary meaning is somewhat lower.” Id. at 443-44, 55 U.S.P.Q.2d at 1106-07.
234. See id. at 409.
235. Id.
236. See id. at 410.
238. Id. at 1180.
found the former had been ineffective and dismissed the significance of the latter. Accordingly, it vacated an injunction entered by the trial court.\footnote{See id. at 1181-82.}

Claims of acquired distinctiveness fell particularly short in the trade dress area. In one notable case, the plaintiff manufacturer of decorative faucets sought to enjoin a competitor’s sale of a model allegedly copied from that of the plaintiff.\footnote{See I.P. Lund Trading ApS v. Kohler Co., 118 F. Supp. 2d 92, 56 U.S.P.Q.2d 1776 (D. Mass. 2000).} On its face, the plaintiff’s circumstantial evidence of acquired distinctiveness was impressive: The faucet design at issue had been the subject of millions of dollars of promotional expenditures and had received extensive favorable media coverage before the defendant’s entry into the market. Moreover, the plaintiff had commissioned a number of surveys that allegedly provided direct evidence of the design’s brand status.

Observing that “[i]n a product configuration case, there is a presumption that the product design does not serve as a brand-identifier,”\footnote{Id. at 108, 56 U.S.P.Q.2d at 1789.} however, the court held that the plaintiff had failed to rebut this presumption. Reviewing the plaintiff’s surveys, the court concluded that they demonstrated that consumers associated the design with industry participants other than the plaintiff. The plaintiff’s circumstantial evidence of secondary meaning was equally deficient: Not only had the plaintiff promoted only the aesthetically pleasing characteristics of its design, without express claims of trade dress significance, its advertising often associated the design with third parties, rather than with the plaintiff. With the plaintiff unable to overcome the “truly devastating blow” of this last factor,\footnote{See id. at 113, 56 U.S.P.Q.2d at 1793.} the court entered summary judgment in the defendant’s favor.

Another court hearing claims of trade dress and copyright infringement noted that “[i]n order to prove a product has acquired secondary meaning, a plaintiff must make a vigorous evidentiary showing.”\footnote{See Yankee Candle Co. v. Bridgewater Candle Co., 99 F. Supp. 2d 140, 153, 55 U.S.P.Q.2d 1393, 1403 (D. Mass 2000), aff’d, 259 F.3d 25 (1st Cir. 2001).} Reviewing the plaintiff’s evidence of distinctiveness, the court noted (1) the absence of any express “look for” advertising, (2) a heavy emphasis on the plaintiff’s word mark, rather than the claimed features, and (3) use of the alleged trade dress for only four years. Under these circumstances, the plaintiff’s showing of sales volume and accusations of intentional copying by the defendant were insufficient to bar summary judgment in the defendant’s favor.\footnote{See id. at 154, 55 U.S.P.Q.2d at 1404.} The court also was influenced, however, by
what it deemed “the potentially problematic implications of a
hybrid trademark/copyright case such as this one.” As it
explained, “[i]t seems quite possible that overly aggressive claims
to trade dress protection . . . could easily invade the rights of
properly copyrighted material.”

Similarly, another opinion also declined to find secondary
meaning in a more conventional product design trade case, in
which the plaintiff sought to rely upon allegedly substantial
advertising expenditures, sales figures, lengthy exclusive use,
declarations from its employees and customers, and the
defendant’s intentional copying. Examining the plaintiff’s
showings on these issues, the court found each one lacking. The
plaintiff’s advertising failed to get the job done in substantial part
because it had not encouraged consumers to “look for” the claimed
features or otherwise emphasized them. Similarly, the probative
value of the plaintiff’s raw sales data was limited because the
plaintiff had failed to adduce evidence of the size of the overall
market or its share of it. By the same token, direct testimony of
distinctiveness from affiliates of the plaintiff was entitled to only
minimal probative weight. Against this backdrop, neither four
years of exclusive use, although “ample time for [the] design to
obtain secondary meaning,” nor the plaintiff’s allegations of
intentional copying was sufficient to create a justiciable issue of
fact on the subject.

Still another product design fell short in a case in which the
plaintiff alleged protectible trade dresses consisting of the
configurations of diamond rings. In entering summary judgment
for the defendant on distinctiveness grounds, the court found
particularly probative the plaintiff’s failure to offer survey
evidence. Coupled with the plaintiff’s “hardly overwhelming”
advertising expenditures, this omission led the court to conclude
that the plaintiff had failed to satisfy the “vigorous evidentiary
requirements” of acquired distinctiveness.

(2) Cases Finding Secondary Meaning

Although proving secondary meaning for a product design can
be difficult, one trade dress plaintiff successfully demonstrated

245. Id. at 155, 55 U.S.P.Q.2d at 1405.
246. Id.
248. Id. at 1000-08, 56 U.S.P.Q.2d at 1554-64.
249. See Diamond Direct, LLC v. Star Diamond Group, 116 F. Supp. 2d 525, 57
250. See id. at 531-32, 57 U.S.P.Q.2d at 1150.
that an entire line of its furniture had acquired distinctiveness.\textsuperscript{251} The court’s analysis focused on six elements: (1) advertising expenditures; (2) evidence that consumers linked the trade dress to a particular source; (3) unsolicited media coverage of the designs; (4) the sales success of the designs; (5) attempts to plagiarize the product; and (6) the length and exclusivity of the plaintiff’s use of the designs. Although declining to accept the plaintiff’s invitation to find secondary meaning solely on the basis of five years’ exclusive use, the court nevertheless found that the designs’ “robust” sales success, the plaintiff’s “substantial” promotional expenditures, direct consumer testimony, and the defendant’s intentional copying merited a finding of distinctiveness.\textsuperscript{252}

In a lawsuit to protect its claimed POSTAL SERVICE mark, the United States government fell short in an attempt to prove secondary meaning with a consumer survey.\textsuperscript{253} This failure was mooted, however, by the court’s receptiveness to the government’s other evidence of distinctiveness, primarily documentation of the public’s use of the mark as a shorthand reference to the government’s mail delivery services in particular: As the court concluded, “[the mark] is protectable because it has attained secondary meaning in the minds of consumers as a designation of source rather than as a product or genus of products.”\textsuperscript{254}

Another court applied a five-part test for evaluating the plaintiff’s claims of secondary meaning, taking into consideration (1) the length or exclusivity of the plaintiff’s use of the mark, (2) the size and prominence of the plaintiff’s enterprise, (3) the degree of the plaintiff’s advertising, (4) the plaintiff’s established place in the market, and (5) proof of intentional copying by the defendant.\textsuperscript{255} The court’s finding of secondary meaning in its application of this test was based on the plaintiff’s evidence of notoriety in its niche market, millions of dollars of advertising expenditures, and monthly readership of over one million subscribers;\textsuperscript{256} apparently overlooked by the court was the plaintiff’s federal registration of its mark.

Another court, however, properly relied in part upon the plaintiff’s registration to conclude that the underlying mark had

\textsuperscript{252} See id. at 365-67, 56 U.S.P.Q.2d at 1616-17.
\textsuperscript{254} Id.
\textsuperscript{256} See id. at 433.
acquired distinctiveness.\(^{257}\) The evidentiary significance of the registration was buttressed by the plaintiff’s showing of a decade’s worth of exclusive use of the mark, as well as millions of dollars in promotional expenditures.\(^{258}\)

(3) Secondary Meaning yet to Be Determined

The highly factual nature of the secondary meaning inquiry made it difficult for defendants to prevail on motions for summary judgment grounded in the theory that the plaintiffs’ claimed marks lacked secondary meaning.\(^{259}\) For example, one plaintiff escaped entry of summary judgment by introducing advertising and sales data, as well as third-party affidavit testimony of recognition.\(^{260}\) Another case declined to find no acquired distinctiveness as a matter of law in light of the plaintiff’s “[n]umerous articles, newsletters, e-mail messages, and other evidence demonstrat[ing] that many members of the public [associate the marks] with [the plaintiffs].”\(^{261}\) And, finally, one case refused to enter summary judgment in the defendants’ favor in light of the plaintiff’s millions of dollars worth of sales and multiple repeat customers before the introduction of the defendants’ mark.\(^{262}\)

Perhaps the most notable example of a case falling within this category involved a county-by-county priority battle between two Kansas financial institutions over the FIRST BANK and FIRSTBANK marks.\(^{263}\) Although the plaintiff had armed itself with a distinctiveness survey and, additionally, relied upon the defendant’s survey as well, the court found that the positive responses reflected in both surveys failed to sustain the plaintiff’s case in every county at issue, “which plainly weighs against secondary meaning existing there.”\(^{264}\) By the same token, the court dismissed the plaintiff’s long-time use of its mark in light of extensive third-party usage of similar marks.\(^{265}\) The plaintiff’s advertising of services under the claimed mark fell short after the defendants pointed out that most of the plaintiff’s promotional


\(^{258}\) See id. at 322.


\(^{264}\) Id. at 1072.

\(^{265}\) See id. at 1072-73.
efforts involved other versions of the mark. Against this backdrop, the court’s acceptance of the plaintiff’s proffered evidence of actual confusion was not enough to tip the scales. Accordingly, because the plaintiff was unable to demonstrate secondary meaning as a matter of law as of the date of the defendants’ entry into the disputed counties, its motion for summary judgment was denied.

**d. Effect of Federal Registration on the Distinctiveness Inquiry**

If its mark is unregistered, a plaintiff ordinarily bears the burden of proving the mark’s distinctiveness. Under Sections 7(b) and 33(a) of the Lanham Act, however, a federal registration on the Principal Register is prima facie evidence of the validity of the underlying mark, including evidence of the mark’s distinctiveness. Assuming that genericness is not raised by the defendant, this presumption of validity can become “conclusive” upon the registrant’s filing of a Section 15 affidavit. Consequently, the requirement of mark distinctiveness is “automatically met where [the] plaintiff’s mark has been federally registered, [has been] in continuous use for five consecutive years, and is not subject to a proceeding challenging the mark’s validity.”

Although these statutory presumptions typically apply only to the mark as used in connection with the goods or services recited in the registration, one court pushed the envelope in this area. In Villanova University v. Villanova Alumni Education...
Foundation, the university sought to restrict the use of its name and marks by a once-affiliated, but now independent, alumni association. In an attempt to limit the effect of the university’s federal registrations of the VILLANOVA and VILLANOVA UNIVERSITY marks, the defendant noted that the registrations expressly extended only to educational and entertainment services, activities in which it itself did not engage:

The defendant argues that the University’s ownership of these marks does not extend to charitable services, which is the defendant’s only business under these names. I disagree. First, the educational activities of a non-profit educational institution inherently encompass charitable services. Thus, the registration certificate logically extends to the University’s use of these marks in fundraising activities that are necessary to support its education and entertainment activities. Similarly, the defendant’s business, raising funds to support Villanova athletics, is also an educational/entertainment service, and the defendant’s mission of supporting scholarships is clearly an educational service.

Rather than engage in this strained exercise in semantics, of course, the court might well have been better off by concluding that even if the University’s marks “covered” only the precise services recited in its registrations, those rights were nevertheless still enforceable against the defendants’ use.

The Third Circuit missed the boat again in another case requiring application of the statutory presumption of validity, albeit in a manner that ultimately did no harm to the registrant. In Commerce National Insurance Services, Inc. v. Commerce Insurance Agency, Inc., the plaintiff sought to rely upon its registration to establish the distinctiveness of its mark. The court rejected this proffer, however, concluding that:

Although [the plaintiff] has registered [its] mark with the United States Patent and Trademark Office, the mark has yet to achieve incontestability. Therefore, to demonstrate that the . . . mark is valid and legally protectable, [the plaintiff] must demonstrate that it had established secondary meaning in the . . . mark as of . . . the year in which [the defendant] began use of the mark.

276. Id. at 302, 58 U.S.P.Q.2d at 1213-14.
278. Id. at 443, 55 U.S.P.Q.2d at 1106.
Ultimately, however, the court held that the plaintiff had adduced sufficient independent evidence of distinctiveness to warrant a finding of distinctiveness.\textsuperscript{279} Likewise, another court, in apparent ignorance of the Supreme Court’s unambiguous holding to the contrary in Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc.,\textsuperscript{280} inexplicably held that “[i]ncontestability alone, without other evidence of consumer recognition, is not conclusive [evidence] of a [descriptive] mark’s secondary meaning...”\textsuperscript{281} Once again, however, the plaintiff’s independent evidence of secondary meaning diminished the significance of this error.\textsuperscript{282}

e. Licensee Estoppel

Although a federal registration can have a significant effect on the mark validity inquiry, so too can a run-of-the-mill license. In Sturgis Area Chamber of Commerce v. Sturgis Rally & Races, Inc.,\textsuperscript{283} the defendants were former licensees that had been responsible for securing sponsors of the plaintiffs’ annual motorcycle rally. Reviewing “numerous documents” in which the defendants had acknowledged not only the plaintiff’s ownership of the marks in question, but also the marks’ validity, the court held that the doctrine of licensee estoppel rendered it unnecessary to place the plaintiffs’ marks on the spectrum of distinctiveness.\textsuperscript{284}

4. Functional Features

a. Utilitarian Functionality

Claims of utilitarian functionality arose in remarkably few cases over the past year, but when they did, they were generally successful. The most notable example of this phenomenon came in TrafFix Devices, Inc. v. Marketing Displays, Inc.,\textsuperscript{285} in which the Supreme Court addressed the significance to trade dress claims of a related utility patent “covering” the plaintiff’s design.

TrafFix involved claims of trade dress protection to a line of spring-mounted stands for holding and displaying signs, one of several lines marketed by the plaintiff. The plaintiff’s original product was “a business-type wind-resistant sign . . ., such as those

\begin{itemize}
  \item \textsuperscript{279} Id. at 444, 55 U.S.P.Q.2d at 1107.
  \item \textsuperscript{280} 469 U.S. 189, 224 U.S.P.Q. 327 (1985).
  \item \textsuperscript{281} Choice Hotels Int’l, Inc. v. Kaushik, 147 F. Supp. 2d 1242, 1249 (M.D. Ala. 2000), aff’d without opinion, 260 F.3d 1627 (11th Cir. 2001).
  \item \textsuperscript{282} See id. at 1249.
  \item \textsuperscript{284} See id. at 1097, 55 U.S.P.Q.2d at 1082.
  \item \textsuperscript{285} 121 S. Ct. 1255, 58 U.S.P.Q.2d 1001 (2001). See also discussion of this case in 91 TMR 622-74 (2001).
\end{itemize}
seen at gas stations” that featured a rectangular display surface with one of its short sides attached to a base by a pair of springs. Following the introduction of this product, the plaintiff sought and received two utility patents bearing on its designs. The claims of each, however, on their face relied upon “spaced-apart” torsion springs that connected the frame to the base of the stand. As the abstract of one patent explained:

[This] poster display device includes a base upon which is mounted a poster frame. The means for mounting the poster frame onto the base comprise a spring structure interconnecting the lower portion of the poster frame to the base. In one embodiment, the spring structure comprises a pair of spaced-apart coil springs which extend between the frame and the base. In another embodiment, the spring structure is an elongated torsion spring mounted transversely of the base. The poster frame has a pair of spaced-apart brackets on the lower edge thereof which engage the torsion springs.

According to the plaintiff, however, the rights under its patents were not limited to devices employing widely spaced-apart springs. On the contrary, when a third party had entered the marketplace with a line of signs featuring a more closely-spaced pair of springs bearing a frame intended to hold a square sign by one of its corners, the plaintiff had sued, alleging both literal infringement and infringement under the doctrine of equivalents. The district court in this earlier case rejected the plaintiff’s claims of literal infringement on the ground that “[t]here are sufficient minor differences between the patent claims and the accused products to conclude that the defendants did not directly infringe the [plaintiff’s] patents.” The plaintiff was more successful in relying on the doctrine of equivalents, however, as the district court concluded that “[t]he distance separating the springs is not a significant factor” in removing the accused device from the patents’ ambit. As a consequence, the defendant in the

290. Id. at 66.
291. Id at 67. In affirming the district court opinion on this point, the Ninth Circuit explained:

The district court . . . found that the pair of springs used in the accused sign stand was the equivalent of the pair of “spaced apart” coil springs described in the
earlier case was permanently enjoined from further use of the designs, and, additionally, was tagged with an accounting of its profits and an award of the plaintiff’s damages.292

Perhaps emboldened by the plaintiff’s at least partial success in demonstrating that a closely-spaced spring configuration lay within the scope of its now-expired patents, the defendant in TrafFix introduced a competing line of traffic control signs that utilized that design. Not willing to give up the exclusivity of use it had enjoyed during the pendency of its patents, the plaintiff filed a trade dress infringement suit, alleging, among other things, that its twin spring configuration was a nonfunctional brand signal. Responding to the defendant’s motion for summary judgment on functionality grounds, the plaintiff argued among other things that the patents were “irrelevant” to its trade dress claims.293

The district court disagreed. Quoting Professor McCarthy, the court began its analysis by observing that “‘[t]he existence of a valid functional patent disclosing the utilitarian advantages of the configuration in question is very strong, if not conclusive, evidence of the functionality of the configuration in which trademark significance is alleged.’”294 According to the court, this rule created an “effective presumption” of functionality for the plaintiff’s devices, which the plaintiff then bore the burden of overcoming.295

In the face of the plaintiff’s efforts to distinguish the language of its utility patent claims, the court soon turned to the plaintiff’s past enforcement efforts. The court noted that in the prior third-party patent infringement suit the plaintiff’s president (and actual owner of the patent) successfully had challenged the manufacture and sale of a third party’s product that was virtually identical to that of the defendant.296 Examining the allegations of the plaintiff’s president in that case, the court found them inconsistent

claims of [the plaintiff’s] ’696 patent. The pair of springs in the . . . patent served two functions: they minimized canting or twisting of the display board around its vertical axis, and they assured that the sign stand would be deflected away from the line of traffic should the stand be struck by a vehicle. The evidence established that the crucial determinant of the spring’s effectiveness for these purposes is not the horizontal distance between the springs, but is whether the springs are located on the same vertical axis. So long as the springs are located on different vertical axes, they will function effectively regardless of how close or how “spaced apart” they are on the horizontal plane. The pair of springs on the accused device, located on different vertical axes, function in precisely the same . . . manner. The district court’s finding of equivalence is therefore fully supported by the evidence and is not clearly erroneous.


292. See 203 U.S.P.Q. at 68.


296. Id. at 273-74, 43 U.S.P.Q.2d at 1875.
with the plaintiff’s latter-day allegations that the same patents were sufficiently narrow in scope that they did not threaten its dress claims. The district court ultimately entered summary judgment in the defendant’s favor on functionality grounds because “[t]he expired utility patents are especially strong evidence of the usefulness of the . . . design” and because the plaintiff “has not proffered sufficient evidence which would enable a reasonable trier of fact to find that [its] . . . design is nonfunctional.”

The Sixth Circuit vacated this determination, concluding that there was no necessary barrier to the trade dress protection of a design covered by the claims of a utility patent. Rather, not only was the functionality of the underlying design the proper inquiry, the existence of a utility patent did not, as the district court had held, create a presumption of functionality. Having thus framed the relevant question, the Sixth Circuit then gave the plaintiff’s prior claims of utility little weight in determining that a factual dispute precluded a finding of functionality as a matter of law. In substantial part, this holding resulted from the court’s acceptance of the plaintiff’s argument that the defendant easily could have designed around the relatively narrow category of material falling within the patent’s scope. It also resulted from the appellate court’s view of the functionality doctrine, regarding which the court observed, “[t]he appropriate question is whether the particular product configuration is a competitive necessity.”

Because “numerous competitors” of the parties were using a myriad of other products that did not feature a dual-spring design, use of the design could not be necessary for competition, a holding that mooted the defendant’s claims of utilitarian functionality.

Taking the case on a writ of certiorari, the Supreme Court reversed, in an opinion that wholly ignored the Court’s past statements of the per se rule that the expiration of a utility patent places the subject matter of the patent into the public domain.

---

298. Id. at 276, 43 U.S.P.Q.2d at 1877 (emphasis in original).
300. Id. at 938-41, 53 U.S.P.Q.2d at 1342-44.
301. Id. at 940, 53 U.S.P.Q.2d at 1343.
302. Id.
and instead recognized the functionality doctrine as the key to avoiding a conflict between trade dress and patent law. Noting that the owners of unregistered trade dresses bore the burden of demonstrating the nonfunctionality of their designs, the Court concluded that, rather than the contents of a utility patent serving as a contract that placed the subject matter of the patent into the public domain,

[a] utility patent is strong evidence that the features therein claimed are functional. If trade dress protection is sought for those features the strong evidence of functionality based on the previous patent adds great weight to the statutory presumption that features are deemed functional until proved otherwise by the party seeking trade dress protection. Where the expired patent claimed the features in question, one who seeks to establish trade dress protection must carry the heavy burden of showing that the feature is not functional, for instance by showing that it is merely an ornamental, incidental or arbitrary aspect of the device.

According to the Court, the Sixth Circuit had erred by focusing on whether the design in question was competitively necessary. Although acknowledging that some of its prior authority had suggested that competitive necessity was an appropriate consideration, the Court denied that its past observations on the subject had been intended to serve as a “comprehensive definition” of functionality. Rather, it now clarified that competitive necessity was relevant only to the inquiry into whether the trade dress in question was aesthetically functional. Where allegations of utilitarian functionality were concerned, “a feature is . . . functional when it is essential to the use or purpose of the device or when it affects the cost or quality of the device.”

Applying this rule to the facts before it—and without reference to the standard of review it was applying—the Court focused

863, 214 U.S.P.Q. 1, 9 (1982) (White, J., concurring in result) (“[A]fter expiration of a patent, [the material disclosed by the patent] is no more the property of the originator than the product itself.”). This doctrine had been a hallmark of the Court’s few decisions in the design patent arena as well. See, e.g., Coats v. Merrick Thread Co., 149 U.S. 562, 572-73 (1893).

305. See 15 U.S.C. § 1125(a)(3) (2000) (“In a civil action for trade dress infringement . . . of a trade dress not registered on the Principal Register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.”).


308. TrafFix, 121 S. Ct. at 1261, 58 U.S.P.Q.2d at 1006.

309. Id.
exclusively on the plaintiff’s utility patents. The Court did not invoke the patents’ claims, however, but instead looked to their specifications. Noting the specifications’ averments of utilitarian superiority over competitive designs, the Court concluded that “[u]sing a dual-spring design rather than a single spring achieves important operational advantages.” The Court buttressed this conclusion by referring to statements made by the plaintiff’s predecessor during the prosecution of his patent applications that the design was cost-effective as well: “These statements made in the patent applications and in the course of procuring the patents demonstrate the functionality of the design.” Finally, the Court noted that the defendant’s characterization of the plaintiff’s claims was supported by the plaintiff’s own position in its earlier litigation against the third-party infringer.

Significantly, the Court did allow for the possibility of a patentee distinguishing its past averments:

In a case where a manufacturer seeks to protect arbitrary, incidental, or ornamental aspects of features of a product found in the patent claims, such as arbitrary curves in the legs or an ornamental pattern painted on the springs, a different result might obtain. There the manufacturer could perhaps prove that those aspects do not serve a purpose within the terms of the utility patent. The inquiry into whether such features, asserted to be trade dress, are functional by reason of their inclusion in the claims of an expired utility patent could be aided by going beyond the claims and examining the patent and its prosecution history to see if the feature in question is shown as a useful part of the invention.

As the Court concluded, “[n]o such claim is made here, however.”

Some cases predating TrafFix also found plaintiffs’ claimed dresses impermissibly functional on the defendants’ motions for summary judgment. In one, the plaintiff was a manufacturer of medical pipettes that sought to protect the designs of the trays in which its products were delivered. The court began its analysis by observing that “[n]onfunctionality turns on an evaluation of several factors, including: (1) whether the design yields a utilitarian advantage, (2) whether alternative designs are available, (3) whether advertising touts the utilitarian advantages of the design and (4) whether a particular design results from a

310. Id.
311. Id.
312. See id., 58 U.S.P.Q.2d at 1005-06.
313. Id. at 1262, 58 U.S.P.Q.2d at 1007.
314. Id.
comparatively simple or inexpensive method of manufacture.” 316 The plaintiff presented no evidence on the first, third, and fourth factors, choosing instead to rely exclusively on expert witness testimony regarding the availability of alternative designs.

The court, however, found this testimony wanting. Although the plaintiff’s expert identified five competing products with allegedly distinguishable appearances, he failed to demonstrate that these alternatives were either as effective in practice or that they could be produced as economically. 317 Similarly, although the expert also posited three hypothetical alternative designs, the court noted that “[a]ll three designs . . . share glaring functional flaws.” 318 Under the circumstances, the court concluded, the hypothetical designs “actually uncover the essential functional characteristics of the [plaintiff’s] design.” 319

Other defendants met similar fates. For example, one court rejected as a matter of law a plaintiff’s claims that its system of displaying candles stacked vertically on wooden shelving constituted protectible trade dress: 320 “[T]he fact that both [the plaintiff] and [the defendant] use similar wooden shelves is . . . indicative of the need, indeed the functionality of such shelving to display properly small objects [such as] candles.” 321 Another opinion held functional the plaintiff’s use of wound wire cable in jewelry on the defendant’s showing that the cable was “more flexible and more springy than other thicker wire” and reduced the need for “hinges, clasps, buckles and other closing mechanisms.” 322 Likewise, the Sixth Circuit determined in an unpublished opinion that the functionality of another plaintiff’s claimed trade dress in a “strap-hinge” photo album doomed the plaintiff’s allegations of likely confusion. 323

Not all claims of utilitarian functionality succeeded, however. One court hearing trade dress claims to a decorative water faucet denied the defendant’s motion for summary judgment after concluding that “[t]here exists evidence in the record from which a jury could find that there are many other wall-mounted faucet

---

316. Id. at 1013, 56 U.S.P.Q.2d at 1565.
317. See id. at 1014-15, 56 U.S.P.Q.2d at 1566.
318. Id. at 1016, 56 U.S.P.Q.2d at 1567.
319. Id.
321. Id. at 151-52, 55 U.S.P.Q.2d at 1402.
designs available to competitors.”324 Another court determined that expert testimony of the uniqueness and source-indicating nature of the plaintiff’s design created a justiciable issue of fact as to the functionality of the design.325

On facts better suited to an aesthetic functionality analysis, still another court gamely determined that the ornamentation on a plaintiff’s prepaid calling cards was not functional in the utilitarian sense:

The “overall image” or customizing of the cards is nonfunctional. This feature, while determinative as to the source of the product, is not essential to its use or purpose nor does it affect its cost or quality. The prepaid customized long distance calling cards sold by [the plaintiff] can be used irrespectively of their customizing. There is no evidence that the cost and quality of the long distance calls will be affected by the cards’ customizing.326

Finally, in a case presenting the most unusual invocation of the doctrine in recent memory, the Eighth Circuit affirmed a district court holding rejecting the claim that the plaintiff’s word mark was functional, and therefore unprotectible.327 As the appellate court noted with considerable understatement, “it [is] apparent that the doctrine of functionality is not truly at issue here.”328

b. Aesthetic Functionality

One court reached mixed results in its application of aesthetic functionality principles. On the one hand, it made short shrift of the defendant’s argument that the plaintiff’s practice of displaying one product on each page of its catalog led to an aesthetically functional overall publication.329 On the other hand, however, it rejected the plaintiff’s trade dress claims that a system of arranging candles by color constituted prosecutable trade dress: As the court explained, “one need only look to the nearest paint store, or towel show room to see that the display-by-color method is routinely used to show products that are color intensive.”330

328. Id. at 949, 56 U.S.P.Q.2d at 1201.
c. The Burden of Proof

Notwithstanding the 1999 enactment of the Trademark Amendments Act,\textsuperscript{331} which was intended in part to ensure that claimants to unregistered trade dresses bore the burden of demonstrating the nonfunctionality of their designs,\textsuperscript{332} the issue of the parties’ respective burdens continued to rear its ugly head. In the latest installment of the long-running Thomas & Betts litigation,\textsuperscript{333} the parties debated “whether [the] statutory amendment establishing the burden of proof should be applied to a pending case when the amendment was enacted after the case was filed.”\textsuperscript{334}

The court answered this question affirmatively. Applying the Supreme Court’s holdings in Landgraf v. USI Film Products\textsuperscript{335} and Bradley v. School Board of Richmond,\textsuperscript{336} the court noted that if Congress has explicitly mandated a retroactive application, courts must follow the intent of Congress as expressed in the statute and legislative history. Where the language of the statute does not clearly mandate a retroactive application, a court must determine whether applying the terms as indicated would have a genuinely retroactive effect. If so, the judicial presumption against retroactivity would bar its application.\textsuperscript{337}

The court’s ultimate conclusion that the new statute should be applied to a case pending at the time of its passage was ironically grounded in the theory that the amendment was not retroactive in effect: (1) the amendment did not impair any rights of the plaintiff; (2) the amendment did not increase either party’s liability for past conduct; and (3) the amendment did not impose new duties for already completed transactions.\textsuperscript{338} Because an application of the amendment to the case before it would not result in a “manifest injustice,”\textsuperscript{339} the court required the plaintiff to prove the nonfunctionality of its unregistered design.

\textsuperscript{334} Id. at 978, 55 U.S.P.Q.2d at 1699.
\textsuperscript{335} 511 U.S. 244 (1994).
\textsuperscript{336} 416 U.S. 696 (1974).
\textsuperscript{338} See id. at 984-87, 55 U.S.P.Q.2d at 1704-06.
\textsuperscript{339} See id. at 987-88, 55 U.S.P.Q.2d at 1707-08.
B. Establishing Liability

1. Likelihood of Confusion

   a. Factors Considered

      (1) The First Circuit

      The First Circuit test for measuring the likelihood of confusion between two marks remained unchanged, and focused on (1) the strength of the plaintiff's mark, (2) the degree of similarity between the parties' marks, (3) the similarity between the parties' goods or services, (4) the relationship between the parties' channels of trade, (5) the relationship between the parties' advertising, (6) the classes of prospective purchasers, (7) evidence of actual confusion, and (8) the defendant's intent in adopting its mark.340

      (2) The Second Circuit

      The Polaroid test for evaluating likely confusion341 continued to hold sway in the Second Circuit, with courts there examining: (1) the strength of the plaintiff's mark; (2) the similarity of the parties' marks; (3) the proximity of the parties' products in the marketplace; (4) the likelihood the prior user will bridge the gap between the products; (5) actual confusion; (6) the defendant's good or bad faith in adopting the mark; (7) the quality of the defendant's product; and (8) the sophistication of the relevant consumer group.342 Failure to apply these factors in an infringement action, the court held, constitutes reversible error.343


(3) The Third Circuit

After years of demonstrating its inability to decide whether the same test for liability should apply to cases involving competitive and noncompetitive goods alike, the Third Circuit belatedly realized that its prior schizophrenic approach to the issue had generated confusion among the lower courts in that jurisdiction.\footnote{344} The result was a holding that the “Scott Paper,” or “Lapp,” factors\footnote{345} were applicable in both contexts. This test mandates consideration of: (1) the degree of similarity between the parties’ marks; (2) the strength of the plaintiff’s mark; (3) the price of the goods or services and other factors indicative of consumers’ care and attention when making a purchase; (4) the length of time of the defendant’s use of its mark without actual confusion; (5) the defendant’s intent when adopting its mark; (6) any evidence of actual confusion; (7) whether the goods or services, if not competitive, are marketed through the same channels of trade and advertised through the same media; (8) the extent to which the targets of the parties’ sales efforts are the same; (9) the relationship of the goods or services in the minds of consumers because of the similarity of function; and (10) other facts suggesting that the consuming public might expect the prior owner to expand into the defendant’s market.\footnote{346}

The court was less successful in resolving the proper test for liability under a reverse confusion theory, which it improbably held was distinct from that used to evaluate what it characterized as “forward confusion.” For example, one panel of the court elaborated on the significance of the forward confusion factors in the reverse confusion analysis with the following observation:

\[\text{C}\text{ertain of these factors must be reworked in the context of a reverse confusion case. For example, when applying the strength of mark factor, the lack of commercial strength of the smaller senior user’s mark is to be given less weight in the analysis because it is the strength of the larger, junior user’s mark which results in reverse confusion. Likewise, the intent inquiry must also be altered to focus on whether the defendant was aware of the senior user’s use of the mark in question, or}\]


whether the defendant conducted an adequate name search for other companies marketing similar goods or services under that mark.\textsuperscript{347}

Another panel hearing allegations of reverse infringement noted the importance of “other facts suggesting that the consuming public might expect the larger, more powerful, company to manufacture both products, or expect the larger company to manufacture a product in the plaintiff’s market, or expect that the larger company is likely to expand into the plaintiff’s market.”\textsuperscript{348}

(4) The Fourth Circuit

The Fourth Circuit’s “Pizzeria Uno” test for likely confusion\textsuperscript{349} went unchanged in that jurisdiction. Courts there examined: (1) the strength or distinctiveness of the plaintiff’s mark; (2) the similarity of the parties’ marks; (3) the similarity of the parties’ goods; (4) the similarity of the parties’ retail outlets; (5) the similarity of the parties’ advertising; (6) the defendant’s intent in selecting its mark; and (7) the existence of any actual confusion.\textsuperscript{350} One court cautioned that “not all of the factors will be present or of equal weight in every case.”\textsuperscript{351}

(5) The Fifth Circuit

The Fifth Circuit ratified its seven-part test for likely confusion, which mandates consideration of: (1) the type of the mark allegedly infringed; (2) the similarity between the two marks; (3) the similarity between the parties’ products or services; (4) the identity of the parties’ retail outlets and purchasers; (5) the identity of the parties’ advertising media; (6) the defendant’s intent; and (7) any evidence of actual confusion.\textsuperscript{352}

(6) The Sixth Circuit

Courts in the Sixth Circuit took into consideration: (1) the strength of the plaintiff’s mark; (2) the relatedness of the parties’ goods; (3) the similarity of the marks; (4) any evidence of actual

\textsuperscript{347} Commerce Nat’l Ins. Servs., 214 F.3d at 444, 55 U.S.P.Q.2d at 1107 (citations omitted).

\textsuperscript{348} A&H Sportswear, 237 F.3d at 234, 57 U.S.P.Q.2d at 1122.

\textsuperscript{349} See Pizzeria Uno Corp. v. Temple, 747 F.2d 1522, 1527, 224 U.S.P.Q.2d 185, 187 (4th Cir. 1984).


\textsuperscript{351} Id., 55 U.S.P.Q.2d at 1958.

confusion; (5) the parties’ marketing channels; (6) the likely degree of purchaser care; (7) the defendant’s intent in selecting its mark; and (8) the likelihood of expansion of the parties’ lines.\textsuperscript{353} The Sixth Circuit itself held this test equally applicable to a celebrity endorsement claim under Section 43(a).\textsuperscript{354}

(7) The Seventh Circuit

The test for trademark infringement in the Seventh Circuit did not evolve during the past year. It continued to mandate consideration of: (1) the degree of similarity between the parties’ marks in appearance and suggestion; (2) the similarity of the products on which the marks are used; (3) the area and manner of concurrent use by the parties of their respective marks; (4) the degree of care likely to be exercised by consumers; (5) the strength of the plaintiff’s mark; (6) any evidence of actual confusion; and (7) any evidence of the defendant’s intent to palm off its products as those of the plaintiff.\textsuperscript{355} One court noted that “[n]one of these factors by itself is dispositive of the issue of likelihood of confusion; the weight to be given to each factor varies from case to case.”\textsuperscript{356} Nevertheless, the court of appeals itself noted that “the similarity of the marks, the intent of the defendant, and evidence of actual confusion are the most important considerations.”\textsuperscript{357}

(8) The Eighth Circuit

The doctrinal test for likely confusion remained unchanged in the Eighth Circuit, with courts there examining: (1) the strength of the plaintiff’s mark; (2) the similarity between the parties’ marks; (3) the competitive proximity of the parties’ goods and services; (4) the defendant’s intent; (5) the extent of any actual confusion; and (6) the degree of care typically exercised by consumers.\textsuperscript{358}


\textsuperscript{356} St. Croix of Park Falls Ltd., 55 U.S.P.Q.2d at 1751.

\textsuperscript{357} Eli Lilly, 233 F.3d at 462, 56 U.S.P.Q.2d at 1945.

(9) The Ninth Circuit

In both infringement and right of publicity cases, Ninth Circuit courts identified the following factors as relevant to the likelihood of confusion analysis: (1) the strength of the plaintiff’s mark; (2) the relatedness of the parties’ goods; (3) the similarity of the parties’ marks; (4) evidence of actual confusion; (5) marketing channels used by the parties; (6) the degree of care consumers are likely to exercise when making purchases; (7) the intent of the defendant in selecting its mark; and (8) the likelihood that the parties will expand their product lines.359 One district court went on to note that “an additional factor, the strength of the association between the mark and plaintiffs, is necessary to analyzing the likelihood of confusion in this case.”360

(10) The Tenth Circuit

Courts in the Tenth Circuit continued to apply a four-part test for evaluating the likelihood of confusion between two marks, looking to: (1) the degree of similarity between the parties’ marks in (a) appearance, (b) pronunciation, (c) verbal translation of the pictures or designs involved; and (d) suggestion; (2) the defendant’s intent; (3) the relationship between the parties’ goods or services and their marketing; and (4) the degree of care likely to be exercised by purchasers.361

(11) The Eleventh Circuit

There were no changes to the test applied for likely confusion in the Eleventh Circuit. Relevant factors included: (1) the type of mark used by the plaintiff; (2) the similarity of the parties’ marks; (3) the similarity of the parties’ goods or services; (4) similarities in the parties’ products and services; (5) the similarity of the advertising media used by the parties; (6) whether the defendant had an actual intent to infringe; and (7) evidence of actual

---


confusion.362 One district court noted that “[o]f these seven elements, the type of mark used by the plaintiff and any evidence of actual confusion should be weighted most heavily.”363

(12) The District of Columbia Circuit

There were no apparent reported cases during the past year bearing on the District of Columbia’s test for likelihood of confusion.

b. Holdings

(1) Likelihood of Confusion: As a Matter of Law

Although findings of liability as a matter of law occur less frequently than findings of no likelihood of confusion, several cases demonstrated that summary judgment in plaintiffs’ favor could be appropriate.364 For example, the initial interest doctrine led to a finding of a likelihood of confusion as a matter of law in a case involving “novelty” sunglasses sold out of boxes prominently bearing the CARTIER mark.365 Although the defendant coupled this use of the plaintiffs’ mark with a considerably smaller notice that invited consumers to compare its products and their prices to those of the plaintiffs, the court found that this effort was inadequate to prevent confusion: “[The defendant’s] label still violates § 1125(a)(1)(A) because the label improperly triggers customers’ interest in [the defendant’s] product by capitalizing on the goodwill associated with the Cartier name, and this kind of advertising strategy violates the Landham [sic] Act.”366

Likewise, a battle over the S & P 500 mark led to entry of summary judgment in favor of its owner, the McGraw-Hill Companies.367 As most shareholders in mutual funds know, McGraw-Hill licenses the mark to the Vanguard Group for use in connection with several of that company’s index funds. When

---


366. Id. at 1134.

Vanguard introduced a line of products based on the exchange-traded fund concept that effectively would allow investors to buy and sell shares of its index funds during trading sessions. McGraw-Hill sued to prevent use of the S & P 500 mark in connection with the new products. Noting the absence of any mention of exchange-traded funds in the license, the court concluded that “[n]othing in the parol evidence suggests that the parties contemplated that the license to Vanguard would encompass a financial instrument that did not exist at the time of the contracts and, even today, cannot lawfully be issued without a specific regulatory exemption and appropriate conditions distinguishing [the] instrument from conventional open-end mutual fund shares.”368 Moreover, to the extent that the license reflected the concept of a “zone of expansion,” that zone was reserved for the trademark owner, not its licensee.369

In another case, the court granted the plaintiff’s motion for summary judgment after concluding that the defendant’s ASIAN SOURCES mark and website <www.asiansources.com> were likely to be confused with the plaintiff’s incontestably registered ASIAN SOURCE mark and website <www.asiansource.com>, all used in connection with the import and export of Asian-made goods.370 Weighing in the plaintiff’s favor was the directly competitive nature of the websites, shared target population, less-than-attentive web surfers, and the defendant’s bad faith intent. Under these circumstances, the failure by the plaintiff to introduce evidence of the strength of its mark was insufficient to defeat its entitlement to relief.371

In two cases, evidence of actual confusion proved to be the key to defendants’ liability as a matter of law. In the first, the plaintiff was able to present documentary evidence that it routinely received payments from consumers who had purchased goods from the defendant.372 Coupled with evidence of misdelivered goods by the parties’ vendors and “extreme” actual confusion among professional buyers, this showing was sufficient to warrant a finding of likely confusion as a matter of law.373

The second case involved claims by the United States government for infringement of the POSTAL SERVICE mark.374 Although not identifying the precise likelihood of confusion factors

368. Id. at 555.
369. See id. at 555-56.
371. See id. at 239-42, 57 U.S.P.Q.2d at 1371-73.
372. See Alliance Metals, Inc. v. Hinely Indus., 222 F.3d 895, 908 (11th Cir. 2000).
373. See id.
underlying its decision, the court clearly was influenced by evidence that consumers seeking the website of the United States Postal Service routinely had been diverted to the registrant’s \texttt{<postal-service.com>} site.\footnote{See id. at 1086.} Equally to the point, the court found that the government’s survey evidence “establishes that consumers have in fact been confused by [the registrant’s] maintenance of the postal-service.com website, mistakenly believing that it is sponsored by and/or associated with the United States Postal Service.”\footnote{Id. at 1087.} Summary judgment in the government’s favor followed.

Hearing an appeal from a district court’s entry of summary judgment on a showing that both parties were using the mark \textsc{THE DRIFTERS} for their respective singing groups, the Third Circuit affirmed.\footnote{See Marshak v. Treadwell, 240 F.3d 184, 57 U.S.P.Q.2d 1764 (3d Cir. 2001).} Noting that “[a]lthough infringement is generally a question for the jury,”\footnote{See id. at 200, 57 U.S.P.Q.2d at 1776.} the appellate court nevertheless concluded that no reasonable jury could have concluded that the parties’ identical marks were \textit{not} confusingly similar.\footnote{See id. at 200, 57 U.S.P.Q.2d at 1776.}

In cases in which the issue of priority of rights essentially determined the ultimate outcome of the dispute, two courts had little difficulty concluding that confusion was likely as a matter of law. In the first case, the court reached the self-evident holding that the common use by the parties of the PATSYS’S mark in connection with pasta sauce created liability as a matter of law.\footnote{See Patsy’s Brand, Inc. v. I.O.B. Realty, Inc., 58 U.S.P.Q.2d 1048 (S.D.N.Y. 2001).} In the second, the court not surprisingly granted summary judgment in favor of the owners of the GIGANTE mark for grocery stores against directly competitive users of the same mark.\footnote{See Grupo Gigante S.A. v. Dallo & Co., 119 F. Supp. 2d 1083 (C.D. Cal. 2000).}

\textbf{(2) Likelihood of Confusion: After Trial}

Perhaps the most interesting case during the past year finding a likelihood of confusion after trial demonstrated the dangers to defendants of changing their mark usage. In Westchester Media v. PRL USA Holdings, Inc.,\footnote{214 F.3d 658, 55 U.S.P.Q.2d 1225 (5th Cir. 2000).} the appellants’ predecessor for many years had published under the POLO mark a magazine that focused on the equestrian sport. Upon purchasing the magazine, however, the appellants relaunched it with a new emphasis on “Adventure—Elegance—Sport.” Of equal importance, the appellants coupled this new focus with promotional strategies transparently aimed at the appellee’s customers.\footnote{These included the use of mailing lists secured from one of the counterclaim-plaintiff’s largest retailers and the appearance on the magazine’s cover of Claudia Schiffer,}
On appeal from a finding of likely confusion made after a full trial before a magistrate, the Fifth Circuit affirmed. The appellate court began its analysis by noting that the appellants’ literary title was entitled to a certain degree of First Amendment protection: Indeed, the court held that the appellee was required to make a “particularly compelling” showing of likely confusion. Unfortunately for the appellants, however, the court concluded that this standard had been met.

For the most part, the court grounded its conclusion in a standard infringement analysis. For example, although the appellants might not have purchased their magazine with the intent to trade upon the appellee’s goodwill, their subsequent actions justified an inference of bad faith. Likewise, the parties’ goods were dissimilar on their face, but the possibility of the appellee expanding into the magazine industry also weighed in favor of a likelihood of confusion. Finally, survey evidence of actual confusion, although subject to criticism, also precluded the magistrate’s finding of liability from being considered clearly erroneous.

In another case, the Ninth Circuit upheld a jury verdict of liability against a challenge grounded in a key jury instruction issued by the district court. The objection to the instruction was unusual: According to the appellants, the district court had directed the jury that a finding of liability would lie only if the appellants had copied the appellees’ logo exactly, which necessarily meant that differences in the parties’ marks warranted reversal. The appellate court disagreed, however, holding instead that the instruction contemplated the possibility of infringement even if the appellants’ mark was merely confusingly similar to that of the appellees.

(3) Likelihood of Confusion: Preliminary Relief

Some cases reached predictable results. In perhaps the most interesting case falling into this category over the past year, the former “featured model” in the counterclaim-plaintiff’s advertising campaigns. See id. at 662, 55 U.S.P.Q.2d at 1228.

383. See id. at 667-68, 55 U.S.P.Q.2d at 1230.
384. See id. at 668, 55 U.S.P.Q.2d at 1232.
federal government took action against a user of the mark THE WASHINGTON MINT, which had had the poor grace to market “replicas” of the Sacagawea dollar.\footnote{See United States v. Washington Mint, L.L.C., 115 F. Supp. 2d 1089 (D. Minn. 2000).} The government prepared its preliminary injunction papers armed for bear: Not only had it registered the mark UNITED STATES MINT some years before (with a claimed date of first use in 1858), it had assembled a credible record of actual confusion. With the Minnesota-based defendant unable to explain why it had chosen to include the word “Washington” in its name, the court had little difficulty concluding that the public interest would benefit from a “clear and noticeable disclaimer of no affiliation with the government in all of [the defendant’s] advertisements and other marketing materials.”\footnote{Id. at 1105.}

In another case predictably entering relief, the Seventh Circuit upheld the entry of a preliminary injunction barring the defendants from distributing “mood elevators” under the HERBOZAC mark, a designation chosen to “call to mind” the plaintiff’s PROZAC drug.\footnote{See Eli Lilly & Co. v. Natural Answers, Inc., 233 F.3d 456, 56 U.S.P.Q.2d 1942 (7th Cir. 2000).} Although acknowledging that “[t]he mere fact that one mark brings another mark to mind is not sufficient to establish a likelihood of confusion as to the source of the product,”\footnote{Id. at 462, 56 U.S.P.Q.2d at 1946.} the appellate court agreed with the district court that most of the relevant likelihood of confusion factors favored a finding of liability. In the process, the court rejected a weakly advanced parody defense by the defendants.\footnote{See id. at 463, 56 U.S.P.Q.2d at 1946.}

The same court also upheld the entry of a preliminary injunction against the use of the BEANIE RACERS mark for bean-filled race car toys.\footnote{See Ty, Inc. v. Jones Group, Inc., 237 F.3d 891, 57 U.S.P.Q.2d 1617 (7th Cir. 2001).} Accepting the conclusion that confusion with the plaintiff’s BEANIE BABIES was likely, the Seventh Circuit held that the lower court properly had focused on the “salient element” of both parties’ marks, namely the word “BEANIE.” In light of this similarity, as well as the fame of the plaintiff’s mark, claimed dissimilarities in the hang tags employed by the parties were insufficient to preclude liability.\footnote{See id. at 898-902, 57 U.S.P.Q.2d at 1621-24.}

In another “easy” case—an unfortunate dispute between two children’s medical charities—the court had little difficulty

determining that a prior user of the mark CHILDREN OF THE WORLD was likely to prevail in its challenge to the use of the same mark.\footnote{See Deborah Heart & Lung Ctr. v. Children of the World Found., Ltd., 99 F. Supp. 2d 481, 55 U.S.P.Q.2d 1088 (D.N.J. 2000).} Faced with evidence that the parties’ services were directly competitive, that there was a “substantial overlap” of their donor solicitation lists, and that at least some actual confusion had occurred, the defendant argued that it always preceded use of the mark with an additional one. The court found otherwise, however, and preliminarily enjoined the defendant’s use.\footnote{See id. at 491, 55 U.S.P.Q.2d at 1094-95.}

Likewise, in a case in which the defendants intentionally had copied the distinctive and nonfunctional appearance of a competitor’s phone cards, a finding that the plaintiff was likely to prevail on the merits of its trade dress infringement claims followed almost as a matter of course.\footnote{See TeleRep Caribe, Inc. v. Zambrano, 146 F. Supp. 2d 134 (D.P.R. 2001).} The plaintiff buttressed its case by presenting uncontested evidence of actual confusion, and other factors weighing in its favor included mark similarity, an identity of products, the defendants’ bad faith intent, and the parties’ common customers, channels of trade, and advertising strategies. The most interesting aspect of the case was the court’s approach to the factor of trade dress strength: Although the plaintiff apparently had failed to adduce direct evidence and testimony on this point, the court concluded that the plaintiff’s status as the only participant in the Puerto Rico market for the goods involved necessarily meant that its trade dress was strong.\footnote{See id. at 141.}

The extent to which a defendant can use another party’s mark in its solicitation of potential customers was the subject of a suit brought by an Internet registrar against a website operator and provider of other Internet-related businesses.\footnote{See Register.com, Inc. v. Verio, Inc., 126 F. Supp. 2d 238 (S.D.N.Y. 2000).} The source of the plaintiff’s objections was the defendant’s practice of using search robots to harvest information on domain name registrations newly issued by the plaintiff. When it identified the plaintiff’s customers, the defendant quickly contacted them via e-mail and phone in an effort to market its services.\footnote{See id. at 243-44.} The exact text used by the defendant’s representatives varied, but at one point it clearly referred to the plaintiff and used a phrase reminiscent of one of the plaintiff’s marks.\footnote{Id. at 253.} The resulting actual confusion led the court to conclude that the defendant’s references to the plaintiff violated the Lanham Act; the court did, however, decline to enjoin the
defendant from rapidly contacting the plaintiff’s customers altogether.402

An unusually large number of cases predictably entering preliminary relief involved formerly friendly parties.403 In one, Villanova University successfully challenged the use of some of its marks by the Villanova Alumni Educational Foundation.404 Although the parties had had a longstanding relationship, the university’s 1982 decision to eliminate its football program led to dissension among its would-be backers, and, by 1999, further tensions between the parties led to litigation. Particularly in light of the emergence of actual confusion, the court had little difficulty concluding that the joint use of the same marks for the parties’ respective fund-raising services was likely to cause confusion.405

In another case between two former affiliates, a falling out among the joint sponsors of the famed annual Sturgis, South Dakota motorcycle rally led to a preliminary injunction against the defendants’ use of a variety of marks associated with the rally.406 Having once been licensees of the plaintiffs, the defendants continued to use close imitations of the marks covered by the licenses. The defendants then further weakened their position following their termination as licensees by deliberately creating the impression that they remained authorized to solicit official sponsorships for the rally. Particularly in light of strong evidence of actual confusion, preliminary injunctive relief issued.407

An affiliate relationship gone bad proved to be the key to relief in another case as well.408 The defendant had a license to use on its website certain marks owned by the plaintiff, but had helped itself to the use of other marks belonging to the plaintiff without the benefit of a license. When the defendant fell into arrears on its account with the plaintiff, the plaintiff filed suit and sought to have the defendant’s website disconnected in its entirety. Although the court denied this “extreme” remedy, it nevertheless had little

402. See id. at 254.


405. See id. at 304-06, 58 U.S.P.Q.2d at 1215-17.


trouble concluding that the plaintiff was entitled to a preliminary injunction against the continued use of its marks.409

An existing and ongoing relationship did not prevent a lawsuit between a credit reporting agency and one of its customers over the use of the agency’s name and marks.410 Although holding that the defendants were entitled to make certain limited uses of the plaintiff’s marks when promoting the resale of consumer credit information received from the plaintiff, the court drew the line at the prominent display of the plaintiff’s logo on the defendants’ website. Likewise, the defendants’ use of a domain name clearly based on the plaintiff’s primary mark also fell victim to a preliminary injunction.411

Other cases presented closer issues, however. In one, the Second Circuit reviewed a preliminary injunction issued against a defendant who had registered a series of domain names clearly based on the plaintiff’s federally registered THE CHILDREN’S PLACE trademark.412 Although upholding the injunction as to those domain names most closely resembling the mark, the appellate court nevertheless remanded the action for the district court to consider the effect of the mark’s descriptiveness on the ultimate scope of relief to which the plaintiff might be entitled. The court’s holding on this point was grounded in the (erroneous) theory that descriptive marks necessarily must be entitled to a lesser degree of protection than their inherently distinctive counterparts.413

In another case, the defendant “stretched” conventional Ford and Lincoln automobiles into limousines, but left the plaintiff manufacturer’s mark affixed to the vehicles.414 Although generally upholding this practice, the court nevertheless did preclude the defendant from using the word “ultra” in close conjunction with the plaintiff’s NAVIGATOR mark, which the court concluded would be likely to confuse consumers into thinking that the vehicle was sold under the ULTRA NAVIGATOR mark. As the court explained, “[t]his makes it much more likely that a consumer may view the limousine not as a base Navigator that has been stretched by a

409. See id. at 1082-83.
411. See id. at 1044-45.
413. See id. at 103, 57 U.S.P.Q.2d at 1981 (“Given the highly descriptive nature of the plaintiff’s mark, the scope of protection it receives under the trademark law is less broad than for arbitrary or fanciful marks.”).
third-party modifier [such as the defendant], but rather as an original creation of Ford.”

In a case presenting a particularly strained result, the plaintiff challenged the defendant’s use of the plaintiff’s trademarks to resell the plaintiff’s sewing machines. The court acknowledged that “[i]t is well-settled that under the ‘first sale doctrine,’ an independent dealer may use a manufacturer’s trademark to resell that brand of goods and that such conduct does not constitute trademark infringement or unfair competition.” Perhaps as a result of the defendant’s failure to oppose the plaintiff’s TRO motion, however, the court concluded that confusion was likely because “[the defendant] represents that it is knowledgeable of all of the latest developments regarding [the plaintiff] and [the plaintiff’s] sewing machines and [the plaintiff’s] manufacturing processes.” These representations, the court inexplicably held, were tantamount to assertions of affiliation that justified preliminary relief.

(4) Likelihood of Confusion to Be Determined

The inherently factual nature of the likelihood of confusion inquiry often leaves courts unable to resolve it as a matter of law. For example, the parties in one case were unable to agree on what marks were at issue. Not surprisingly, therefore, the factual records developed by each litigant failed to remove the specter of justiciable disputes of fact when both moved for summary judgment.

Factual disputes also led the Third Circuit to resurrect a defendant’s claims of reverse confusion in remanding the action to the district court for a determination of liability. In doing so, however, the court noted that “the doctrine of reverse confusion is designed to prevent the calamitous situation that we have here—a larger, more powerful company usurping the business identity of a

415. Id. at 1363.
417. Id. at 1882 (citations and footnote omitted).
418. Id. at 1882.
421. See id. at 1076.
smaller senior user.” Particularly in light of the appellate court’s additional observation that “there is ample evidence of record that [the plaintiff’s] use of [its] mark will result in reverse confusion,” it is not entirely clear what remained to be determined on remand.

Another court declined to accept the plaintiff’s invitation to hold as a matter of law that the defendant’s use of the mark AMERICAN YOUTH BASEBALL HALL OF FAME (which apparently had been abbreviated on occasion to HALL OF FAME) was likely to be confused with the plaintiff’s registered NATIONAL BASEBALL HALL OF FAME, BASEBALL HALL OF FAME, NATIONAL BASEBALL HALL OF FAME AND MUSEUM, and HALL OF FAME marks. Although the plaintiff was able to adduce “strong evidence of actual confusion,” the defendant’s assertions of good faith, dissimilarity of marks, dissimilarity of services, high quality of services, and differing customers were sufficient to create a justiciable question of fact as to liability.

In another case involving allegations of the unlawful copying of the trade dress of a medical pump, the court held on the defendant’s motion for summary judgment that “there is more than sufficient evidence for a fact finder to conclude in [the] plaintiff’s favor that there exists a substantial likelihood of confusion.” Supporting this conclusion were apparently strong similarities in the appearances of the parties’ respective designs, and at least some (although disputed) evidence of intentional copying and actual confusion. Notably, the defendant’s attempts to invoke the sophistication of the parties’ customers in support of its motion fell short, as the court credited testimony that “a typical scientist does not ‘think twice’ about making a thousand dollar purchase.”

Finally, one court taking a particularly strict view of the standard for entry of summary judgment improbably concluded that the likelihood of confusion between the parties’ directly competitive uses of the 1-800-PLUMBING and 1-888-PLUMBING marks was subject to reasonable doubt. The factors on which the evidence allegedly was in conflict were the degree of actual confusion created by the defendants’ use and the inferences to be drawn from their prior knowledge of the plaintiff’s mark.

423. Id. at 445, 55 U.S.P.Q.2d at 1108.
424. Id.
426. See id. at 1118-23.
428. Id.
430. See id. at 367-68.
because of the absence of any requirement that the plaintiff demonstrate actual confusion, the significance of the former to a decision to deny summary judgment is unclear.

(5) Unlikelihood of Confusion: Preliminary Relief

In light of the high burden faced by plaintiffs seeking preliminary injunctive relief, some cases denying the remedy reached predictable results.\(^\text{431}\) For example, one opinion declined to issue an injunction because of the defendant’s voluntary discontinuance of the display of the challenged mark, which in any case had been de minimis.\(^\text{432}\) Another court found that although the marks ICAR and ICARUMBA both were used in connection with online services in the automotive industry, differences between them precluded entry of preliminary injunctive relief.\(^\text{433}\) In still another case, having concluded that the defendant’s use of an allegedly geographically descriptive term was protected by Section 33(b)(4)’s “fair use” defense,\(^\text{434}\) the court declined to issue a temporary restraining order against the defendant’s use.\(^\text{435}\)

Other cases presented closer issues. In one, the Ford Motor Company challenged under a trademark theory the practice of unaffiliated parties “stretching” Ford vehicles to form limousines.\(^\text{436}\) Although granting preliminary relief against the defendant’s use of a modified version of one of Ford’s marks, the court nevertheless declined to enjoin the defendant from leaving certain other of Ford’s marks affixed to the vehicles after they had been stretched. The plaintiff’s case perhaps was not helped by what the court found to be inadequate factual support for early judicial intervention: As the court noted,

Plaintiff fails to offer any evidence from which to infer that purchasers are likely to associate a stretch limousine with the maker of the base vehicle. It is equally plausible, at least in the absence of evidence to the contrary, that purchasers know that no American car manufacturer makes stretch limousines


\(^{433}\) See iCARumba, Inc. v. Inter-Indus. Conf. on Auto Collision Repair, 57 U.S.P.Q.2d 1151 (W.D. Wash. 2000).


and that the converted vehicles are the work of a third party. . . .

In another close case, the Seventh Circuit vacated a preliminary injunction after concluding that confusion was not likely between use of the marks SMOKE DADDY and BONE DADDY for competing barbecue restaurants located within 1.4 miles of each other. Apparently unaware of the development of the steam engine and the horseless carriage some years earlier, the court of appeals noted that, in Chicago at least, “1.4 miles is quite a distance.” Notwithstanding the Lanham Act’s clear identification of likely, rather than actual, confusion as the proper standard for liability, as well as the fact that the defendant’s restaurant had yet to open, the court then faulted the plaintiff for having failed to offer evidence of actual confusion, a factor it considered “strongly militate[s] against imposing a preliminary injunction.” Finally, stressing the defendant’s intent to entertain its customers with X-rated videos, the court generously credited those patrons with “a reasonably high level of customer care.”

In a case involving a contract for interior design services gone bad, the defendants, disgruntled former clients of the plaintiff and her design firm, established Internet websites featuring the plaintiffs’ names and unregistered marks as metatags. Although it was undisputed that this conduct caused the defendants’ disparaging sites to turn up on searches for the plaintiffs’ sites, the court nevertheless rejected the plaintiffs’ argument that this was sufficient reason for preliminary injunctive relief. Distinguishing the Ninth Circuit’s opinion in Brookfield Communications, Inc. v. West Coast Entertainment Corp., the court held that the lack of competitive services offered by the defendants at their sites, coupled with the nature of the sites’ references to the plaintiffs, precluded any meaningful confusion.

Another opinion took an equally restrictive view of Brookfield Communications. Following a dispute in which he had been denied full coverage for a claim, the defendant sought to even the

437. Id. at 1363.
439. Id. at 1045, 57 U.S.P.Q.2d at 1310.
440. Id. at 1046, 57 U.S.P.Q.2d at 1311.
441. Id.
443. 174 F.3d 1036, 50 U.S.P.Q.2d 1545 (9th Cir. 1999), discussed in The 52nd Year, 90 TMR 6.
score with his insurance carrier by registering its service mark as a domain name and by launching a site to collect complaints about the plaintiff. In rejecting the plaintiff’s claims of initial interest confusion, the court noted that “[t]his ‘initial interest confusion’ has been described as a ‘bait’ and ‘switch’ by infringing producers to influence the ‘buying decisions of consumers in the market for the goods, effectively allowing the competitor to get its foot in the door by confusing consumers.”446 In contrast to the fact pattern in cases in which the initial interest doctrine had been applied, the defendant’s use was “solely intended to capture the attention of insurance consumers to share defendant’s commercial commentary and criticism.”447 Because no inference of an intent to benefit commercially could be inferred from the defendant’s mere registration of the domain name, the court held that the plaintiff was not entitled to preliminary injunctive relief.

In still another case denying preliminary injunctive relief, the junior user sought a declaratory judgment that its use of the LEGEND ELITE and BEN DOERR ELITE mark for fishing rods did not infringe the senior user’s federally registered ELITE mark for fishing reels.448 Chief among the considerations driving the court’s decision not to deny the senior user’s motion for a preliminary injunction were both parties’ prominent use of their own house marks and differences in the prices charged for their respective goods.449

Extensive third-party usage of the salient element of its mark proved to be the downfall of another plaintiff.450 Although the extent to which the court required the defendants to prove actual ongoing use by the third parties is not apparent from the opinion, the defendants nevertheless appeared to have assembled an impressive roster of active corporations, the names of which incorporated the term at issue. In light of the court’s finding of the weakness of the plaintiff’s mark that resulted from this showing, differences in the parties’ services, coupled with the absence of cognizable actual confusion, led to the denial of preliminary relief.451

Finally, actual confusion failed to carry the day in which the plaintiff owner of the mark CIO INSIDER for an electronic

447. Id. at 1120, 56 U.S.P.Q.2d at 1669.
449. See id. at 1751-53.
451. See id. at 410-12.
newsletter aimed at chief information officers challenged a junior user of CIO INSIGHT for print magazine for the same audience.\footnote{452} Notwithstanding evidence of trade press references apparently mistaking the parties for each other, the court was more convinced by the absence of direct competition between the parties, differences in the presentations of their respective marks, and the weakness of the plaintiff’s mark.\footnote{453} Accordingly, the court denied the plaintiff’s motion for a preliminary injunction.

\textbf{(6) Unlikelihood of Confusion: As a Matter of Law}

Although demonstrating that confusion is unlikely as a matter of law can be difficult, some evidentiary records lend themselves to the task better than others.\footnote{454} In one “easy” case, the plaintiff alleged infringement of a “mark” consisting of its famous “The Insult That Made a Man Out of Mac” comic strip, which the plaintiff used to advertise its bodybuilding course.\footnote{455} The defendant’s “use” was a brief segment buried in a comic book that described the origins of a character’s strength through a storyline that resembled that in the plaintiff’s strip. The parties’ strips differed from each other, however, in that the plaintiff’s protagonist emerged as a ladies’ man after vanquishing the local bully; the defendant’s protagonist, however, went on to strike his former girlfriend, telling her “I don’t need a tramp like you anymore!”\footnote{456} Finding the defendant’s work to be a parody of the plaintiff’s, the court entered summary judgment in the defendant’s favor on the ground that “[t]he likelihood of confusion is . . . slim, and is clearly outweighed by the public interest in parodic expression.”\footnote{457} Chief among the considerations driving this conclusion were the differing markets targeted by the parties’ respective publications, the sophistication of comic book readers, the unlikelihood of the

\begin{itemize}
\item \footnote{452}{See Int'l Data Group v. Ziff Davis Media, Inc., 145 F. Supp. 2d 422 (D. Del. 2001).}
\item \footnote{453}{See id. at 433-40.}
\item \footnote{454}{See, e.g., M2 Software, Inc. v. Viacom, Inc., 119 F. Supp. 2d 1061 (C.D. Cal. 2000) (no likelihood of confusion between identical marks used in connection with computer software and a music television channel).}
\item \footnote{455}{See Charles Atlas Ltd. v. DC Comics, Inc., 112 F. Supp. 2d 330, 56 U.S.P.Q.2d 1176 (S.D.N.Y. 2000). As the district court described the plaintiff’s comic strip: In the storyline: (1) a bully kicks sand in Mac’s face at the beach; (2) after taking the Atlas course, the skinny Mac develops a muscular physique; (3) Mac finds the bully, again on the beach, and punches him, for which he receives new found respect, particularly from his female companion; (4) in the final panel, the phrase “HERO OF THE BEACH” appears as a halo-like formation hovering over Mac’s head. Id. at 331, 56 U.S.P.Q.2d at 1177.}
\item \footnote{456}{See id. at 332, 56 U.S.P.Q.2d at 1177-78.}
\item \footnote{457}{Id. at 341, 56 U.S.P.Q.2d at 1185.}
\end{itemize}
plaintiff’s products “bridging the gap,” the relative absence of actual confusion, and the lack of bad faith on the defendant’s part. Against this backdrop, the court held that the strength of the plaintiff’s mark and the similarities between the parties’ marks were insufficient to create a justiciable issue of fact.458

In another defense opinion, the Second Circuit relied heavily on the parties’ use of house marks to dismiss claims of infringement as a matter of law.459 The plaintiff’s mark was ICE BREAKERS for chewing gum, with the defendant using DENTYNE ICE for the same product. In upholding the district court’s entry of summary judgment in the defendant’s favor, the appellate court observed that “[the defendant] identifies DENTYNE ICE as a member of the DENTYNE family of gums, a brand that [the plaintiff] concedes is widely recognized by the consuming public. [The defendant’s] prominent use of its well-known house brand therefore significantly reduces, if not altogether eliminates, the likelihood that consumers will be confused. . . .”460 Also probative in the appellate court’s analysis was the “salient differences in both [the] dimensions and overall look [of the parties’ packages] that result in distinctly different commercial impressions.”461

Finally, one court made clear that similarities between the parties’ marks will not preclude a finding that confusion is unlikely as a matter of law if all the remaining factors weigh against liability.462 The plaintiff’s mark was THERMA-SCAN, used in connection with diagnostic imaging services, while the defendant used the mark THERMOSCAN for comparatively low-priced thermometer devices marketed to both physicians and lay purchasers. Although acknowledging that “[t]here is no doubt that the marks of the two parties in this case are similar,” 463 the court noted that the plaintiff’s services were comparatively high-priced and that “[p]hysicians who are referring their patients for thermographic scanning are likely to exercise great care in choosing where or to whom they send those patients.” 464 Moreover, the practice of both parties of advertising on the Internet was insufficient to establish that their respective goods and services moved through the same marketing channels.465 Dismissing the

460. Id. at 46, 55 U.S.P.Q.2d at 1054.
461. Id. at 47, 55 U.S.P.Q.2d at 1054.
463. Id. at 799.
464. Id. at 803.
465. See id. at 802-03.
plaintiff’s evidence of misdirected e-mails as “only a handful of instances of actual confusion,” the court entered summary judgment for the defendant.\footnote{466}

Other courts also reached findings of no likelihood of confusion as a matter of law, albeit on less compelling records.\footnote{467} For example, one court concluded that no material facts weighed in favor of a likelihood of confusion between the senior users’ use of PATSY’S for an Italian restaurant and the junior user’s use of the same mark for jarred pasta sauces.\footnote{468} Chief among the factors considered by the court was the relatively stagnant nature of the senior users’ business over the years, which left those users unable to claim credibly that consumers would assume that they had expanded into the product line offered by the junior user.\footnote{469}

Another defendant successfully distinguished adverse survey evidence of actual confusion on its way to judgment as a matter of law in a trade dress infringement case.\footnote{470} The ultimate procedural disposition of the case was even more unusual in light of the court’s finding that the defendant had “clearly designed its trade dress with the [plaintiff’s] package in mind,”\footnote{471} a consideration that ordinarily might be expected to create a justiciable issue of fact. The court, however, declined to treat this emulation as evidence of bad faith,\footnote{472} and was further influenced by what it regarded as complete differences in the appearances of the parties’ respective packaging.\footnote{473}

In another case, the Third Circuit overturned a finding of likely confusion between the plaintiff’s use of the COMMERCE mark for a bank offering insurance services and the defendant’s use of the same mark by a more conventional insurance agency.\footnote{474} According to the appellate court, the district court improperly had “rested its finding [of liability] primarily on the assumption that banking and insurance are similar industries in the minds of

\footnote{466} Id. at 805-06.
\footnote{467} See, e.g., Microware Sys. Corp. v. Apple Computer, Inc., 238 F.3d 989, 57 U.S.P.Q.2d 1384 (8th Cir. 2001) (per curiam) (affirming entry of summary judgment in defendant’s favor in cursory opinion, largely on basis of absence of evidence of actual confusion and lost sales by the plaintiff).
\footnote{469} See id. at 1054-55.
\footnote{471} Id. at 254.
\footnote{472} The court rather generously treated the imitation of apparently nonfunctional packaging features as an attempt “to market a functionally equivalent alternative product.” See id. at 255 (quoting Fun-Damental Too, Ltd. v. Gemmy Indus. Corp., 111 F.3d 993, 1005, 42 U.S.P.Q.2d 1348-1357 (2d Cir. 1997)).
\footnote{473} See id. at 244-45.
consumers and that consumers would expect banks to expand into the insurance industry.”475 Because it was apparently undisputed that the plaintiff actually was selling life, credit life and credit disability insurance prior to the defendant’s entry, the Third Circuit’s holding on this point is notably academic: Customers of the plaintiff’s insurance services would hardly have been surprised to learn that the plaintiff was indeed providing those services.

Likewise, in another case in which the parties rested largely on their pleadings, the court had little difficulty determining that the defendants’ SUPERCHEAP CIGARETTES mark did not infringe the plaintiffs’ claimed CHEAPER! and CIGARETTES CHEAPER! marks.476 One factor weighing in the defendants’ favor was their sale of cigarettes over the Internet, which contrasted with the plaintiffs’ sale of the same goods through traditional retail outlets. Although the plaintiffs sought to downplay the significance of the parties’ differing channels of distribution, the court found that this divergent marketing strategy effectively precluded the “oral confusion” theory of liability advanced by the plaintiffs.477

Finally, in the most unlikely case over the past year for resolution on a defense motion for summary judgment, one opinion addressed a terminated distributor of the plaintiff that had begun to sell products directly competitive with those of the plaintiff.478 The defendant’s marketing strategy was amply demonstrated by its choice of trademarks: the plaintiff’s marks were SPEEDBALL, LOOK, BATH MATE, and TRIPLE TEAM, all used in connection with cleaning products, while the defendant’s corresponding marks were POWERBALL, LOOKING GOOD, BATH BUDDY, and TRIPLE PLAY. In case this attempt to invoke the plaintiff’s marks and products was too subtle, the defendant also imitated the plaintiff’s packaging and product codes.479

Although acknowledging that “there are obvious similarities in the look and sound of the marks,” the court concluded that the factor of mark and trade dress similarity weighed in the defendant’s favor, in substantial part because of the appearance of the defendant’s house mark on its packaging.480 Coupled with the defendant’s practice of emphasizing the difference between it and the plaintiff and the absence of actual confusion during the one-and-a-half years of direct competition between the parties, the
court held that there was no justiciable issue of fact that warranted sending the plaintiff’s claims to the jury. That the plaintiff’s marks were “strong” and that the defendant “intend[ed] to take advantage of [the plaintiff’s] goodwill, reputation, and market recognition” inexplicably counted for little in the court’s analysis.481

(7) Unlikelihood of Confusion: After Trial

Perhaps the most significant—and certainly the most dubious—finding that “forward confusion” was unlikely after a full trial on the merits was upheld by the Third Circuit in A&H Sportswear, Inc. v. Victoria’s Secret Stores, Inc.482 The designations at issue were the plaintiff’s MIRACLESUIT mark and the defendant’s THE MIRACLE BRA mark, both used for swimwear. In affirming a bench verdict of noninfringement, the appellate court dismissed or distinguished (1) the apparent similarity between the parties’ marks, (2) the competitive nature of the parties’ goods, (3) the USPTO’s rejection of the defendant’s application to register its mark, (4) evidence of the strength of the plaintiff’s mark, and (5) the existence of actual confusion. An additional key to the decision was the defendant’s promise to use both its house mark and a disclaimer483—a commitment that it promptly broke.484 The plaintiff was not left completely without remedies, however, as the Third Circuit remanded the case for rehearing of the plaintiff’s “reverse” confusion allegations.485

In another case that might (or should) have gone the other way, one court found after a bench trial that the defendants’ ECONOTEL mark for hotel services was not likely to be confused with the plaintiff’s incontestably registered ECONOLODGE mark for the same services.486 The record was replete with evidence favoring the plaintiff’s position: (1) the similarities between the marks were “readily apparent” and, “when spoken, the two sound unmistakably related”; (2) the parties’ services were directly competitive in terms of both their inherent nature and geographic proximity; (3) the parties’ targeted customers overlapped; (4) both

481. See id. at 759.
483. See id. at 216-27, 57 U.S.P.Q.2d at 1106-16.
the defendants and the plaintiff’s franchisees advertised in the same yellow pages; (5) the defendants had adopted their mark with knowledge of the plaintiff’s mark; (6) the lead defendant had offered “deliberately misleading” testimony at trial and had a past history of trademark disputes; and (7) there was testimony of at least some actual confusion. Apparently based on the tawdriness of the defendants’ operations, however, the court improbably concluded that confusion with the “much more professional” hotels of the plaintiff was unlikely.487

In another case with facts arguably favoring the plaintiff, the owner of the incontestably registered mark CHECKPOINT for security products primarily designed to deter employee pilferage challenged the defendant’s use of the mark CHECK POINT for firewall software to prevent unauthorized intrusions into local computer networks.488 Notwithstanding the virtual identity of the parties’ marks, the arguably related nature of their goods, and at least some degree of actual confusion, the court found other factors more probative. Specifically, “[t]he products of plaintiff and defendant are expensive, highly specialized in function, and subject to long sales processes, making highly unlikely the possibility that any customer would mistakenly purchase one party’s products believing the other to be the source of those products.”489

In a relatively rare trademark opinion from a state court of last resort, the Connecticut Supreme Court affirmed a bench verdict that confusion was not likely to result from the parties’ joint use of the term “Mohegan” to describe their respective Native American organizations.490 Chief among the considerations relied upon by the court was the absence of any meaningful competition between the parties, a factor that outweighed at least some degree of actual confusion.491

Although plaintiffs in trade dress cases in particular often get mileage from the post-sale confusion doctrine, one such claimant fell short after the court looked only at the likelihood of confusion at the point of sale.492 The parties’ products were pieces of outdoor “site furniture,” typically ordered by sophisticated landscape architects with relatively large budgets. Reviewing the “realities of the site furniture industry,” the court concluded that “it is unlikely

487. See id. at 1247-55.
489. Id. at 468.
491. See id. at 47, 58 U.S.P.Q.2d at 1384.
that a landscape architect choosing site furniture for a particular job is going to be confused regarding which [goods] he wants to use—he will make a selection from a well marked industry catalog or trade magazine.” In the process, the court dismissed the significance of survey evidence showing that eighty percent of respondents were confused on the ground that the survey “did not account for the reality that plaintiff’s and defendant’s products are bought using catalogs that, unlike the pictures used in the survey, clearly identify the manufacturer.”

In another case, the junior user escaped a finding of infringement at trial, but there were restrictions attached to its future conduct. The senior user was the owner of the federally registered EPIX mark, which it used in connection with products allowing computers to capture, process, and display digital images, as well as related software. In contrast, as the court noted, “[i]t is difficult to say what products and services [the junior user] offered at its web site [<epix.com>],” although the site apparently was heavily used to promote performances of the “Clinton Street Cabaret” at screenings of the Rocky Horror Picture Show at the junior user’s Clinton Street Theatre.

The linchpin of the senior user’s trademark claims was the alleged appearance on the junior user’s site of technical information related to the processing and manipulation of images and information. Although accepting the senior user’s evidence and testimony that these postings had occurred, the court nevertheless concluded that “the primary products associated with the ‘epix.com’ web site are pictures, biographies of actors, and a calendar of Clinton Street Theatre-related activities.” With the junior user’s use thus narrowed, the court had little difficulty in determining that confusion was unlikely, notwithstanding putative evidence of actual confusion in the form of logs showing that “at least fifty” Internet surfers had accessed both parties’ sites. To the extent that the junior user in the past had posted technical information, however, the court enjoined it from doing so in the future and additionally required the junior user to add a disclaimer to its website.

---

493. Id. at 368, 56 U.S.P.Q.2d at 1618.
496. Id. at 1274.
497. Id. at 1276.
498. The court dismissed this evidence on two grounds. First, it attributed some of the hits to incorrect listings of the senior user’s addresses “in published advertisements and articles about the company.” Second, it held that, as “initial interest confusion,” the hits were relevant only if the senior user could prove the junior user’s bad faith. See id. at 1279.
499. See id. at 1282.
In the most exhaustive discussion of proper survey methodology over the past year, one district court dismissed the evidentiary value of a total of five surveys conducted by the plaintiff.\(^\text{500}\) The court’s analysis employed a seven-factor test for reviewing the plaintiff’s results:

The standards are that (1) the “universe” or product market is properly defined; (2) a representative sample of that universe is selected; (3) the questions to be asked of the interviewees are framed in a clear, precise and non-leading manner; (4) sound interview procedures are followed by competent interviewers with no knowledge of the litigation or the purpose for which the survey was conducted; (5) the data gathered is accurately reported; (6) the data is analyzed in accordance with accepted statistical principles; and (7) the objectivity of the entire process is assured.\(^\text{501}\)

The plaintiff’s first four surveys, which were submitted in support of an unsuccessful motion for a preliminary injunction, fell short in light of their overinclusive universe of respondents, their failure to net out irrelevant factors through the use of appropriate controls, and their practice of preventing respondents from viewing the products simultaneously.\(^\text{502}\)

Although the court’s extensive discussion of a subsequent survey introduced by the plaintiff at the summary judgment stage does not lend itself to a concise summary, the renewed study was again found lacking in part because of an ongoing lack of adequate controls: The parties’ brand names and the blue color of their packaging were not at issue, but they were never removed from the samples shown to respondents.\(^\text{503}\) As a consequence, the court held, “[p]laintiff cannot attribute any of the confusion to any element of [its] trade dress nor can it eliminate any irrelevant factors as sources of confusion.”\(^\text{504}\) Equally to the point, notwithstanding the court’s prior express disapproval of the plaintiff’s “two-room” methodology, the plaintiff repeated its earlier error, a decision the court deemed “puzzling.”\(^\text{505}\) Finally, the court concluded that the plaintiff’s key “confusion” question was impermissibly leading.\(^\text{506}\)


\(^{501}\) Id. at 245.

\(^{502}\) See id.

\(^{503}\) See id. at 249.

\(^{504}\) Id. at 250.

\(^{505}\) See id. at 246.

\(^{506}\) See id. at 248.
In unrelated litigation, the Fifth Circuit found fault with another likelihood of confusion survey, but not enough to threaten the study’s probative value. The facts of the case were somewhat convoluted and turned in substantial part on what ultimately was found to be progressively encroaching conduct by the appellants. Although the appellants had begun this course of action with a magazine title that the court apparently considered noninfringing, the magazine ultimately was split into two editions—one similar to the original and the other with a focus closer to the appellee’s use. To demonstrate the increased risk of confusion generated by the new version, the appellee commissioned a survey using as a control the new version of the magazine that was similar to the original product. Although the appellants attacked the survey on the ground that it should have used the original magazine as a control, the court held that this criticism was not sufficiently compelling as to render the lower court’s reliance on the survey clear error.

In a case in which the plaintiff objected to the use of the plaintiff’s trademarks on the defendant’s toy car display cases, another court also found the plaintiff’s likelihood of confusion survey probative, and offered the following explanation of its methodology:

At a show featuring antique and collectible toys, dolls, and sports cars in Greensboro, North Carolina, [the plaintiff’s survey expert] surveyed one hundred and twenty-four persons who met enumerated criteria identifying them as “qualified respondents,” or persons at least sixteen years old who had experience collecting toy vehicles. Respondents were shown the [defendant’s display case] and asked to examine it for as long as they wished. Then, after the . . . display case was removed from view, trained interviewers asked the respondents a series of questions to determine whether they believed the [defendant’s] case was made by, or connected with, Mattel, Hot Wheels, or Match Box.

Ninety-four percent of all respondents believed that [the defendant’s case] was associated with Mattel, Hot Wheels, or Match Box.

As always, other surveys fared less well. In one case, the executors of the estate of the late Princess of Wales attempted to rely upon survey evidence in support of their right of publicity claims against marketers of memorabilia bearing her name and

508. See id. at 667, 55 U.S.P.Q.2d at 1231-32.
In entering summary judgment in the defendants’ favor, the court found several “significant” problems with the survey:
First, although purporting to document that 49.5 percent of respondents believed that the defendants’ products were authorized by plaintiffs or that proceeds from the products’ sale went to plaintiffs’ foundation, the survey failed to break down the percentages of respondents falling into each category. Second, the survey counted as actually confused those respondents who believed the defendants were connected to the Princess’ family even though the family was not a party to the case. Finally, the survey possibly had generated positive responses by using as controls third-party products prominently bearing notices of their licensed status. As a consequence of these flaws, the court found that the survey was insufficiently probative to create a justiciable issue of fact.511

Another court took a dim view of a consumer survey aimed at measuring actual confusion between two lines of outdoor furniture:

[T]he evidence of actual confusion plaintiff repeatedly refers to is illusory. The survey conducted by plaintiff’s expert merely proved that there were significant visual similarities between [the parties’ respective pieces]. . . . [The plaintiff’s] survey did not, however, account for the reality that plaintiff’s and defendant’s products are bought using catalogs that, unlike the pictures used in the survey, clearly identify the manufacturer.512

(9) Effects of Labeling/Disclaimers

Defendants’ reliance on disclaimers produced mixed results. One court—albeit in an opinion apparently drafted by the plaintiff and entered with the defendant’s consent—suggested that disclaimers might be particularly ineffective in precluding infringement and dilution in the Internet context.513 In contrast, the Third Circuit relied heavily on a defendant’s disclaimer in upholding a finding of no likelihood of confusion after a bench trial.514

511. See id. at 1219-20, 55 U.S.P.Q.2d at 1716-17.
c. Contributory Infringement

One opinion, although unsympathetic to the defendants’ motion to dismiss on jurisdictional grounds, nevertheless threw out the plaintiffs’ case to the extent that it sought to hold two individual defendants liable for contributory infringement. The complaint was broadly worded: As quoted by the court, it alleged with respect to each individual that “[b]y virtue of [his/her] position and, upon information and belief [his/her] shareholdings, [he/she] is one of the individuals that controls the affairs of [the corporate defendant] and is personally involved in the infringing conduct alleged herein.” In granting the individual defendants’ motion to dismiss for failure to state a claim, the court concluded that “[w]ithout allegations of acts of infringement, supervision or control over the direct infringers, or contribution to the infringement, the Court finds plaintiffs’ allegations are insufficient to plead either direct copyright or trademark infringement or either contributory infringement or vicarious liability.”

2. Dilution

a. Qualifying for Protection Against Dilution

(1) Degree of Mark Fame or Distinctiveness

Eligibility for protection against dilution is reserved for truly famous and distinctive marks that attained that status prior to the defendants’ use. Although mere allegations of fame and distinctiveness may be sufficient to defeat a motion to dismiss, plaintiffs therefore ultimately should be prepared to adduce evidence and testimony in support of any claims to protection under this theory of relief. Obviously, a mark that is famous only in a narrow geographic region is likely to have difficulty

516. Id. at 1964 (first four sets of brackets in original).
517. Id.
520. See, e.g., Trade Media Holdings Ltd. v. Huang & Assocs., 123 F. Supp. 2d 233, 243, 57 U.S.P.Q.2d 1366, 1374 (D.N.J. 2000) (declining to enter summary judgment in the plaintiff's favor on ground that "[p]laintiff has failed to present evidence that its mark is famous"); see also Interstellar Starship Servs. v. Epix, Inc., 125 F. Supp. 2d 1269, 1281 (D. Or. 2001) (holding that senior user's failure to prove sales or advertising under mark in Oregon prevented mark from qualifying for protection under Oregon state dilution statute).
qualifying for protection under the federal statute. Likewise, a
descriptive mark lacking secondary meaning also will not
qualify. By the same token, the owner of a product configuration
lacking acquired distinctiveness also need not apply for relief
under the dilution doctrine.

Whether a noninherently distinctive indicator of origin that
has acquired secondary meaning can be eligible for protection
became a subject of judicial disagreement. In one of the most
dubious opinions rendered yet under the Federal Trademark
Dilution Act (“FTDA”), the Second Circuit concluded that
descriptive marks are not so eligible for three reasons. First, the
court invoked the requirement that descriptive marks have
acquired distinctiveness to be protectible ab initio to conclude that
“[a]gainst a background of policies that strongly disfavor marks
lacking inherent distinctiveness, according them only narrow
protection, we think it highly unlikely that Congress intended to
extend to such marks the expanded rights conferred by the
Dilution Act.” Second, the court noted that:

It seems unlikely that Congress could have intended that the
holders of such non-distinctive marks would be entitled to
claim exclusivity for them throughout all areas of commerce.
Innumerable good-faith junior users of the same weak marks,
who have developed goodwill in those marks, would be denied
further use of their marks to their detriment and that of their
customers.

Finally, the court invoked the legislative history of the FTDA to
explain that:

Some confirmatory indication of our assessment of the
meaning of the statute may be drawn from the House Report.
In explaining the operation of the new statute and the need for
protection against dilution, Congress focused on three famous
marks as to which a junior use would be “actionable under this
legislation.” The three marks cited as possible beneficiaries of

521. See, e.g., GreenPoint Fin. Corp. v. Sperry & Hutchinson Co., 116 F. Supp. 2d 405,
413 (S.D.N.Y. 2000); see also M2 Software, Inc. v. Viacom, Inc., 119 F. Supp. 2d 1061, 1072
(C.D. Cal. 2000) (granting summary judgment to defendant in part because of
geographically limited scope of use of plaintiff’s mark).

1711, 1719 (C.D. Cal. 2000).


525. See TCPIP Holding Co. v. Haar Communications, Inc., 244 F.3d 88, 57 U.S.P.Q.2d
1969 (2d Cir. 2001).

526. Id. at 95, 57 U.S.P.Q.2d at 1975.

527. Id. at 96, 57 U.S.P.Q.2d at 1975.
the Act were Dupont, Buick, and Kodak—all highly
distinctive, arbitrary or fanciful marks.528

Had it merely upheld the district court’s factual finding that
the mark in question—THE CHILDREN’S PLACE for stores
selling children’s clothing and accessories—was not sufficiently
distinctive to qualify for relief, the court would have been on solid
ground. Nevertheless, each of its proffered doctrinal bases for its
broader holding was badly misplaced. To begin with, the FTDA
itself identifies the issue of whether a mark is inherently
distinctive or has acquired distinctiveness as a factor to be
weighed in determining the mark’s eligibility for protection under
the Act, a consideration that presumably would be moot under the
Second Circuit’s interpretation.529 Likewise, at least where
defederally registered marks are concerned, the good faith defense
invoked by the court was eliminated by the Lanham Act’s
constructive notice provisions over a half century ago.530

It was the Second Circuit’s reading of the legislative history
that was widest of the mark, however. As the court correctly noted,
two of the three marks identified by Congress in the FTDA’s
passage were the DUPONT and BUICK marks.531 Neither of these
marks is inherently distinctive: On the contrary, as each is merely
a surname, each is considered descriptive and protectible only
because it has acquired secondary meaning.532 Congress’ citation
of these noninherently distinctive marks in the FTDA’s legislative
history can only mean that Congress considered noninherently
distinctive marks to be eligible for the Act’s protection. That
citation does not—and cannot—stand for the contrary proposition,
and the Second Circuit’s holding therefore rests upon a profound

528. Id., 57 U.S.P.Q.2d at 1975-76 (citation omitted).
For a subsequent district court application of this holding, see Cline v. 1-888-Plumbing
530. See id. § 1057(c).
532. A Second Circuit district court recognized what its court of appeals missed: “Personal names . . . are considered descriptive and are, therefore, accorded the lowest level
1048, 1053 (S.D.N.Y. 2001). And, as the Second Circuit itself has explained in the past,
“[p]ersonal names used as trademarks are generally treated as descriptive terms, since a
name might be regarded as a convenient description of the fact that the individual was
affiliated with the firm. As with all descriptive marks, they are thus protected ‘only if,
through usage, they have acquired distinctiveness and secondary meaning.’” Pirone v.
MacMillan, Inc., 894 F.2d 579, 583, 13 U.S.P.Q.2d 1799, 1801 (2d Cir. 1989), discussed in
The 43rd Year, 80 TMR 674 (quoting Abraham Zion Corp. v. Lebow, 761 F.2d 93, 104, 226
U.S.P.Q.2d 104, 111 (2d Cir. 1985), discussed in The 38th Year, 75 TMR 712 and The 39th
Year, 76 TMR 556); see also 815 Tonawanda St. Corp. v. Fay’s Drug Co., 842 F.2d 643, 648,
6 U.S.P.Q.2d 1284, 1288 (2d Cir. 1988), discussed in The 41st Year, 78 TMR 750 (personal
names generally are regarded as descriptive marks and require secondary meaning for
protection).
misunderstanding of the nature of surname marks, as well as a misreading of congressional intent.533 Other courts were not similarly reluctant to extend protection to descriptive marks, albeit in cases in which the propriety of such an extension was questionable.534 For example, one opinion applied the federal statutory factors to conclude that the ELECTRONICS BOUTIQUE mark qualified for federal protection.535 An application of the federal statutory factors also led to a finding that the HOLLYWOOD VIDEO mark was famous and distinctive on the basis of the plaintiff’s showing of billions of dollars of sales, millions of dollars of advertising, and extensive third-party-publicity.536

Leaving aside the eligibility of descriptive marks for protection against dilution, some findings of fame and distinctiveness were clearly correct and do not merit extended commentary. For example, one court found the CARTIER mark to be “clearly famous,” although it identified little record evidence supporting this conclusion other than the mark’s longstanding use.537 Another court concluded after reviewing the factors identified by the federal statute that the BARBIE mark for plastic dolls was sufficiently distinctive to qualify for relief against a tarnishing use.538 Still another court predictably determined as a matter of law that the TYLENOL mark was both distinctive and renowned.539 And the failure of the defendant to contest the issue led one court to find

---

533. The Second Circuit’s holding is open to question for an additional reason, albeit one not grounded in the statute’s express terms or legislative history: It leads to absurd results. For example, the COCA-COLA trademark is sufficiently famous and distinctive that it regularly is rated the most valuable brand in the world. See, e.g., Interbrand/Business Week Ranking of 100 of the World’s Most Valuable Brands, Brand Strategy, Sept. 4, 2001, at 16. Yet, it is a descriptive mark, see Coca-Cola Co. v. Koke Co. of Am., 254 U.S. 143 (1920), and therefore necessarily would be entitled to less protection against dilution than other marks that, although inherently distinctive, might be so weak that they enjoy only narrow scopes of protection. See, e.g., Amstar Corp. v. Domino’s Pizza, Inc., 615 F.2d 252, 265 U.S.P.Q. 969 (5th Cir. 1980), discussed in The 33rd Year, 70 TMR 597 (holding DOMINO mark for sugar, although arbitrary, so weakened by third party use as to be ineligible for protection under Georgia dilution statute).


that the FORD and LINCOLN marks for automobiles were “undoubtedly famous marks” within the meaning of the federal statute.\textsuperscript{540}

Not all cases presented such facts clearly justifying relief under a dilution theory,\textsuperscript{541} and one suit in particular brought by a sympathetic plaintiff resulted in a questionable finding of mark distinctiveness for purposes of the federal statute.\textsuperscript{542} The mark at issue was CHILDREN OF THE WORLD, used for the provision of children’s medical services on an international basis.\textsuperscript{543} Notwithstanding the absence of a federal registration covering the mark, only regional media coverage of the plaintiff’s activities, and some evidence of third-party use of the mark in arguably related contexts, the court found that the mark qualified as distinctive under the statutory factors.\textsuperscript{544}

Other courts were less sympathetic to marginal claims of mark fame. One was the Fifth Circuit, albeit in an opinion that improbably broadened the potential scope of dilution doctrine in that jurisdiction.\textsuperscript{545} The plaintiff’s mark was the slogan WE’LL PICK YOU UP, used in connection with car rental services. Although determining that the district court properly had denied injunctive relief under the FTDA, the court nevertheless concluded that an absence of mark fame within the meaning of the federal statute was not dispositive of the plaintiff’s rights under the corresponding Texas and Louisiana statutes, which on their face protected mere mark distinctiveness.\textsuperscript{546} Of perhaps greater long-term significance, the court also followed the lead of the Seventh Circuit to hold that plaintiffs under the FTDA need not prove fame beyond their markets to qualify for relief.\textsuperscript{547}

Another opinion presenting a comprehensive, scholarly examination of the mark’s fame also concluded that the plaintiff’s mark—GIGANTE for grocery stores—did not qualify for protection

\textsuperscript{541} For a questionable finding of eligibility for protection under the New York dilution statute, see Blaich Assocs. v. Coach/Blaich Real Estate, 719 N.Y.S.2d 820, 822-23 (N.Y. Sup. Ct. 2000) (finding mark of apparent single-location business to be distinctive on basis of 40 years use).
\textsuperscript{544} See id. at 492-93, 55 U.S.P.Q.2d at 1095-96.
\textsuperscript{546} See id. at 381, 57 U.S.P.Q.2d at 1564.
\textsuperscript{547} See id. at 380, 57 U.S.P.Q.2d at 1563 (citing Syndicate Sales Inc. v. Hampshire Paper Corp., 192 F.3d 633, 52 U.S.P.Q.2d 1035 (7th Cir. 1999), discussed in The 53rd Year, 90 TMR 95, 110, 121, 123-25).
under the FTDA. In a rare example of a court taking each of the statutory factors seriously, the court concluded that the mark’s relative lack of distinctiveness and consumer awareness, an absence of longstanding use and promotion in the geographic region at issue, widespread third-party use of similar marks, and the mark’s unregistered status all weighed against the mark’s protectibility.

(2) The Timing of the Mark Fame Inquiry

To be eligible for protection under Section 43(c), a plaintiff’s mark must have been famous prior to the defendant’s use to be eligible for protection. Consistent with this prerequisite, one court denied relief under the FTDA on the ground that “to the extent that plaintiff’s mark is famous, it has become so since the time defendants entered the market.”

b. The Nature of the Dilution Inquiry

(1) Tarnishment

Cases involving allegations of tarnishment continued to apply the rule that pornographers inevitably lose. One such case was triggered by the defendant’s registration of the domain name <barbiesplaypen.com> for an adult entertainment site, an action that soon drew the wrath of Mattel. Finding liability for dilution after a bench trial, the court wryly observed:

Mattel . . . claims that linking BARBIE with pornography will adversely color the public’s impressions of BARBIE. I agree. . . . The BARBIE dolls, with their long blonde hair and anatomically improbable dimensions, are ostensibly intended to portray wholesomeness to young girls. The “models” on the “barbiesplaypen.com” site, although many have long hair and anatomically improbable dimensions, can in no way be described as engaging in “wholesome” activities. The plaintiff has made a clear showing that the defendant’s website will create negative associations with BARBIE. . . .

549. See id. at 1098-1102.
554. Id. at 1627.
In another case, which involved a challenge by the World Wrestling Federation to fundraising appeals by a media watchdog group and its officers, the court declined to grant a Rule 12(b)(6) motion to dismiss allegations that the defendants had tarnished the plaintiff’s trademarks. The plaintiff’s complaint alleged, inter alia, that the defendants had used the marks in (1) labeling the plaintiff’s conduct “criminal,” (2) held the plaintiff responsible for the deaths of four children, and (3) insinuated that the plaintiff was “evil.” As the court concluded in allowing the case to go forward, “[o]bviously, these statements portray [the plaintiff’s] products as unwholesome and shoddy.”

(2) Blurring

If tarnishment of a plaintiff’s famous and distinctive mark is unavailable as the basis of a dilution claim, dilution by blurring may be. Under this conception of dilution, “[w]hen consumers associate a famous mark that has traditionally identified the mark holder’s goods and services with a new and different source, dilution has occurred.” If, however, there is extensive third-party use of the same mark, a showing of dilution by blurring may not be possible.

The proper test for impermissible dilution under a blurring theory, particularly under the federal statute, continued to divide courts. Following the lead of the Fourth Circuit’s opinion in Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development, the Fifth Circuit held that the literal language of Section 43(c) required a showing of actual (as opposed to likely) dilution as a prerequisite for relief, albeit without extended analysis. With the plaintiff unable to make such a showing, its dilution claim was dismissed.

In stark contrast, the Seventh Circuit adopted the Second Circuit rule that a mere likelihood of dilution should suffice for

---

556. See id. at 529.
557. Id. (internal quotation marks omitted).
561. 170 F.3d 449, 50 U.S.P.Q.2d 1065 (4th Cir. 1999), discussed in The 52nd Year, 90 TMR 130.
relief under the federal statute.\textsuperscript{563} As the Seventh Circuit explained:

\begin{quote}
If the [federal statute] requires proof of actual economic harm, senior mark holders will be restrained from bringing suit prior to suffering an injury for which the Act will not compensate them in many circumstances. By the time plaintiffs were permitted to file suit, moreover, junior mark holders might have the defense that the senior mark had lost its distinctiveness due to the other numerous marks that have copied it. Senior mark holders would also be open to the argument that they had failed actively to protect their marks. Finally, if adjudication of a Trademark Dilution Act claim were not possible prior to economic injury, upstart companies would be unable to seek a declaratory judgment that their mark[s] [are] sufficiently different from . . . senior mark[s] prior to expending the funds necessary to launch their product[s]. Congress could not have intended these unjust and inefficient results.\textsuperscript{564}
\end{quote}

Having thus disposed of the linchpin of the appellants’ defense, the appellate court upheld the district court’s entry of preliminary relief based on a finding that the appellants’ HERBROZAC mark was likely to dilute the appellee’s PROZAC mark.\textsuperscript{565}

A number of district courts took off in their own directions. Notwithstanding the Second Circuit’s prior articulation of a new set of factors in Nabisco, Inc. v. PF Brands, Inc.,\textsuperscript{566} two district courts from that jurisdiction rather inexplicably reverted to the use of the so-called “Sweet factors,”\textsuperscript{567} one to reach a holding of dilution as a matter of law\textsuperscript{568} and the other to dismiss the plaintiff’s claims after trial.\textsuperscript{569} Another district court concluded that the Second Circuit’s “Nabisco factors” and “Sweet factors” were meant to supplement, rather than supplant, each other.\textsuperscript{570}

\begin{footnotesize}
\begin{enumerate}
\item \textsuperscript{563} See Eli Lilly & Co. v. Natural Answers, Inc., 233 F.3d 456, 56 U.S.P.Q.2d 1942 (7th Cir. 2000).
\item \textsuperscript{564} Id. at 467-68, 56 U.S.P.Q.2d at 1950 (citations omitted).
\item \textsuperscript{565} See id. at 468-69, 56 U.S.P.Q.2d at 1951-52.
\item \textsuperscript{566} See 191 F.3d 208, 51 U.S.P.Q.2d 1882 (2d Cir. 1999), discussed in The 53rd Year, 91 TMR 119, 121-22, 132-33, 137.
\item \textsuperscript{567} See Mead Data Cent., Inc. v. Toyota Motor Sales, Inc., 875 F.2d 1026, 1035, 10 U.S.P.Q.2d 1961, 1669 (2d Cir. 1989) (Sweet, J., concurring), discussed in The 42nd Year, 79 TMR 758.
\end{enumerate}
\end{footnotesize}
Perhaps the most interesting district court opinions addressing dilution-by-blurring claims during the past year came from a pair of Third Circuit district courts. One chose to adopt the Fourth Circuit’s Ringling-Bros. test. Although holding that the federal statute required the plaintiff to show “an actual lessening of the senior mark’s selling power,” the court nevertheless entered a preliminary injunction on the theory that the plaintiff was likely to prevail under this standard:

This Court has . . . found that the evidence is likely to establish that plaintiff’s mark is famous and . . . that the marks are confusingly similar, certainly enough so as to evoke an “instinctive mental association” between the two. The remaining question is whether plaintiff will probably succeed in proving that the similarity is the effective cause of an actual lessening of plaintiff’s [mark’s] “capacity to identify and distinguish goods or services.” If permitted to continue, it is probable that defendants’ use of the confusingly similar mark for essentially the same services . . . will cause actual lessening of plaintiff’s capacity to distinguish its own senior program from the defendants’ emerging program. Plaintiff will increasingly be called upon to explain that its program is not related to the [defendants’] program, and that task will be increasingly burdensome as defendants expand their publicity and fundraising activities.

The court did not address the apparent incongruity of allowing the plaintiff to satisfy an “actual lessening” of distinctiveness standard by a showing that such an outcome was “probable” or “likely.”

The other opinion professed to pick and choose from the Second Circuit’s Nabisco and Sweet factors for liability, but ultimately rested its entry of summary judgment in the plaintiff’s favor on a test taken from another recent district court opinion: “For blurring to occur, there must be some mental association in the reasonable consumer’s mind between the plaintiff’s and the defendant’s uses of the mark. . . . Accordingly, dilution is likely only where the junior mark is either identical or substantially similar to the senior mark.” Because the defendant’s TEMPANOL mark for a dental analgesic created an “especially strong” mental association with the plaintiff’s TYLENOL mark for


572. Id. at 492, 55 U.S.P.Q.2d at 1095.

573. Id. at 493, 55 U.S.P.Q.2d at 1096.

a general analgesic, the court had little difficulty entering summary judgment in the plaintiff’s favor.575

(3) Internet Dilution Issues

With the development of case law applying the Anticybersquatting Consumer Protection Act (“ACPA”),576 the number of invocations of the FTDA in the Internet context has sharply declined in recent years. Nevertheless, one plaintiff successfully used federal dilution doctrine to challenge the use of its mark both as visible content on the defendants’ website and as a component of a domain name registered by the defendants.577 The court did, however, conclude that another domain name owned by the defendants was sufficiently distinguishable from the plaintiff’s mark that no dilution would result from that domain name’s continued use.578

Another court put the screws to a plaintiff seeking to invoke the FTDA in the context of an in rem challenge to two domain names.579 Rejecting the proposition that dilution necessarily results when a consumer seeking one website actually accesses another, the court added that “even if it were proven true on occasion, which plaintiff has not done, that would not establish actionable dilution under the Lanham Act [if the evidence merely shows that] two legitimate businesses use similar names in dissimilar ventures.”580

Finally, one court also granted relief under the FTDA after finding that the defendant had registered multiple domain names based on the plaintiff’s trademarks.581 Opposing the plaintiff’s motion for summary judgment, the defendant argued that there could be no tarnishment or blurring because it was reselling the plaintiff’s own goods at its websites. The court rejected this defense on the theory that “[t]he issue is the website, not the [goods].” As it concluded, “[s]ince [the plaintiff] has no power to influence or control what appears on [the defendant’s] websites, it is effectively ‘at the mercy’ of [the defendant]. Thus, [the defendant’s] use of [the

575. See id. at 608, 56 U.S.P.Q.2d at 1762.
578. The plaintiff’s mark was TRANS UNION; the diluting and nondiluting domain names were <transunioncredit.com> and <creditbureautransunion.com>, respectively. See id. at 1046.
580. Id. at 539.
plaintiff’s] trademarks in [the defendant’s] domain names is trademark dilution.”

3. Section 43(a) Claims
   a. Passing Off and Reverse Passing Off

   In recent years, copyright owners increasingly have coupled their claims of unauthorized copying with an allegation of reverse passing off under Section 43(a). Although this theory of relief succeeds only infrequently, three district courts proved to be sympathetic to it. In the first case, the plaintiff defeated a motion to dismiss by asserting that the defendants had done more than simply copy the plaintiff’s allegedly copyrighted makeup designs for the musical “Cats.” According to the plaintiff’s complaint, the defendants had engaged in affirmative false representations of ownership of the designs in the credits for the videotape version of the play and in press releases. As the court concluded, “[t]his is enough, on a motion to dismiss, to make the greater showing necessary to assert a Lanham Act claim."

   The same result also held in the second case, a declaratory judgment action in which the counterclaim defendants sought to dismiss allegations that they had violated Section 43(a) by allegedly misappropriating the counterclaim plaintiff’s character names and likenesses and incorporating them into the counterclaim defendants’ own works. In denying the counterclaim defendants’ Rule 12(b)(6) motion, the court noted that the counterclaim plaintiff had done more than simply allege unlawful copying. Rather, because the counterclaim recited that the counterclaim defendants’ actions had led to confusion over the parties’ relationship, these aspects of the counterclaim passed muster.

582. Id. at 780.
583. Reverse passing off is “when one party obtains a second party’s goods and removes the second party’s name, and then attempts to market the product under its own name.” Hix Corp. v. Nat’l Screen Printing Equip., Inc., 108 F. Supp. 2d 1204, 1208 (D. Kan. 2000).
586. Id. at 262, 55 U.S.P.Q.2d at 1473.
588. See id. at 842-43, 57 U.S.P.Q.2d at 1396-1401.
Finally, in the third case, the plaintiff claimed that a trade association of liquor license holders had misappropriated elements of her copyrighted poster, which, among other things, advised drinkers of their rights if stopped by the authorities. 589 In denying the defendants’ motion for summary judgment, the court cited evidence allegedly demonstrating that the defendants had substituted their own logo and copyright notice for those of the plaintiff. This showing precluded a finding that the Lanham Act cause of action was merely a “repackaged copyright cause of action.” 590

One plaintiff was successful outside of the copyright infringement context in advancing claims of reverse passing off. 591 The subject of the litigation was the alleged appearance of photographs of the plaintiff’s products in the defendant’s catalogs and other promotional materials. Although there was a dispute between the parties as to whether the goods in question actually had been manufactured by the plaintiff, as opposed to a third party, the court held that the plaintiff need only demonstrate that the goods had not been manufactured by the defendant. The court also rejected the defendant’s argument that the plaintiff was obligated to adduce evidence of actual confusion and the court granted the plaintiff’s motion for a preliminary injunction. 592

In another case, a court declined to resolve the issue of the defendant’s alleged passing off as a matter of law as it addressed collections of typeface marketed by the parties. 593 The plaintiff owned a portfolio of digitized typeface designs, the names of which it had registered with the USPTO. The defendant in turn was the publisher of a book on the subject, which was sold with a CD-ROM containing approximately 200 different fonts licensed from a third party. 594 When the defendant referred to the plaintiff’s typefaces being “also known as” those offered for sale by the defendant, the plaintiff sued under Section 43(a). Although both parties moved for summary judgment on this claim, the court denied both motions, concluding that (1) the defendant had made trademark uses of the plaintiff’s marks when referring to its own products, but that (2) the plaintiff had failed to demonstrate as a matter of law that the defendant’s actions had had an effect on interstate commerce. 595

590. Id. at 590.
592. See id. at 1930.
594. See id. at 1466-67.
595. See id. at 1468-69.
**b. False Advertising and Commercial Disparagement**

(1) Establishing Commercial Advertising and Promotion

Prior to reaching the merits of its false advertising claims, a plaintiff bears the burden of demonstrating that the defendant’s conduct qualifies as interstate “commercial advertising or promotion.” In perhaps the most significant case turning on this issue over the past year, World Wrestling Federation Entertainment, Inc. v. Bozell, the plaintiff invoked the Lanham Act to challenge the defendants’ alleged misrepresentations that violence depicted on the plaintiff’s television programming had led to the deaths of four children and that “nearly 40” sponsors of the program had withdrawn their support. Particularly as the defendants’ alleged statements had occurred in the context of fundraising for their media watchdog organization, and because they allegedly had had an adverse impact on the plaintiff’s advertising revenues, the court concluded that a reasonable fact-finder could conclude that the statements had been “commercial advertising or promotion.”

In another notable case, the defendants in Procter & Gamble v. Haugen argued that their dissemination of allegations that the plaintiff was affiliated with Satanism did not constitute commercial advertising because the allegations did not bear upon the nature or qualities of the plaintiff’s products. Although this argument was successful before the district court, the Tenth Circuit vacated entry of summary judgment in the defendants’ favor, relying on Section 43(a)’s prohibitions on misrepresentations concerning “commercial activities.” As the appellate court explained:

Given the common association of Satan and immorality, a direct affiliation with the church of Satan could certainly undermine a corporation’s reputation and goodwill by suggesting the corporation conducts its commercial activities in an unethical or immoral manner. There can be little doubt that products are often marketed and purchased not only on the basis of their inherent utility, but also for the images they project and the values they promote.... In light of the

---

598. See id. at 522.
599. See id. at 528.
600. 222 F.3d 1262, 56 U.S.P.Q.2d 1098 (10th Cir. 2000).
foregoing reality of the marketplace, corporations cultivate their images and values through a wide array of activities, including celebrity endorsements, sponsorships, and charitable giving. Allegations that [the plaintiff] tithes the church of Satan concern just such commercial activities.\textsuperscript{601}

The court went on to note that the “the bare fact that the subject message contains a 'theological' component is insufficient to transform it into noncommercial speech.”\textsuperscript{602} Particularly because the defendants had intended to promote the sale of their goods at the expense of the plaintiff’s sales, the court had little difficulty determining that their message fell squarely into the category of commercial speech.\textsuperscript{603}

A different result held in a separate, but virtually identical, action filed by Procter & Gamble against many of the same defendants.\textsuperscript{604} This time, the opinion was rendered by the Fifth Circuit, which, in contrast to the Tenth Circuit, turned to the Supreme Court’s opinion in Bolger v. Youngs Drug Products Corp.\textsuperscript{605} for guidance. Bolger, the Fifth Circuit noted, “recognized three factors that help determine whether speech is commercial: (i) whether the communication is an advertisement; (ii) whether the communication refers to a specific product or service, and (iii) whether the speaker has an economic motivation for the speech.”\textsuperscript{606}

The court concluded that the inclusion of the Satanism rumors in Amway’s promotional fliers clearly constituted commercial speech under an application of this test; the absence of a factual finding on the third factor by the district court, however, precluded resolution of the issue of whether the repetition of the rumors among Amway distributors could be similarly classified. As the court explained in remanding the action:

[I]f the trier of fact finds that the motivation behind the Amway distributor’s repetition of the rumor to other distributors was not economic, the speech is not commercial, and there can be no Lanham Act claim. On the other hand, if an economic motivation is found, the speech is commercial, and a violation of the Lanham Act may be found.\textsuperscript{607}

Another defendant was more successful in establishing the noncommercial nature of its operations in a case involving a 270
page guide to typefaces. Although the defendant allegedly had made two inaccurate assertions concerning the plaintiff’s typeface, the court held that the relatively insignificant nature of these references precluded the whole work from being considered commercial in nature:

[A]n examination of the Guide reveals that it is non-commercial in nature. It is over 270 pages in length and it contains extensive discussions on a wide variety of topics related to typefaces. Much of the discussion is technical in nature. Furthermore, even if the court assumes that the allegedly false statements qualify as commercial speech, they do not change the non-commercial nature of the Guide. The two statements are buried within the text of the Guide, and the court does not believe that two lines of commercial text in a 270-page book can support a conclusion that the Guide is commercial in nature.

As a consequence, the court entered summary judgment in the defendant’s favor on the plaintiff’s false advertising claims.

(2) The Proper Test for Liability

As in past years, some courts adopted catchall tests for allegedly true but misleading advertising, of which the following statement is characteristic:

To prevail on [their] false advertising claim under Section 43(a), plaintiffs must demonstrate that: (1) defendants made a false statement of fact in a commercial advertisement; (2) the statement actually deceived or has the tendency to deceive a substantial segment of the audience; (3) the deception was material, in that it was likely to influence the purchasing decision; (4) the defendants caused their false statement to enter interstate commerce; and (5) plaintiffs have been or are likely to be injured as a result of the false statement by a lessening of the goodwill associated with their product.

Demonstrating the materiality of a challenged statement may be difficult if the statement is either ambiguous or literally true:

[I]f the statements at issue are either ambiguous or true but misleading . . ., the plaintiff must present evidence of actual deception. The plaintiff may not rely on the judge or the jury

609. Id. at 1471.
to determine, based solely upon his or her own intuitive reaction, whether the advertisement is deceptive. Instead, proof of actual deception requires proof that consumers were actually deceived by the defendant’s ambiguous or true-but-misleading statements.\(^{611}\)

Significantly, however, the analysis changes if allegations of literal falsity are involved: “With respect to materiality, when the statements of fact at issue are shown to be literally false, the plaintiff need not introduce evidence on the issue of the impact the statements had on consumers. In such a circumstance, the court will assume that the statements actually misled consumers.”\(^{612}\) Consequently, “[i]f a plaintiff proves that the challenged claims are literally false, the court need not consider whether the buying public was misled before granting relief.”\(^{613}\)

\(\text{(a) Mere “Puffery”}\)

Whether it is allegedly literally false or literally true but misleading, a statement by a defendant will not trigger liability if it is mere “puffery.”\(^{614}\) In one of the more notable false advertising holdings of the year, the Fifth Circuit concluded that an advertising slogan that was “mere puffery” in one context could become actionable in another. The case, Pizza Hut, Inc. v. Papa John’s International, Inc.\(^{615}\) presented a challenge to the defendant’s use of the slogan “Better Ingredients. Better Pizza.” A jury responded favorably to the plaintiff’s allegations that the slogan was literally false and misleading, following which the trial court declined to grant the defendant’s judgment notwithstanding the verdict motion.\(^{616}\)

On the defendant’s appeal, the Fifth Circuit reversed. The court began its analysis by observing that:

\(611\) Pizza Hut, Inc. v. Papa John’s Int’l, Inc., 227 F.3d 489, 497, 56 U.S.P.Q.2d 1246, 1252-53 (5th Cir. 2000) (internal quotation marks and citations omitted), cert. denied, 121 S. Ct. 1355 (2001); see also Novartis, 129 F. Supp. 2d at 358, 57 U.S.P.Q.2d at 1526 (“If . . . the challenged advertisements are not literally false, the plaintiff must prove by a preponderance of the evidence, that the claim is deceptive or misleading, which typically is proven through a consumer survey.”).

\(612\) Pizza Hut, 227 F.3d at 497, 56 U.S.P.Q.2d at 1252 (citations omitted); see also Clorox Co. v. Proctor [sic] & Gamble, 228 F.3d 24, 32, 56 U.S.P.Q.2d 1385, 1391 (1st Cir. 2000).


\(616\) See id. at 491-94, 56 U.S.P.Q.2d at 1248-50.
Drawing guidance from the writings of our sister circuits and the leading commentators, we think that non-actionable “puffery” comes in at least two possible forms: (1) an exaggerated, blustering, and boasting statement upon which no reasonable buyer would be justified in relying; or (2) a general claim of superiority over comparable products that is so vague that it can be understood as nothing more than a mere expression of opinion.617

Applying this test to the defendant’s slogan when standing alone, the appellate court then concluded:

Bisecting the slogan “Better Ingredients. Better Pizza.,” it is clear that the assertion by [the defendant] that it makes a “Better Pizza.” is a general statement of opinion regarding the superiority of its product over all others. This simple statement, “Better Pizza.,” epitomizes the exaggerated advertising, blustering, and boasting by a manufacturer upon which no consumer would reasonably rely. . . .

Moving next to consider separately the phrase “Better Ingredients.,” the same conclusion holds true. Like “Better Pizza.,” it is typical puffery. The word “better,” when used in this context is unquantifiable. What makes one food ingredient “better” than another comparable ingredient, without further description, is wholly a matter of individual taste or preference not subject to scientific quantification. Indeed, it is difficult to think of any product, or any component of any product, to which the term “better,” without more, is quantifiable.618

Significantly, however, the court held that the defendant’s slogan was immune from challenge only so long as it was used as a stand-alone device. Once the defendant began coupling the slogan with a list of the referenced ingredients and with references to the plaintiff, the words became impermissibly misleading because they suggested that the defendant’s ingredients were superior to those of the plaintiff, a suggestion subject to empirical verification.619 Ultimately, however, the plaintiff’s claims failed in light of its inability to establish that this alleged inaccuracy was material to consumers.620

Another appellate case rejected the defendant’s claims that its “whiter is not possible” slogan constituted nonactionable puffery as a matter of law when used in connection with a detergent

617. Id. at 496-97, 56 U.S.P.Q.2d at 1252.
618. Id. at 498, 56 U.S.P.Q.2d at 1254 (citations omitted).
620. See id. at 501-03, 56 U.S.P.Q.2d at 1257-58.
product. As the court explained, “[w]hether the ... campaign conveys the message that [the defendant’s detergent] gets clothes whiter than chlorine bleach, or compares [the defendant’s detergent] with other detergents without implying that it whitens better than chlorine bleach, the claim is specific and measurable, not the kind of vague or subjective statement that characterizes puffery.”

Although in the unusual procedural context of a Rule 12 motion to dismiss, another court also addressed claims of mere puffery by a defendant. Attempting to convince a potential licensor to end the licensor’s existing deal with the plaintiff, the defendant predicted that the plaintiff’s acquisition of the license for another branded line would lead to a 30 percent decline in revenues for the first licensor. Rejecting the plaintiff’s claims that this representation constituted a literal falsity, the court concluded instead that “[i]t is a prediction about a possible business trend. At most, it is mere puffery.”

(b) Literally False Claims

Claims of literally false advertising obviously will fall short if the advertising in question is literally true. During the past year, however, claims of truth in advertising by several defendants fell short of this mark. For example, as noted above, the First Circuit addressed a challenge to the slogan “whiter is not possible,” which had been used with a detergent product; even more shocking, the defendant had described its product as having “blanqueador,” which the plaintiff alleged was a literally false representation of the presence of bleach. Reversing the district court’s sua sponte dismissal of the plaintiff’s claims, the appellate court concluded that each aspect of the defendant’s advertising could support a finding of literal falsity at trial.

622. Id. at 38, 56 U.S.P.Q.2d at 1395.
624. Id. at 1721.
626. See, e.g., Dentsply Int’l, Inc. v. Great White, Inc., 132 F. Supp. 2d 310 (M.D. Pa. 2000) (finding defendant’s claims that its dental syringe was compatible with other equipment to be literally false).
628. See id. at 35, 56 U.S.P.Q.2d at 1392-93.
One case demonstrated the dangers of absolute, but unsubstantiated, claims of product superiority. Hearing an appeal from a jury verdict of liability, the Eighth Circuit reviewed a defendant’s advertising that not only expressly asserted that the defendant’s products were the strongest in the country, but also that they could be commingled safely with those of the plaintiff. As it turned out, the defendant’s products were demonstrably inferior, and the product testing it had conducted to substantiate its claims was deficient, leading the appellate court to affirm.

Another defendant’s substantiation also fell short, albeit for different reasons. Although the defendant had armed itself with scientific documentation of the alleged superiority of its antacid product, the court noted that in an earlier case against a third party, the defendant successfully had alleged that the very same scientific methodology was “not a sufficiently reliable predictor of antacids’ comparative efficacy” and that the key indicator upon which it was relying in the case before the court did not “translate into a superior ability . . . to neutralize acid in either the stomach or the esophagus.” The defendant’s attempts to justify the slogan that its product was effective against the “toughest nighttime heartburn” also failed, as the court concluded that the slogan “falsely represents that it possesses a quality that is particularly efficacious for those suffering from heartburn at night.”

One case demonstrated that even nonverbal elements of an advertisement could be considered literally false. In attempting to demonstrate the allegedly superior qualities of its resealable storage bags, the defendant presented side-by-side depictions of the parties’ bags filled with water and goldfish. The plaintiff’s bag was presented as leaking at a far greater rate than that of the defendant, to the considerable distress of the captive fish. Concluding that there was ample evidence supporting the district court’s finding that the ads inaccurately portrayed the leakage rate of the plaintiff’s bags, the Second Circuit upheld entry of injunctive relief on the theory that the ads “depict[] a literal falsity that requires no proof by extrinsic evidence: that [the plaintiff’s bags] always leak when filled with water and held upside down.”

630. See id. at 740, 55 U.S.P.Q.2d at 1416.
632. Id. at 360, 57 U.S.P.Q.2d at 1528.
633. Id. at 364, 57 U.S.P.Q.2d at 1531.
635. Id. at 240, 57 U.S.P.Q.2d at 1918.
Finally, one panel of the Ohio Court of Appeals held that the evolution of a business over time might be the basis for a claim under Section 43(a) of literal falsity. The defendant was a retailer of pool tables and related equipment, which represented to customers that it had been family-owned since 1949. In fact, however, the defendant only recently had entered the billiards business; what’s more, it had been owned by two different families during the time period in question. In vacating entry of summary judgment in the defendant’s favor, the appellate court held that the accuracy of this representation was an issue for the jury. Less subject to doubt was the defendant’s claim that it was “Ohio’s largest” distributor of Brunswick products, a representation that appeared from the record to be clearly false and that also warranted a remand.

Notwithstanding the outcomes in these cases, however, another opinion drove home the point that the plaintiff bears the burden of proving falsity. The case was brought by the owners of a collection of paintings allegedly rendered by a deceased Russian artist against several defendants—including the artist’s son—who had questioned the paintings’ authenticity. The court was openly sympathetic to the plaintiff, concluding that the artist’s son had lied under oath when he testified that he had not provided certificates of authenticity for some of the paintings in the past. This lack of credibility, however, ironically weighed against the plaintiffs, as the court concluded that it could not credit the son’s certificates on the dispositive issue of authenticity. Ultimately, the court concluded that “the evidence of the authenticity of the [plaintiffs’] collection is in equipoise” and that as a result, “plaintiffs have been unable to satisfy their burden of proving by a preponderance of the evidence the falsity of defendants’ statements. . . .”

Another court also held that the plaintiff had failed to demonstrate literal falsity. The parties, competing manufacturers of toilet paper, were engaged in a battle over the accuracy of the defendant’s assertions that its rolls featured particular sheet counts. Neither side relied entirely on manual counts, but instead introduced expert testimony aimed at either establishing or dispelling a relationship between sheet count and

637. See id. at 523-24.
638. See id. at 523.
640. Id. at 503, 504.
642. As the court described the plaintiff’s claims, “sheet count is arguably the single most important characteristic to purchasers of commercial toilet tissue.” Id. at 365.
such factors as roll weight and diameter. Faced with the conflicting expert assessments, the court concluded that a disputed issue of fact precluded entry of the preliminary injunction sought by the plaintiff.643

(c) Accurate and Ambiguous, but Misleading, Claims

“If . . . the challenged advertisements are not literally false, the plaintiff must prove by a preponderance of the evidence, that the claim is deceptive or misleading, which is typically proven through a consumer survey. The plaintiff must show how consumers actually react, rather than how consumers could react.”644 Although the probative value of a survey designed to measure the tendency of a particular advertisement to mislead consumers is not properly determined on a Rule 12(b)(6) motion to dismiss,645 survey validity often is litigated on the merits.

One court addressing the issue found probative a mall intercept survey that tested consumers’ reactions to packaging for an antacid product that allegedly suggested that the products’ efficacy could last all night.646 The court began its analysis with the following observations:

A well-designed consumer survey first asks “communication” questions to see what messages the viewer got and to “filter” or separate those viewers who received certain messages from those who did not. In the next step, the survey asks those who received a particular message, . . . “comprehension” questions” to determine what the viewers thought the messages meant. . . .647

The survey questions included inquiries such as “based just upon your review, does the labeling on this product communicate anything to you about how long this product will provide relief?” Although the defendant argued that these were leading, the court concluded that “none of the questions . . . are leading because they do not suggest an answer” and that any bias had been cured by the use of filtering questions and a control group.648 Addressing the

643. See id. at 368.
647. Id. at 364, 57 U.S.P.Q.2d at 1531 (quoting Johnson & Johnson-Merck Consumer Pharmaceuticals Co. v. Rhone-Poulec Rorer Pharmaceuticals, Inc., 19 F.3d 125, 134 (3d Cir. 1994)).
648. See id. at 365, 57 U.S.P.Q.2d at 1532.
defendant’s claims that the survey results showed that only 15.5 percent of respondents had been misled—as opposed to the 25 percent confusion rate alleged by the plaintiff—the court found that even the lower percentage warranted injunctive relief.\textsuperscript{649} Finally, the court rejected the defendant’s challenge to the fact that survey respondents had been invited to answer questions with product samples in front of them, finding instead that “leaving the products for the respondents to examine rather than taking the products away replicates market conditions.”\textsuperscript{650}

c. Celebrity False Endorsement

To receive protection under Section 43(a) against the tort of celebrity false endorsement, one obviously must be a celebrity, and this prerequisite proved fatal for a “fringe actor” who had played “supporting roles in several motion pictures . . ., as well as several unrated pornographic films.”\textsuperscript{651} One of the plaintiff’s most notable roles had been the character of “Billy the Native American Tracker” in the 1987 film “Predator.” In 1995, the owner of the rights to the film licensed a series of miniature action figures that included “Billy,” a figure 1.5 inches tall and lacking eyes and a mouth, which led the plaintiff to file suit under both Kentucky right of publicity law and Section 43(a).\textsuperscript{652} Affirming the district court’s entry of summary judgment in the defendants’ favor on both theories, the Sixth Circuit focused heavily on the plaintiff’s general lack of notoriety in the population—children—at which the figures were targeted.\textsuperscript{653}

The Ninth Circuit’s expansive view of Section 43(a) was received poorly by a district court within that jurisdiction in a case brought by the executors of the estate of the late Princess of Wales to police the sale of memorabilia bearing her name and image.\textsuperscript{654} In entering summary judgment in the defendants’ favor, the court held the trademark infringement likelihood of confusion test applicable to right of publicity actions under Section 43(a), but with an additional factor thrown in: the strength of the association of the mark with the plaintiffs. This consideration proved to be a significant obstacle to the plaintiffs’ claims in light of the “vast inventory of innumerable products” bearing the Princess’ name and image, many of which had been sold without objection during

\textsuperscript{649} See id., 57 U.S.P.Q.2d at 1533.

\textsuperscript{650} Id.


\textsuperscript{652} See id. at 622, 56 U.S.P.Q.2d at 1295.

\textsuperscript{653} See id. at 626-27, 56 U.S.P.Q.2d at 1299-1300.

her lifetime. As the court concluded, “the weak association between the [claimed] Marks and plaintiffs weighs heavily against finding a likelihood of confusion.”655 Significantly, neither direct consumer testimony nor survey evidence of actual confusion introduced by the plaintiffs was sufficient to create a justiciable issue of fact.656

Another plaintiff also fell short in an application of the Tenth Circuit test for likely confusion to a claim of false endorsement.657 The plaintiff was the owner of the rights to the name and likeness of Missy “the Missile” Giove, a professional mountain bike racer. The plaintiff had licensed the use of Ms. Giove’s cachet to the defendant mountain bike team, only to discover after the termination of the license that several photographs of, and references to, Ms. Giove had continued to appear in the defendant’s catalog.658 Undoubtedly influenced by the fact that the photographs made up only less than one half of one percent of the total surface area of the catalog, the court entered summary judgment in the defendant’s favor. Significantly, this holding occurred despite the court’s acknowledgement that the factors of the strength of the plaintiff’s mark, the relatedness of the goods and services, the similarity of the parties’ marks, the parties’ past relationship, and the existence of actual confusion favored the plaintiff’s position. As to this last factor, the plaintiff’s ability to document that “only fifty individuals have expressed confusion” was curiously insufficient to create a justiciable issue of fact.659

d. Other Section 43(a) Claims

Section 43(a) produced some novel theories of recovery over the past year, most of them unsuccessful. In one case presenting such a theory,660 the plaintiff objected to the presentation of allegedly copyrighted photographs in the defendants’ magazine with the allegation that “defendants have wrongfully infringed plaintiff’s exclusive copyrights to his distinctive photographic image . . ., through the rendering of a false designation of origin of said photographic image.”661 The court properly dismissed this cause of action on a Rule 12(b)(6) motion, noting that a Section 43(a) claim under these circumstances required more than merely an alleged violation of an author’s right to credit. On the contrary,

655. Id. at 1217, 55 U.S.P.Q.2d at 1715.
656. See id. at 1219-20, 55 U.S.P.Q.2d at 1716-17.
658. See id. at 1570-72.
659. See id. at 1578-79.
661. Id. at 232, 55 U.S.P.Q.2d at 1583.
it mandated a showing that the defendants affirmatively had represented themselves as the owners of the work in question.662

4. Cybersquatting Claims
   
   a. In Rem Actions
   
   The in rem provisions of the Anticybersquatting Consumer Protection Act (“ACPA”)663 continued to produce judicial scrutiny of the prerequisites for their invocation. Although the ACPA allows in rem challenges to domain names, a plaintiff seeking to bring such an action must first demonstrate that (1) it is unable to establish personal jurisdiction over the owner of the domain name or, alternatively, (2) it has been unable, through due diligence, to find a defendant over whom a United States court could exercise jurisdiction.664

   As might be expected, domain names belonging to non-United States residents were the subject of these provisions in several notable cases. For example, in Heathmount A.E. Corp. v. technodome.com,665 the plaintiff successfully secured the interim transfer of a domain name belonging to a Canadian national. In doing so, however, the plaintiff had to overcome the court’s reservations about the procedure:

   In some circumstances, the interplay between the in personam and the in rem subsections of Section 1125(d) will create a disincentive for plaintiffs to cull information that might establish the presence of personal jurisdiction. The origin of this disincentive is manifest. In many cybersquatting cases, the plaintiff will not desire relief in the form of damages. Quite often, the plaintiff will seek only to rend an infringing or dilutive domain name from its current owner. For such a plaintiff, the in rem proceeding is highly preferable to the in personam proceeding because the former is likely to be quicker and less costly while equally as effective in terms of fulfilling the plaintiff’s objectives.

   The preference for a quick and relatively inexpensive disposition may lead some plaintiffs to conclude too quickly that personal jurisdiction is lacking.666

   In another action, Porsche fared well in its appeal of the dismissal of its initial high-profile in rem action against a series of

662. Id. at 232-33, 55 U.S.P.Q.2d at 1583.
666. Id. at 862-63, 55 U.S.P.Q.2d at 1737.
domain names themselves. Noting the intervening passage of the ACPA, the Fourth Circuit vacated the dismissal in an unpublished opinion that directed the district court to consider the propriety of an in rem action under that statute. In the process, the appellate court rejected the appellees’ argument that no subject matter jurisdiction existed, a claim apparently grounded in the nonuse of the domain names.

Apart from issues of personal jurisdiction, the prerequisites for in rem relief occupied courts hearing the merits of actions under the ACPA. Two courts addressed the issue of whether a registrant’s bad faith was a necessary element, each answering the question affirmatively. Relying on the absence of the words “bad faith” in Section 43(d)(2)(A), the plaintiff in both cases argued that such an allegation was unnecessary. The courts disagreed, however, with one explaining that “because Congress chose to include in the in rem action the definition of potential defendants used in [the provisions governing the ACPA’s private cause of action], we must therefore conclude that Congress intended for the ‘bad faith intent to profit’ element to be part of any in rem action.” Both courts buttressed their conclusions by referring to the ACPA’s legislative history, which they found to support a narrow, not broad, interpretation of the circumstances under which an in rem action could be brought.

One plaintiff encountered an additional procedural hurdle to its overly ambitious in rem complaint filed against a series of domain names owned by an Argentine corporation. Apparently not content with the remedial provisions available in such an action, the plaintiff additionally invoked the infringement and dilution provisions of Sections 32, 43(a), and 43(c). Granting a motion to dismiss these counts filed by the owner of the challenged domain names, the court observed that “[b]ecause [the registrant] is not before this Court in personam, plaintiff cannot pursue any cause of action with the potential to impose personal liability.”

668. 55 U.S.P.Q.2d at 1160 & n.3.
672. See id. at 426-27, 56 U.S.P.Q.2d at 1053; see also BroadBridge Media, 106 F. Supp. 2d at 511, 55 U.S.P.Q.2d at 1430. For a case relying on both BroadBridge Media and Harrods for a holding to similar effect, albeit without extensive analysis, see Hartog & Co. v. Swix.com, 136 F. Supp. 2d 531, 539-40 (E.D. Va. 2001).
Assuming that they reached hearing on the merits, applications of the ACPA’s in rem procedures for the most part produced holdings in plaintiffs’ favor. One such case arose when the plaintiff inadvertently allowed a domain name corresponding to its federally registered mark to lapse, which allowed the defendant, a Canadian national not subject to the personal jurisdiction of United States courts, to register the same electronic address the next day. When negotiations between the parties failed, the plaintiff filed an in rem action under the ACPA and successfully convinced the court to issue a temporary restraining order and then a preliminary injunction requiring the relevant register to transfer the domain name back to the plaintiff. Chief among the facts leading the court to conclude that the short-lived registrant had acted with the requisite bad faith were (1) his lack of intellectual property rights to the salient element of the domain name, (2) his prior failure to make use of it as a mark, and (3) his repeated offers to sell the domain name back to the plaintiff during settlement negotiations. Taken together, the court concluded, these factors established “unquestionably the type of bad faith use Congress intended to prohibit.”

A registrant with a plausible explanation for having registered its domain name, however, stands a better chance of escaping from an in rem action with the registration intact. In one case, the registrant had begun using the mark SWIX INTERNET DIENSTE for Internet-related services in Switzerland in 1995, and had secured registration of the <swix.com> and <swix.net> domain names in 1996. Although the plaintiff successfully established its prior use of the SWIX mark for ski wax, as well as the fame of the mark, it fell short in its efforts to establish the registrant’s bad faith. Noting the registrant’s credible testimony that he registered the names under the belief that he was entitled to do so, and that he had used the names in connection with a preexisting business, the court concluded that “[h]e is a legitimate businessman and [his company] is a legitimate business. His good faith use of the <swix.com> and <swix.net> domain names in that business is equally legitimate, and does not violate the ACPA.”

b. In Personam Actions

Porsche’s success against cybersquatters was not limited to in rem actions. In Porsche Cars North America, Inc. v. Spencer, the German automaker successfully challenged a defendant’s

677. Id. at 512, 55 U.S.P.Q.2d at 1431.
679. Id. at 542.
registration and offer for sale of the <porschesource.com> domain name using the ACPA’s in personam provisions. Finding that Porsche “easily” met the threshold requirement of mark fame, the court preliminarily enjoined the use or offer for sale of the defendant’s electronic address pending disposition of the case on the merits. In the process, the court declined to accept as probative of the defendant’s good faith his claims that he had not intended to block Porsche from establishing its own site, but instead had sought to sell the domain to a third party.

The ACPA proved to be a potent weapon to another German automaker, Volkswagen, in a declaratory judgment action bearing on the registration of the <www.vw.net> domain name. Although the counterclaim defendant alleged that the domain name corresponded to its corporate name, thereby establishing an absence of bad faith, the Fourth Circuit concluded that there was ample circumstantial evidence that the counterclaim defendant’s principals recognized the likely association by the public between the domain name and Volkswagen. The counterclaim defendant’s case was not made easier by its threats during negotiations to sell the domain name to the highest bidder, a threat premised on the theory that “others would jump at the chance to own a valuable domain name like vw.net because Internet users would instinctively associate the site with Volkswagen.” In rejecting the counterclaim defendant’s claims that it qualified for the ACPA’s “safe harbor,” the Fourth Circuit noted that “[a] defendant who acts even partially in bad faith in registering a domain name is not, as a matter of law, entitled to benefit from the . . . safe harbor. . . .”

Multiple domain name registrations by defendants led to predictable findings of bad faith. In one case bearing on the defendant’s registration of numerous variations on the plaintiff’s incontestably registered VOGUE mark, the court held that the defendant’s lack of prior intellectual property rights in the mark weighed heavily towards a finding of liability. Other factors

---

681. As the court explained:

Porsche easily meets [the prerequisite of mark fame]—the mark is sufficiently distinctive, has been used for an extended period of time, has had millions of dollars of advertising spent on it, has been utilized [on] goods and [in] channels worldwide, is widely recognized throughout the world, and there appear to be no similar marks used by third parties.

55 U.S.P.Q.2d at 1029.

682. See id. at 1031-32.


684. Id. at 270, 57 U.S.P.Q.2d at 1551.

685. Id., 57 U.S.P.Q.2d at 1552.

resulting in the entry of preliminary injunctive relief under the ACPA included (1) the lead defendant’s knowledge of the plaintiff and its marks, (2) the lack of a nexus between the lead defendant’s personal name and his domain names, (3) the fame of the plaintiff’s trademarks, and (4) the commercial (and directly competitive) nature of the defendant’s sites.687

In another case involving multiple registrations, the First Circuit upheld a finding of the requisite bad faith to profit in light of evidence that the cybersquatting defendants admittedly had registered “thousands of ‘catchy’ domain names . . . appropriating, in identical or slightly modified form, the names of popular people and organizations.”688 The defendants argued that the mere registration of so many addresses did not necessarily constitute bad faith, and that their actions were both subjectively and objectively reasonable. The court of appeals disagreed, noting that the defendants’ claims of good faith rested largely on their creation of contrived “fan clubs”—conduct that the court instead considered “powerful evidence” of bad faith.689 Particularly as the defendants (1) had attempted to sell their address to the plaintiff and (2) had a “history of disregarding cease and desist letters from legitimate trademark owners,” the First Circuit properly concluded that the defendants’ “apparent modus operandi of registering domain names containing the famous trademarks of others in the hope that the famous trademark holder[s] will be willing to pay to reclaim [their] intellectual property rights” was actionable under the ACPA.690

Multiple registrations of domain names bearing suspicious resemblances to third parties’ trademarks also proved to be the downfall of the owner of the <postal-service.com> domain name in a challenge by the United States government.691 The registrant’s case was not helped by other relevant considerations, including (1) evidence that 46 percent of Internet users seeking the website of the United States Postal Service had been misdirected to the registrant’s site and (2) the absence of any postal-related services provided by the registrant prior to its registration of the address at issue.692 As the district judge explained, “[a]ll of this evidence leads me to conclude that [the government] has established that [the registrant] has engaged in a bad faith intent to profit from the use

687. See id.
689. The defendants’ lack of credibility on this point is perhaps best reflected in the fact that the “fan club” dedicated to the plaintiff’s trademark did not contain a single member. See id.
690. See id. at 65, 57 U.S.P.Q.2d at 1283-84.
692. See id. at 1087.
of a trademark confusingly similar to the [government’s] trademarks.693

One defendant choosing not to respond to charges of cybersquatting did so at his peril.694 The court previously had issued a preliminary injunction against the defendant in substantial part because of his admissions in a proceeding brought by a third party that he had registered numerous misspellings of other parties’ trademarks.695 Reviewing the statutory factors for evaluating the existence of bad faith, the court noted that the defendant had registered his domain names with the intent to profit from unwary consumers who might be “mousetrapped” by a series of advertisements if they mistyped the plaintiff’s mark, that he had provided no goods or services at his sites, and that he had no colorable intellectual property rights at issue. With the defendant failing to offer any evidence to the contrary, the court entered a permanent injunction and statutory damages.696

Not all in personam claims brought under the ACPA succeeded, however.697 For example, one case reached a potentially significant holding of first impression that addressed the Act’s applicability to metatags.698 After a falling out with the plaintiffs over the performance of an interior design contract, the defendants registered domain names corresponding to the plaintiffs’ unregistered service marks, at which the defendants established websites replete with disparaging content. Although they surrendered these initial domain names in the face of a challenge from the plaintiffs, the defendants subsequently reposted the same content at a new site that once again incorporated the plaintiffs’ marks, only this time in the form of hidden metatags. On the plaintiffs’ motion for preliminary injunctive relief, the court held this conduct immune from challenge under the ACPA in light of any indication in the statute’s express text or legislative history that it applied to anything but domain names themselves.699

Although the liability of online pornographers for cybersquatting is fairly routine, one court resisted the temptation to find a plaintiff’s mark famous and distinctive merely because the mark had been misappropriated as part of the electronic

693. Id.
697. See Cline v. 1-888-Plumbing Group, 146 F. Supp. 2d 351, 372 (S.D.N.Y. 2001) (holding that factual disputes on issue of defendants’ bad faith in registering their domain names precluded entry of summary judgment in plaintiff’s favor).
699. See id. at 316, 56 U.S.P.Q.2d at 1494-95.
address of an adult website.\textsuperscript{700} Rather, the court adopted and applied the factors set forth in Section 43(c)(1)\textsuperscript{701} to conclude that the federally registered BARBIE mark qualified for relief under the ACPA. In light of the court’s subsequent findings that the defendant’s \texttt{<barbiesplaypen.com>} domain name was confusingly similar to the plaintiff’s mark, as well as that “most” of the statutory factors for evaluating registrant bad faith favored the plaintiff’s position, the court enjoined further use of the domain name.\textsuperscript{702}

5. State and Common Law Claims

\textit{a. Preemption Issues}

Section 301 of the Copyright Act of 1976 provides for the federal preemption of “all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright,”\textsuperscript{703} and this provision often has proven a stumbling block to plaintiffs seeking to advance state court causes of action.\textsuperscript{704} One such cause of action during the past year was for the alleged misappropriation by the Chicago Sun Times of an idea for a television feature on Chicagoland denizens and events.\textsuperscript{705} Rejecting the plaintiff’s contention that a series of articles by the newspaper on the same topic was actionable under the Illinois Consumer Protection Act,\textsuperscript{706} the Illinois Court of Appeals held the plaintiff’s case preempted by federal law. As the court noted, “[e]very act of copyright infringement by its nature involves some misrepresentation as to the identity of the author.”\textsuperscript{707} Because the plaintiff had failed to allege “a qualitatively distinct element that would remove the claim from the scope of copyright,” the court upheld the dismissal of the plaintiff’s case as a matter of law.\textsuperscript{708}

Another plaintiff fell short for the same reason in a suit alleging that the defendant’s wildly successful Blue’s Clues children’s television series had been misappropriated from the

\textsuperscript{703} 17 U.S.C. § 301 (2000).
\textsuperscript{704} See, e.g., Hofheinz v. AMC Prods., 147 F. Supp. 2d 127, 135-36 (E.D.N.Y. 2001) (holding, without extended analysis, plaintiff’s New York state law claims preempted by federal Copyright Act).
\textsuperscript{706} See 815 Ill. Comp. Stat. 50 et seq. (West 1999).
\textsuperscript{707} Chicago Style Prods., 728 N.E.2d at 1208, 55 U.S.P.Q.2d at 1061.
\textsuperscript{708} Id.
plaintiff’s “Steve and Bluey” animated character team.\textsuperscript{709} Although the defendant rather suspiciously came up with its series after receiving a submission from the plaintiff, the court was not dissuaded by these facts and dismissed the plaintiff’s state law claims under Rule 12(b)(6). As the court explained, “[t]o determine whether a state claim is preempted by the [Copyright] Act, courts must make a two-part inquiry: (1) the work must be within the scope of the subject matter of copyright; and (2) the state law rights must be equivalent to any exclusive rights within the scope of federal copyright [law].”\textsuperscript{710} Although the plaintiff argued that the alleged existence of an implied contract and the breach of a confidential relationship each constituted an additional element of his case that distinguished his state law rights from those arising under the Copyright Act, the court rejected this theory in reaching a holding of preemption.\textsuperscript{711}

In yet another case finding preemption as a matter of law,\textsuperscript{712} the plaintiffs were “staff photographers” for “The Oprah Winfrey Show.” When certain of their photographs appeared in a book by the show’s star, they sued under both federal copyright and federal and state unfair competition theories, alleging among other things that the book had (1) falsely represented that the defendants owned the copyrights covering the photographs and (2) reproduced the photographs without proper attribution. The court concluded that the plaintiffs’ claims were preempted, however, observing that “[a]lthough [plaintiffs] are creative in arguing all the various harms that they have suffered as a result of [the] alleged misuse of their photographs, they allege only a garden variety copyright violation, and not an especially egregious violation at that.”\textsuperscript{713}

Finally, one opinion rejected an unjust enrichment claim under Puerto Rico law arising from the defendants’ broadcast of copyrighted comedy routines.\textsuperscript{714} As the court explained, “Plaintiffs’ claim of unjust enrichment is equivalent in substance to a copyright infringement claim, because the cause of action is based on the same conduct alleged to violate the Copyright Act.”\textsuperscript{715}

Not all preemption defenses were successful, however. For example, the Sixth Circuit held that a plaintiff who did not claim rights such as the ability to control telecasts of his prior performance in a film or to create derivative works based on that

\textsuperscript{710}. Id. at 540, 56 U.S.P.Q.2d at 1122.
\textsuperscript{711}. See id. at 541-44, 56 U.S.P.Q.2d at 1121-25.
\textsuperscript{713}. Id. at 1014, 56 U.S.P.Q.2d at 1603.
\textsuperscript{715}. Id. at 280, 58 U.S.P.Q.2d at 1149.
performance was not merely restating a claim for copyright infringement under state law.\textsuperscript{716} Rather, according to the appellate court, the plaintiff's Kentucky law right of publicity cause of action stated “a claim of invasion of personal, state law rights that are distinct from copyright protections.”\textsuperscript{717}

In another case,\textsuperscript{718} the plaintiff fared better in fending off a preemption challenge to its claim under the Louisiana Unfair Trade Practices Act.\textsuperscript{719} Although affirming the district court’s finding of no liability on the merits, the Fifth Circuit held that the plaintiff had stated a cause of action under the state statute, which required a showing of fraud, misrepresentation, or other unethical conduct. Because these prerequisites constituted “extra elements,” they removed the plaintiff’s claims from the ambit of the Copyright Act’s preemptive effect.\textsuperscript{720}

Likewise, two alleged mark owners successfully fended off motions to dismiss their New York unfair competition claims by pointing to allegations that the defendants had created confusion and deception.\textsuperscript{721} As one court concluded, the plaintiff before it had “alleged the necessary extra element to affirmatively distinguish that claim from a copyright infringement.”\textsuperscript{722}

\textbf{b. Rights of Privacy and Publicity}

Perhaps the most significant development of the past year in the right of publicity arena was the Sixth Circuit’s rejection, in an application of Kentucky law, of the Ninth Circuit’s more expansive views of the doctrine.\textsuperscript{723} The plaintiff, who had played a “supporting role” in a film, challenged the defendants’ issuance of a miniature action figure that allegedly depicted him. In affirming entry of summary judgment in the defendants’ favor, the appellate court concluded that the action figure would likely be linked with the film character, rather than the plaintiff. Rejecting the plaintiff’s reliance on White v. Samsung Electronics America, Inc.,\textsuperscript{724} the court instead found persuasive an opinion dissenting

\begin{itemize}
  \item \textsuperscript{716} See Landham v. Lewis Galoob Toys, Inc., 227 F.3d 619, 56 U.S.P.Q.2d 1294 (6th Cir. 2000).
  \item \textsuperscript{717} Id. at 623, 56 U.S.P.Q.2d at 1296-97.
  \item \textsuperscript{718} See Computer Mgmt. Assistance Co. v. Robert F. DeCastro, Inc., 220 F.3d 396, 55 U.S.P.Q.2d 1643 (5th Cir. 2000).
  \item \textsuperscript{720} See Computer Mgmt. Assistance Co., 220 F.3d at 404-05, 55 U.S.P.Q.2d at 1649-50.
  \item \textsuperscript{723} See Landham v. Lewis Galoob Toys, Inc., 227 F.3d 619, 56 U.S.P.Q.2d 1294 (6th Cir. 2000).
  \item \textsuperscript{724} 971 F.2d 1395, 23 U.S.P.Q.2d 1583 (9th Cir. 1992).
\end{itemize}
from the Ninth Circuit’s denial of a motion for rehearing en banc in the earlier case.\textsuperscript{725}

We decline [the plaintiff’s] invitation to extend White to this case. First, the holding is factually distinguishable, as White used her own name in the television role, and also produced evidence that her identity was invoked and had commercial value. More importantly, we share, as we think the Kentucky courts would, . . . [the] unwillingness [of the dissenting judges in White] to give every individual who appears before a television or movie camera, by occupation or happenstance, the right as a matter of law to compensation for every subtle nuance that may be taken by someone as invoking his identity without being first required to prove significant commercial value and identifiability. Such a holding would upset the careful balance courts have gradually constructed between the right of publicity and the First Amendment and federal intellectual property laws, underlying the right’s viability.\textsuperscript{726}

In another case, the defendant producers and distributors of merchandise bearing the name and image of the late Princess of Wales fended off an attempt by the executors of her estate to revive the executors’ right of publicity claims under California law.\textsuperscript{727} An earlier opinion in the same proceeding had dismissed these claims on the ground that the plaintiffs’ right to relief properly turned on British law.\textsuperscript{728} The intervening passage of a cryptic amendment to the California postmortem right of publicity statute,\textsuperscript{729} however, led the plaintiffs to seek reconsideration on the theory that the amendment was a choice-of-law provision expressly intended to reverse the court’s earlier holding. The court, however, rejected the plaintiffs’ argument, concluding on the basis of the statute’s plain language and legislative history that the amendment had been intended merely to clarify the reach of the statute’s coverage.\textsuperscript{730}

The past year did not, however, produce only victories by defendants and, indeed, one notable opinion by the Indiana Court of Appeals effected an unlikely extension of a right of publicity cause of action to a university.\textsuperscript{731} The court was undoubtedly


\textsuperscript{726} Landham, 227 F.3d at 626, 56 U.S.P.Q.2d at 1298.


\textsuperscript{728} See Cairns v. Franklin Mint Co., 24 F. Supp. 2d 1013, 49 U.S.P.Q.2d 1396 (C.D. Cal. 1998), aff’d, 216 F.3d 1082 (9th Cir. 1999), discussed in The 52nd Year, 90 TMR 124.


influenced by the bizarre behavior of the defendant, a terminated professor who sent out a flurry of retaliatory e-mails from a false electronic address referencing the university and several of his former colleagues. Noting that Indiana right of privacy law protected against the misappropriation of another’s name or likeness, the court concluded that

[T]his use of [the university’s] name suffices to give rise to a cause of action . . . for appropriation of a party’s name or likeness, an action which can be maintained by an entity other than an individual. A university or other corporate entity has an interest in the exclusive use of its own identity, as represented by its name or likeness, separate from any interest in protection of personal feelings.732

Members of the rap group “The Sugar Hill Gang” also prevailed in a right of publicity action under New York law. The case stemmed from the unauthorized use of a performance of their pioneering hit “Rappers Delight” to promote the Goodwill Games and one of the games’ sponsors, the producers of SNAPPLE beverages.733 In granting the plaintiffs’ motion for summary judgment, the court noted that the defendants’ insertion of a video clip of the performance into a “vignette” of images associated with the games satisfied the prerequisites for relief under N.Y. Civil Rights Law § 51, in that the use of the plaintiffs’ images (1) clearly was for commercial purposes, (2) did not qualify for Section 51’s safe harbor for reporting on “newsworthy events or matters of public interest,” and (3) was not incidental in nature.734

Likewise, pitching great Nolan Ryan also benefited from a New York court’s expansive interpretation of Section 51 in his action against a terminated licensee that had continued to sell the formerly licensed merchandise after the parties’ relationship had ended.735 The court acknowledged that “New York has not created a statutory right of publicity nor does it recognize a common law right of publicity . . . .”736 Nevertheless, “the reason New York does not recognize a separate right of publicity is not because it has deemed such interest unworthy of legal protection, but rather because the right of publicity is already subsumed in the statutory right of privacy [protected by Section 51].”737 Under this interpretation of the statute, the mere nonconsensual use of a plaintiff’s name in a commercial context can violate the plaintiff’s

732. Id. at 787, 55 U.S.P.Q.2d at 1046 (citation omitted).
734. See id. at 1504-05.
736. Id. at 391.
737. Id.
right to privacy, no matter what his or her notoriety was before the defendant’s use.\(^{738}\) The court did, however, dismiss Ryan’s claims that the defendant’s use threatened “to impair and dilute the value of plaintiff’s celebrity, persona, and image.”\(^{739}\)

Finally, the Supreme Court of California upheld a finding of liability under that state’s right of publicity doctrine against an artist who had depicted likenesses of the Three Stooges on T-shirts.\(^{740}\) The court began its analysis by rejecting the defendant’s argument that the relevant state statute\(^ {741}\) applied only to uses of dead celebrities’ names or likenesses as advertisements, endorsements, or sponsorship of products: Under the court’s reading of the statute, “it makes liable any person who, without consent, uses a deceased personality’s name, voice, photograph, etc., either (1) ‘on or in’ a product, or (2) in ‘advertising or selling’ a product.”\(^ {742}\) The court then concluded that an injunction would not violate the First Amendment in light of the apparent accuracy of the defendants’ depiction of the Stooges: “[W]hen an artist is faced with a right of publicity challenge to his or her work, he or she may raise as an affirmative defense that the work is protected by the First Amendment inasmuch as it contains significant transformative elements or that the value of the work does not derive primarily from the celebrity’s fame.”\(^ {743}\)

c. Other State and Common Law

Unfair Competition Claims

(1) California

A plaintiff challenging an Internet domain name registration advised a third party of its challenge, leading to a variety of state law counterclaims by the defendants.\(^ {744}\) The court held that the communication was absolutely privileged under California law, however, and, notwithstanding the defendants’ efforts to withdraw the counterclaims, invited the plaintiff to move for an award of attorneys fees.\(^ {745}\)

---

738. See id. at 391-92 (“[T]he right of privacy is applicable here if Ryan’s name is used without his consent.”).
739. See id. at 393.
742. Comedy III, 21 P.3d at 802, 58 U.S.P.Q.2d at 1826 (emphasis in original).
743. Id. at 810, 58 U.S.P.Q.2d at 1833.
745. See id. at 1082, 57 U.S.P.Q.2d at 1615-17.
(2) Georgia

A claim for misappropriation of ideas grounded in the alleged theft by the Coca-Cola Co. of the concept for its wildly successful anthropomorphic polar bears fell short as a matter of law in Georgia state court.\textsuperscript{746} The plaintiff alleged that it had approached the company with a proposed “Fantastic World” campaign centered around the inhabitants of an imaginary Coca-Cola vending machine. Included in the “wide variety” of characters residing in the machine were a family of white bears responsible for making the ice that kept the interior cool. When negotiations between the parties broke down and Coca-Cola subsequently introduced a series of advertisements featuring polar bears, the plaintiff filed suit.\textsuperscript{747}

Reviewing entry of summary judgment in the company’s favor, the court of appeals concluded that Georgia law required the plaintiff to demonstrate that (1) his idea was novel, (2) the disclosure of the idea had been made in confidence, (3) the idea must have been adopted and used by the defendant, and (4) the idea must be sufficiently concrete to be usable.\textsuperscript{748} Because the record reflected evidence of longstanding use of anthropomorphic bears that predated the submission of the plaintiff’s concept, the Georgia Court of Appeals agreed with the trial court that the plaintiff had failed to satisfy the first of these requirements. Particularly in light of evidence of the independent creation of the accused advertising program, the appellate court therefore upheld the dismissal of the plaintiff’s claims as a matter of law.\textsuperscript{749}

(3) Illinois

In a class action suit brought under the Illinois Consumer Fraud and Deceptive Business Practices Act,\textsuperscript{750} the plaintiff alleged that the defendants had deceived customers into purchasing expensive doses of a prescription drug when, by doubling the dosage of a weaker nonprescription version of the same drug, they could receive the same amount of medication at far less cost.\textsuperscript{751} Concluding that under federal law the different dosages of the drugs did, in fact, result in two nonequivalent drugs, the Seventh Circuit held that the defendants would be prohibited from promoting the substitution proposed by the

\textsuperscript{747} Id. at 766-68, 55 U.S.P.Q.2d at 1506-07.
\textsuperscript{748} See id. at 768, 55 U.S.P.Q.2d at 1508.
\textsuperscript{749} See id., 55 U.S.P.Q.2d at 1508-09.
\textsuperscript{750} See 815 Ill. Comp. Stat. 50 (West 1999).
\textsuperscript{751} See Bober v. Glaxo Wellcome PLC, 246 F.3d 934 (7th Cir. 2001).
plaintiff.\textsuperscript{752} Accordingly, the appellate court upheld the dismissal of the plaintiff's case for failure to state a claim.

(4) Maine

An action brought by an automobile rust proofing franchise under the Maine version of the Uniform Deceptive Trade Practices Act\textsuperscript{753} produced mixed results.\textsuperscript{754} The subject of the plaintiff’s ire was a local automobile dealership's alleged practice of advising customers that rust proofing by the plaintiff would void their warranties. On the defendant’s motion for summary judgment, the court held the representations of the defendant’s sales force, even had they occurred, would not create “confusion” with the meaning of one prong of the state statute; they might well, however, constitute actionable disparagement under another.\textsuperscript{755}

(5) Michigan

The Michigan Consumer Protection Act (“MCPA”) prohibits certain “[u]nfair, unconscionable, or deceptive methods or practices in the conduct of trade or commerce,”\textsuperscript{756} but it neither expressly identifies who has standing to prosecute an action under the statute nor defines what actions constitute “trade or commerce” within the meaning of the Act. These omissions led one defendant alleged to have disparaged a competitor to move for dismissal on the theory that the Act was available only to dissatisfied consumers in privity with defendants.\textsuperscript{757} The court rejected this argument, concluding instead that the Act’s protections were available to plaintiffs challenging their competitors’ advertising: “[I]n a case such as this . . ., where a competitor makes allegedly false statements about a competitor’s product or business practices, the ultimate resulting harm is to the consumer, who may be swayed into purchasing an inferior product or paying more for the same product.”\textsuperscript{758}

The Michigan Act also proscribes “unfair, unconscionable, or deceptive methods, acts, or practices in the conduct of trade or commerce.”\textsuperscript{759} One court concluded in the context of a trademark infringement action that “[t]he applicable standard under the

\textsuperscript{752} See id. at 941-42.
\textsuperscript{755} See id. at 33.
\textsuperscript{758} Id. at 903.
\textsuperscript{759} Mich. Comp. L. Ann. § 445.901.
MCPA and under Michigan common law is the same as the tests for federal trademark infringement and federal unfair competition. . . .”

(6) Nebraska

A trade name dispute between the University of Nebraska and a disgruntled licensee produced a relatively rare judicial order canceling a state trade name registration. In White v. University of Nebraska, the University had registered HUSKER AUTHENTICS as a trade name for its planned athletic goods store. When the University failed to submit proof of the name’s publication, the Secretary of State cancelled the registration. The licensee, apprehensive of direct competition from the University, reregistered the name itself, and then sought injunctive relief against the name’s use by the University. The licensee acknowledged, however, that it had made no actual use of the name in connection with its business.

Although the licensee claimed that its mere registration of the trade name had vested it with rights to the name, the Nebraska Supreme Court avoided this apparent question of first impression under state law. Rather, the court concluded, the University’s prior actual use of the name gave the University, and not the licensee, priority of rights. Accordingly, the licensee’s registration properly had been cancelled under a Nebraska statute providing that state statutory rights could not trump common law rights.

(7) New York

New York law continued to spawn a variety of unfair competition claims, most of which were unsuccessful. For example, in Khreativity Unlimited v. Mattel, Inc., the plaintiff alleged that it had approached the defendant toy manufacturer with a proposal for a line of dolls wearing uniforms licensed by the National Basketball Association. When the manufacturer entered into just such a licensing agreement after rejecting the plaintiff’s concept, the plaintiff sought damages under a “finder’s fee” theory and under more conventional unjust enrichment principles. The court found each claim fatally lacking: the former because the plaintiff had failed to introduce a writing memorializing its alleged

---

762. See id. at 334, 55 U.S.P.Q.2d at 1594.
763. Id. at 336-39, 55 U.S.P.Q.2d at 1597-98.
agreement with the defendant,\textsuperscript{765} and the latter because the plaintiff’s idea was insufficiently novel to merit protection.\textsuperscript{766}

Similarly, in Maurizio v. Goldsmith,\textsuperscript{767} the plaintiff complained that the defendant’s failure sufficiently to credit the plaintiff’s contributions to the novel “The First Wives’ Club” constituted an actionable violation of New York’s consumer protection laws.\textsuperscript{768} In affirming the district court’s dismissal of this claim, the Second Circuit noted that the statutes in question required showings that (1) the defendant had directed deceptive acts towards consumers, (2) the acts were misleading in a material way, and (3) the plaintiff had been injured as a result. Concluding that the defendant’s alleged conduct was nothing more than a dispute unique to two private parties, the appellate court concluded that the plaintiff had failed to satisfy these prerequisites.\textsuperscript{769}

Hearing a more conventional cause of action for deceptive trade practices, one court held that the New York version of the Uniform Deceptive Trade Practices Act required a showing of an intent to deceive.\textsuperscript{770} Because the plaintiff was unable to meet this standard, its claims under the statute were dismissed on the defendants’ motion for summary judgment.\textsuperscript{771} The plaintiff’s common law infringement claim fared no better: The plaintiff sought actual damages, but the absence of actual confusion also resulted in summary judgment in the defendants’ favor.\textsuperscript{772}

(8) Ohio

In a false advertising suit presenting, among other things, a claim under the Lanham Act and one under the Ohio Deceptive Trade Practices Act,\textsuperscript{773} the Ohio Court of Appeals affirmed the trial court’s dismissal of the latter.\textsuperscript{774} Although the plaintiff argued that the Ohio statute reached the same conduct as that proscribed under the Lanham Act, the court noted that all prior cases applying such a rule had occurred in the context of trademark infringement actions.\textsuperscript{775}

\textsuperscript{765} Id. at 182-83, 55 U.S.P.Q.2d at 1199-1200.
\textsuperscript{766} Id. at 183-87, 55 U.S.P.Q.2d at 1200-03.
\textsuperscript{767} 230 F.3d 518, 56 U.S.P.Q.2d 1545 (2d Cir. 2000).
\textsuperscript{769} See Maurizio, 230 F.3d at 521-22, 56 U.S.P.Q.2d at 1547-48.
\textsuperscript{771} See id.
\textsuperscript{772} See id. at 178.
\textsuperscript{773} See Ohio Rev. Code § 4165.02 (West 1997).
\textsuperscript{775} Id. at 407-08.
C. Counterfeiting Matters

Substantive reported opinions bearing on the offense of counterfeiting were few and far between over the past year. On the civil action front, Procter & Gamble had little trouble challenging the sale of counterfeit HEAD & SHOULDERS shampoo, which actually consisted of a diluted mixture of Procter & Gamble waste and other shampoos. The defendant’s status as a large corporation doing business on a worldwide scale created a presumption (unrebutted by the defendant) that its conduct had a substantial effect on interstate commerce.

Criminal prosecutions for counterfeiting are possible as well, of course, and three courts validated prosecutions under state anticounterfeiting statutes. In the first, the Eleventh Circuit rejected a claim brought under 41 U.S.C. § 1983 against police officers and detectives responsible for arresting the plaintiffs for selling counterfeit goods in violation of Alabama state law. Because two of these state actors had acted with the requisite probable cause, the court held that they enjoyed qualified immunity from suit. The remaining officer, who had not participated in the arrests, was granted absolute immunity as the plaintiffs’ claims against him were based on his testimony at a probable cause hearing.

In the second case, one panel of the Texas Court of Criminal Appeals addressed claims by an appellant that he had lacked the requisite intent to sell counterfeit goods. The appellate court noted that “testimonial evidence adduced at trial showed that [the appellant] was relatively sophisticated and knowledgeable in retail matters.” Particularly because “it is a relatively simple matter to confirm the legitimacy of trademarked goods,” the court therefore held that the jury’s guilty verdict was supported by the evidence at trial.

Likewise, another set of defendants failed to escape the long reach of the New Jersey anticounterfeiting statute. Admitting
knowledge of the counterfeit nature of their goods, the defendants trotted out the argument that the relevant statute protected only the initial purchaser from deception. Although they convinced the trial judge to dismiss their indictment, they fared less well on appeal. The appellate court first observed that “when . . . the statute is broadly protective to accomplish its legislative purpose, it would be wrong for the judiciary to limit the statute’s intended application by narrow construction.” Then, addressing the statute itself, the court concluded that “the “[l]egislative language is . . . broad enough to include future consumers within its protection.” Because “[t]he fact that defendants disclosed the counterfeit mark to their immediate customers is little solace to any future consumers,” the court reversed dismissal of the indictment and remanded the action for further proceedings.

Not all accused counterfeiters fell short in their defenses, however. In a federal prosecution stemming from the theft and resale of infant formula, the government successfully convicted a number of defendants who had repacked the pilfered bottles in trays of their own design that bore federally registered trademarks of the formula’s manufacturer. The defendants had not removed the formula from the cans themselves, however, and this proved to be their ticket to a reversal of their convictions. Although the government argued that “attaching [an] unauthorized mark to genuine goods . . . violates the statute,” the court did not adopt a similar view of 18 U.S.C. § 2320. Rather, it concluded, unauthorized use of a reproduction of a mark in connection with genuine goods (that is, what the mark represents the goods to be) does not violate 18 U.S.C. § 2320. As part of that determination, the court concludes that the repackaging rule [allowing for liability to attach to undisclosed repackaging], as applied to [civil] actions under the Lanham Act, is not applicable to criminal prosecutions under § 2320.

Accordingly, the court ordered the acquittal of the defendants as a matter of law.

787. See Marchiani, 765 A.2d at 766-67.
788. Id. at 767.
789. Id. at 769.
790. Id. at 770.
792. See id. at 1022 (emphasis in original deleted).
793. Id. at 1025.
794. See id. at 1030.
D. Defenses to Infringement and Dilution Claims

1. Legal Defenses

a. Jus Tertii

In one of the most glaringly deficient applications of Section 43(a) in recent years, one court resurrected the discredited jus tertii doctrine, albeit in an opinion that failed to label the defense as such.\textsuperscript{795} The plaintiff, a musical group with a “continuously” evolving membership roster, had filed suit against some of its former members. In happier times, the plaintiff, of which the defendants were then members, had investigated the possibility of securing a federal registration of its CHAMPAGNE service mark, but had abandoned this effort after learning of the existence of a prior registration of the same mark owned by Lawrence Welk’s organization.\textsuperscript{796} Although acknowledging that a registration was not a prerequisite for a cause of action under Section 43(a), the court inexplicably held that the Welk registration barred the plaintiff’s federal and state unfair competition claims:

When the parties hereto were a group, they endeavored to register the name “Champagne” and thereby obtain the exclusive right to use that name—a right they could have enforced by this court. Having been unable to secure that right (because the name was owned by another), Plaintiff here ought not be allowed to pursue what amounts to the same claim, dressed up as a claim for unfair competition. While it is true that the Lanham Act does not require that the mark sought to be protected from confusion be a registered trademark, the court will not allow a party to seek protection for a mark through a claim of unfair competition when that party is fully aware that he has no federally protectible right to the mark as a trademark.\textsuperscript{797}

This analysis is deeply flawed on multiple levels. First, because the plaintiff had not actually applied to register its mark, there was no prior determination by an independent arbiter that the plaintiff’s mark was, in fact, confusingly similar to the one underlying the Welk registration; rather, the court seems to have accepted as gospel the Welk organization’s less-than-impartial representations to the plaintiff that this was the case. Second, even if the USPTO formally had refused to register the plaintiff’s mark, that refusal would not necessarily have had a preclusive

\textsuperscript{796} See id. at 312.
\textsuperscript{797} Id. at 315.
effect on the plaintiff’s rights under Section 43(a). Finally, although an obsolete line of cases once allowed defendants to escape liability by alleging that another party had rights superior to those of the plaintiff, this “third party rights” doctrine has long since fallen into disrepute. As Professor McCarthy has explained:

As a matter of policy, jus tertii should not be allowed as a defense in any trademark case. So long as plaintiff proves rights superior to defendant, that is enough. Defendant is no less an infringer because it is brought to account by a plaintiff whose rights may or may not be superior to the whole world. The plaintiff’s speculative dispute with a third party does not concern the defendant.

b. First Amendment

In contrast to the outcomes in most unfair competition cases in which the First Amendment is raised as a defense, free speech considerations influenced several opinions. In one entering summary judgment in the defendant’s favor, the plaintiff was the successor in interest to famous muscleman Charles Atlas, which for years had advertised its wares using the classic character, Mac. Mac, as any serious reader of comic books will recall, was the ninety-seven pound weakling who, having lost the respect of his girlfriend after having sand kicked in his face by a beachfront bully, returned the favor after enjoying the benefits of Mr. Atlas’
“Dynamic Tension” program. The musculature of the defendant’s character, Flex Mentallo, featured a similar origin, also portrayed through a comic strip: After vanquishing his primary antagonist, however, Flex Mentallo moved on to abuse his former love interest, striking her and informing her that “I don’t need a tramp like you anymore!”

In dismissing the plaintiff’s infringement and dilution claims on the defendant’s motion for summary judgment, the court framed the issue as “whether defendant used the [plaintiff’s] mark [consisting of the appearance of its comic strip advertisement] for an expressive purpose, or to create an incorrect association in order to confuse the public.” The court answered this question in the negative, concluding that

[the defendant] used plaintiff’s comic ad not to advance a competing product, but rather as part of a comic book storyline, to convey an idea through a literary/artistic work. The direct copying of the art and dialogue of plaintiff’s trademark comic ad . . . was limited to the interior of [a single issue of the defendant’s comic book], where it served to anchor a parody of that comic ad. The ad’s reflection in subsequent iterations of the Flex Mentallo character served to identify and focus further commentary on the comic book industry through the vehicle of this absurdist take on the familiar character. As such, we find that defendant’s use of plaintiff’s ad to be a form of expression, protected by the First Amendment.

Another litigant convinced a Fifth Circuit panel that “even where trademark infringement has been found, First Amendment interests should influence the choice of remedy.” The facts of the case were narrow, however: The mark at issue was the title of a magazine, which the court considered more worthy of protection than the typical mark. On these facts, the court noted that “[w]here the allegedly infringing speech is at least partly literary or artistic, . . . and not solely a commercial appropriation of another’s mark, the preferred course of action is to accommodate trademark remedies with First Amendment interests.” The appellate court therefore remanded the action with a strong suggestion that an appropriate disclaimer was all the relief to which the appellee was entitled.

804. See id. at 333, 56 U.S.P.Q.2d at 1178.
805. Id. at 337, 56 U.S.P.Q.2d at 1182.
806. Id. at 338-39, 56 U.S.P.Q.2d at 1183.
808. See id. at 672-75, 55 U.S.P.Q.2d at 1235-38.
809. See id. at 675, 55 U.S.P.Q.2d at 1238.
Still another defendant successfully invoked free speech considerations in arguing that the harm he would suffer from having a website critical of the plaintiff shut down outweighed the plaintiff’s claims of irreparable harm if the website were permitted to continue operations. As the court explained, “a preliminary injunction would inflict substantial harm on the defendant since the potential curtailment of his First Amendment rights itself constitutes an irreparable injury.”

Not all First Amendment defenses succeeded, however, with the Fifth Circuit in particular rejecting the argument that free speech principles restricted liability under Section 43(a) for false commercial speech to cases in which the defendants acted with actual malice. As the court explained, the well-settled proposition that false commercial speech receives no protection under the Constitution “foreclose[s] us from importing the actual-malice standard from defamation into the law of false commercial speech.”

Similarly, a group of media watchdogs unsuccessfully invoked the First Amendment in a false advertising, commercial disparagement, and dilution suit brought by one of their targets. Because many of the defendants’ statements about the plaintiff had occurred as part of the defendants’ fundraising efforts, the court concluded that they were not pure editorial commentary on the quality of the plaintiff’s television programming: Rather, “[a] reasonable finder of fact could conclude that the statements in question constituted commercial speech.” Because the plaintiff adequately had pleaded falsity, defamatory meaning, and malice, the court declined to dismiss its claims, including those brought under the Lanham Act.

In a related context, another court rejected the defendants’ argument that the First Amendment immunized their Internet website, which directed criticism at the “original” Church of Christ, Scientist, from liability for trademark infringement. Having previously found that the defendants’ uses of the plaintiffs’ marks created a likelihood of confusion, the court held that:

---

811. Id. at 1117, 56 U.S.P.Q.2d at 1667.
813. Id. at 557, 58 U.S.P.Q.2d at 1022.
815. Id. at 525.
816. See id. at 526-28.
The Court . . . rejects the Defendants’ argument that their speech is protected under the First Amendment. Plaintiffs have not in any manner attempted to restrain Defendants’ speech on any subject, including the Plaintiffs; however, they do insist that the Defendants not use their marks. “Defendant’s use of another entity’s mark is entitled to First Amendment protection when his use of that mark is part of a communicative message, not when it is used to identify the source of a product.”

Finally, in a case brought under state right of publicity doctrine, the Supreme Court of California weighed in on the significance of the First Amendment in that context. The case involved a challenge to T-shirts bearing the likenesses of the Three Stooges, which the defendant claimed were artistic works entitled to full constitutional protection. In an extensive and scholarly treatment of the issue, the court concluded that “when an artist is faced with a right of publicity challenge to his or her work, he or she may raise as an affirmative defense that the work is protected by the First Amendment inasmuch as it contains significant transformative elements or that the value of the work does not derive primarily from the celebrity’s fame.” Applying this test to the defendants’ works, the court could discern “no significant transformative or creative contribution.” Rather, because the artist’s “undeniable skill is manifestly subordinated to the overall goal of creating literal, conventional depictions of The Three Stooges so as to exploit their fame,” the court held relief appropriate.

c. Abandonment

“To establish the defense of abandonment, it is necessary to show either the owner’s intent to abandon the mark, or a course of conduct on the part of the owner causing the mark to become generic or lose its significance as a mark.” Each prong of this analysis is a factual inquiry.

818. Id. at 971 (citation omitted) (quoting Planned Parenthood Fed’n of Am. v. Bucci, 42 U.S.P.Q.2d 1430, 1440 (S.D.N.Y. 1997), aff’d, 152 F.3d 920 (2d Cir. 1998), discussed in The 50th Year, 87 TMR 818).
820. Id. at 810, 58 U.S.P.Q.2d at 1833.
821. Id. at 811, 58 U.S.P.Q.2d at 1834.
822. Id.
Evidence of abandonment was introduced under each of these prongs during the past year, with varying degrees of success. In one case, the Second Circuit affirmed a district court’s rejection, as a matter of law, of an abandonment defense grounded in the theory that the plaintiffs had failed to police third-party uses of their claimed trade dresses. Reviewing the record, the appellate court concluded that “[f]ar from establishing that [the plaintiffs’] designs have become generic, the evidence below suggests [the plaintiffs’] designs continue to indicate their source, and that [the plaintiffs] vigorously pursued manufacturers of knockoff goods in an effort to protect [their designs].”825 Citing with apparent approval the district court’s conclusion that the best evidence of continued distinctiveness was the defendants’ copying of the plaintiffs’ designs, the appellate court agreed that a finding of abandonment would not lie.826

Another court found claims of abandonment more convincing in one context, but rejected them in another.827 The plaintiff was the putative owner of the PILATES mark, which it used as a service mark for exercise instruction and a trademark for exercise equipment. Applying the pre-1992 standard that two years of nonuse created a presumption of abandonment,828 the court noted that the plaintiff’s predecessor’s closure of its primary business triggered the beginning of this period, during which the predecessor had made only sporadic uses of its mark as a trademark. Rejecting the plaintiff’s claims that transfers of its predecessor’s equipment to other locations operating under different names constituted an expansion, rather than a cessation, of the predecessor’s business, the court held as a matter of law that the plaintiff had failed to rebut the statutory presumption of abandonment in this context.829

Nevertheless, the court declined to accept the defendants’ argument that they were entitled to summary judgment on the plaintiff’s service mark claims as well. As evidence of its continued intent to use the mark during the period in question, the plaintiff introduced evidence that its predecessor had licensed third parties to use the mark, that it had certified instructors in its method of exercise, and that it had attempted to sell the marks. Although acknowledging that “it is a close question,” the court nevertheless determined that the defendants were not entitled to judgment as a matter of law on their abandonment defense.830

826. See id. at 110, 55 U.S.P.Q.2d at 1365.
830. See id. at 309-10, 57 U.S.P.Q.2d at 1191-93.
In another case that also perhaps should have presented a “close question”—but did not in the eyes of the court—the Third Circuit upheld the overturning of a jury verdict of abandonment.\textsuperscript{831} The evidence of nonuse was far greater than that typically necessary to create a justiciable issue of fact: The mark in question had not been used in the United States by its putative owner since 1972, with the owner apparently relying solely on uses by others. The court concluded, however, that these uses were sufficiently compelling to warrant judgment as a matter of law in favor of the mark owner.\textsuperscript{832}

The Fourth Circuit was equally dismissive of a jury verdict in a case involving the AMERICAN EAGLE mark for fire engines.\textsuperscript{833} Although the plaintiff had discontinued the mark on the trucks themselves, it apparently had used the mark in connection with various promotional goods such as clothing and in the recycling and repair of trucks bearing the mark. Taking issue with a jury instruction that broadly suggested that this ongoing use could suffice to maintain rights to the mark for fire trucks, the Fourth Circuit noted that (1) “neither promotional use of the mark on goods in a different course of trade nor mere token use constitute ‘use’ under the Lanham Act” and (2) “for a mark to be ‘used’ on goods it must be ‘placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale.”\textsuperscript{834} Because these principles precluded the plaintiff from claiming ongoing actual use of its mark, the appellate court remanded for a retrial on the narrow issue of whether the plaintiff had had an intent to resume use in the reasonably foreseeable future at the time the defendant’s use had begun.\textsuperscript{835}

Finally, one case rejected as a matter of law claims of abandonment grounded in the plaintiff’s alleged permission to one defendant to sell waste materials under the mark at issue.\textsuperscript{836} Contrary to the defendants’ theory of this arrangement, the undisputed evidence showed that although the particular defendant involved indeed had received discarded materials from the plaintiff, it had contractual obligations to the plaintiff (1) not to resell the materials in connection with the plaintiff’s marks and (2)

\begin{itemize}
\item \textsuperscript{831} See Marshak v. Treadwell, 240 F.3d 184, 57 U.S.P.Q.2d 1764 (3d Cir. 2001).
\item \textsuperscript{832} See id. at 199-200, 57 U.S.P.Q.2d at 1775-76.
\item \textsuperscript{833} See Emergency One, Inc. v. American FireEagle, Ltd., 228 F.3d 531, 56 U.S.P.Q.2d 1343 (4th Cir. 2000).
\item \textsuperscript{834} Id. at 536, 56 U.S.P.Q.2d at 1346 (quoting 15 U.S.C. § 1127 (1994)).
\item \textsuperscript{835} Id. at 537-38, 56 U.S.P.Q.2d at 1347-48.
\item \textsuperscript{836} Procter & Gamble v. Quality King Dists., Inc., 123 F. Supp. 2d 108 (E.D.N.Y. 2000).
\end{itemize}
to alter them so that they would not be associated with the plaintiff’s goods.\(^{837}\) On this showing, the court concluded that the defendants as a group had failed as a matter of law to carry their “high burden of proof” on their abandonment defense.\(^{838}\)

d. Nominative and “Fair” Descriptive Use

Trademark law’s “fair use” defense may be grounded in any one of three theories. First, the common law preserves defendants’ ability to use descriptive terms in their primary descriptive sense.\(^{839}\) Second, Section 33(b)(4) of the Act recognizes as a defense to the “conclusive” evidentiary presumption attaching to an incontestable registered mark that a defendant is using the mark “fairly and in good faith only to describe the [associated] goods or services . . . or their geographic origin.”\(^{840}\) Finally, the extrastatutory “nominative use” doctrine allows for limited uses of a plaintiff’s mark when referring to the plaintiff itself.\(^{841}\)

In recent years, applications of the three concepts have become increasingly broad and interchangeable. One example of this phenomenon came in a case brought by the owner of the federally registered CENTURY THEATRES service mark, which sought a temporary restraining order against the defendant’s opening of a theater in Chicago’s Century Centre Shopping Center under the LANDMARK’S CENTURY CENTRE CINEMA mark.\(^{842}\) Although Section 33(b)(4) by its express terms protects only a challenged use that is “otherwise than as a mark,” the court nevertheless held the defendant’s clear trademark use to fall within the provision’s scope.\(^{843}\) Moreover, the court held, Section 33(b)(4) was equally applicable to the plaintiff’s dilution claims.\(^{844}\)

Two cases were equally solicitous of the defendants’ uses of the plaintiffs’ names and marks as metatags. The first involved a series of websites disparaging to the plaintiff.\(^{845}\) Noting that “[t]he requirement that a trademark be used in its descriptive sense is met where the mark is used in an index or catalog, or to describe the defendant’s connection to the business claiming trademark

\(^{837}\) See id. at 116-17.

\(^{838}\) Id. at 117.


\(^{841}\) See generally New Kids on the Block v. New Am. Publ’g, Inc., 971 F.2d 302, 23 U.S.P.Q.2d 1534 (9th Cir. 1992), discussed in The 46th Year, 83 TMR 1077.


\(^{843}\) See id. at 1206-07.

\(^{844}\) See id. at 1208.

protection," the court concluded that the defendants had done nothing more than to index the content of their sites. Particularly because a bad faith intent to confuse could not be inferred from the “mean-spirited and vindictive” nature of the content on the defendants’ sites, the court declined to issue a preliminary injunction against the defendants’ conduct.847

In the second case, the defendants purchased information from the plaintiff and then resold it in altered form on their website.848 When the plaintiff discovered its name and marks being used as metatags on the site, it sued, alleging infringement, dilution, and unfair competition. Noting that “the fair use doctrine applies when a defendant uses another’s trademark simply to describe the content of a defendant’s website,” the court concluded that “[d]efendants’ use of [the plaintiff’s] trade name falls within this line of authority.”849

Other cases were more conventional.850 For example, the Ninth Circuit resisted the temptation to apply Section 33(b)(4) in a declaratory judgment action more suited to the nominative use doctrine.851 The appellant musician was a member of “Steppenwolf” during the group’s heyday and sought to describe himself variously as a “former member of” and “previous member of” the band. Although the district court entered summary judgment in the appellees’ favor, the court of appeals reversed, holding instead that these uses were permissible as a matter of law.852

In another case, the Second Circuit vacated a district court’s holding as a matter of law that the defendants’ use of the phrase “Swing Swing Swing” in an advertisement for golf clubs constituted a protected fair use immune to challenge from the owner of the rights to the song “Sing Sing Sing (With a Swing).”853 Although acknowledging that a single “swing” standing alone might be considered a descriptive use, the court observed that “[t]he explanation that the word describing the action must be

846. Id. at 322, 56 U.S.P.Q.2d at 1499.
847. See id. at 324, 56 U.S.P.Q.2d at 1500-01.
849. Id. at 1039.
852. See id. at 493-94, 57 U.S.P.Q.2d at 1304-05.
853. See EMI Catalogue Partnership v. Hill, Holliday, Connors, Cosmopulos, Inc., 228 F.3d 56, 56 U.S.P.Q.2d 1270 (2d Cir. 2000). For purposes of their motion for summary judgment, the defendants conceded that the plaintiff had protectible trademark rights to the title of its song. See id. at 84, 56 U.S.P.Q.2d at 1276.
repeated three times to describe the three actors shown hitting golf
shots is tenuous when the ordinary term for their action involves
the single word 'swing,' 'hit,' 'stroke,' or 'shot.' The appellate
court also found that a factual issue existed as to the defendants'
alleged good faith in light of their use of stock swing music and the
availability of alternative phrases.

A similar refusal to expand the nominative use defense
occurred in a dispute between Villanova University and a formerly
authorized group of alumni. Although the alumni claimed that
they had made merely nominative uses of certain of the plaintiff's
marks, the court disagreed, noting that "[t]he doctrine only applies
where use of the mark in narrative is necessary to describe the
defendant's goods and services." As the alumni were using the
marks as marks, the court had little difficulty concluding that
their conduct was not protected.

e. Assignments in Gross

Claims that a plaintiff secured its rights to a mark through an
invalid assignment in gross rarely succeed, but this argument did
prevail in one case over the past year. The evidence suggested
that the plaintiff's predecessor had not used its registered mark for
three years at the time the plaintiff had purchased the rights to it.
Moreover, although receiving from its predecessor "a number of
boxes of books, films, business records, and other documents," the
plaintiff had disposed of eighty percent of these materials at the
time of the purchase, with the remainder meeting the same fate
shortly thereafter. Considering an admission by the plaintiff's
principal that he had intended to purchase only the mark in the
transaction, the court concluded that the defendants had
succeeded in showing an assignment in gross as a matter of law
and granted their motion for summary judgment.

f. "Naked" Licenses

A defendant seeking to demonstrate that the plaintiff has
forfeited its rights through the issuance of a naked license faces a
"stringent burden of proof." In one case presenting allegations of

854. Id. at 65, 56 U.S.P.Q.2d at 1276-77.
855. See id. at 66-67, 56 U.S.P.Q.2d at 1278.
856. See Villanova Univ. v. Villanova Alumni Educ. Found., 123 F. Supp. 2d 293, 58
857. Id. at 303, 58 U.S.P.Q.2d at 1215.
(S.D.N.Y. 2000).
859. See id. at 310-11, 57 U.S.P.Q.2d at 1194-95.
2000).
a naked license, the Tenth Circuit held that the defendants’ status as the licensees in question precluded them from alleging the defense:

“The licensee is estopped from claiming any rights against the licensor which are inconsistent with the terms of the license. This is true even after the license expires. He is estopped from contesting the validity of the mark, . . . or challenging the license agreement as void or against public policy, e.g., because it granted a naked license.”861

Another opinion reached the same holding, but with a twist.862 Although refusing to allow the licensee to claim that its own relationship with the licensor was impermissibly nude, the court nevertheless permitted a claim that the licensor had abandoned its rights through a naked license with a third party:

[L]icensee estoppel does not stop Defendant[s] . . . claim that Plaintiff . . . abandoned the trademark and trade name through naked licensing to a third party. The case for applying the licensee estoppel doctrine is “weak when the licensee asserts a lack of control by the licensor over other users.”

When a licensor fails to control the quality of goods or services sold by other licensees, a licensee loses the value of its license. In such a situation, the licensor has abandoned the trademark or trade name, rendering it useless as an indicator of origin. Yet the licensee remains subject to the terms of the license, and perhaps even continues to compensate the licensor for its rights to the trademark or trade name. This result is avoided by allowing a licensee to raise a naked licensing claim based on the licensor’s relations with third-party licensees.863

2. Equitable Defenses

a. Unclean Hands

The equitable defense of unclean hands was discussed by few courts in the past year and was addressed substantively by even fewer. In one case, a set of counterfeiters sought to escape liability by alleging that the plaintiff had allowed one of the defendants to sell “bastard products” under its mark.864 The court found that the

863. Id. at 1090, 58 U.S.P.Q.2d at 1074-75 (quoting Restatement (Third) of Unfair Competition § 30 cmt. d (1995)).
arrangement in question did not allow use of the mark by the particular defendant and in any case was unimpressed by this tactic, noting that “the doctrine of unclean hands must relate to the creation or acquisition of [rights to] the trademark itself.” Because “the defendants did not allege much less prove that [the plaintiff] engaged in inequitable conduct in the gaining of or the use of the trademark rights it seeks to enforce,” the court entered summary judgment in the plaintiff’s favor.

**b. Laches**

To assert laches successfully, “a defendant must prove that it has been prejudiced by the plaintiff’s unreasonable delay in bringing the action.” Therefore, “[l]aches consists of two essential elements: (1) inexcusable delay in filing suit, and (2) prejudice resulting to [the] defendant from such delay.”

In perhaps the most significant case of the year involving the defense, the Washington Redskins football team—some of whose registrations had been cancelled under Section 2(a) in a prior TTAB action on the ground that the underlying marks may have been disparaging to Native Americans—managed to keep its laches defense in the case in the face of a motion for judgment on the pleadings. As the court noted, the plaintiff’s complaint alleged a prejudicial and knowing thirty-year delay by the defendants in challenging the registrations of the plaintiff’s marks. Under these circumstances, the defendants could not rely upon Section 14’s authorization of petitions for cancellation “at any time” against registrations violating Section 2(a)’s prohibition of scandalous, immoral, and disparaging matter on the USPTO’s registers; rather, the court accepted the plaintiff’s argument that “section 14 simply relates to the time at which petitions may be filed and ... has no bearing on the validity of the petitioners’ claims or the availability of possible defenses.”

Laches also felled the infringement claims of the plaintiff owner of the JORDAN mark for women’s clothing. The subject of

---

865. Id. at 116.

866. Id.


872. Id. at 1145.

the plaintiff’s ire was the use by Nike of the name and image of Michael Jordan in connection with clothing. Having delayed its challenge to the defendant’s use until 1999, the plaintiff was hard-pressed to offer a credible explanation for its inaction. With respect to the plaintiff’s knowledge of the defendant’s decade-and-a-half use before suit was filed, the court noted that “[o]ne would have to have lived a hermitic existence not to be aware of [Nike’s] Jordan products during this time period.”874 With respect to the prejudice that might be worked on the defendants in the event that relief was granted, the court concluded that “[w]e easily conclude that forcing Nike to abandon its name now, after fifteen years of unchallenged promotion and expansion, would result in extreme prejudice to Defendants.”875

A far shorter period of time proved fatal to claims of infringement by the Mexican owners of the GIGANTE mark for grocery stores against users in the United States of the same mark.876 The defendants’ first use occurred in 1991, with the plaintiff becoming aware of it in 1995. Although the plaintiffs first voiced their objections in 1998, it was not until 1999 that they filed suit, and then only as a response to a demand letter from the defendants. The court adopted a hard line towards the plaintiffs’ delay, refusing to excuse even their inaction following the kidnapping of their director of operations, the individual who had first learned of the defendants’ use. Particularly as the defendants expanded their operations after the plaintiffs had failed to act upon their first threats, the court held an application of the laches doctrine to be appropriate.877

Other courts were less sympathetic to defendants’ claims of laches. For example, in a case involving the alleged copying of the purple dinosaur “Barney,” the Fourth Circuit inexplicably held the doctrine applicable only to equitable claims.878 Apparently unnoticed by the court was a multitude of authority—including its own—holding that a finding of laches may indeed bar the legal remedy of actual damages, even if it does not bar the equitable remedy of injunctive relief.879

874. Id. at 930.
875. Id. at 932.
877. See id. at 1103-06.
879. As the court previously had held:

Laches is a defense to claims for damages for trademark infringement and unfair competition. While the availability of laches as a defense to claims for injunctive relief may be limited when the defendant is guilty of bad faith infringement, laches will bar a claim for damages for bad faith infringement.
The Second Circuit also saw fit to reverse an aberrational district court opinion that had barred a challenge to the defendants’ deliberate imitation of the plaintiffs’ handbags.\textsuperscript{880} Although the plaintiffs had argued that the defendants’ intentional trade dress infringement precluded the defendants from invoking equitable defenses, the district court rejected this contention in light of the defendants’ disclosure to their customers that their wares were not genuine. The Second Circuit reversed, however, concluding that the defendants’ actions were not as benign as they claimed:

The district court’s ruling that [the plaintiffs’] claims should be barred by the doctrine of laches was based, in part, on the erroneous conclusion that the [defendants’] conduct did not create confusion among consumers or harm the public. Trademark laws exist to protect the public from confusion. The creation of confusion in the post-sale context can be harmful in that if there are too many knockoffs in the market, sales of the originals may decline because the public is fearful that what they are purchasing may not be an original. Furthermore, the public may be deceived in the resale market if it requires expertise to distinguish between an original and a knockoff. Finally the purchaser of an original is harmed by the widespread existence of knockoffs because the high value of originals, which derives in part from their scarcity, is lessened.\textsuperscript{881}

Other claims of laches fell short for more conventional reasons. For example, one Fifth Circuit case concluded that the junior user had failed to demonstrate an inexcusable delay in light of the junior user’s “relaunch” of a modified product, which the senior user had challenged swiftly.\textsuperscript{882} Another court declined to find laches on a motion to dismiss in light of the defendant’s inability to adduce any evidence of prejudice stemming from the plaintiff’s alleged delay.\textsuperscript{883} Still another court declined to apply the doctrine on a showing that the plaintiff had delayed less than two years


\textsuperscript{881} Id. at 107-08, 55 U.S.P.Q.2d at 1363.


before filing suit. 884 Finally, one opinion concluded that, rather
than using its marks in the face of the plaintiff’s inaction, the
defendant actually had been doing so pursuant to an implied
license from the plaintiff. 885

c. Acquiescence

“Under the defense of acquiescence, a trademark owner may
not assert a claim of infringement if the owner gives either implicit
or explicit assurances that he or she does not object to that
infringer’s actions, and the infringer detrimentally relies on the
assurance.” 886 Even when these factors are present, however,
acquiescence remains an equitable doctrine and can be defeated by
a showing of unclean hands on a defendant’s part. Thus, for
example, one court declined to reach a holding of acquiescence as a
matter of law based on the defendants’ failure to comply with a
previous agreement not to use a variation of their mark allegedly
similar to that of the plaintiff. 887

In another case declining to apply the doctrine, the defendants
had for some fourteen years been making certain uses of the
plaintiff’s trademarks, a period of time that ordinarily might be
sufficient to trigger a finding of unreasonable delay. 888 In rejecting
the defendants’ claims of acquiescence, however, the court noted
that the plaintiff was challenging new conduct beyond that
traditionally undertaken by the defendants. 889

d. Statute of Limitations

Even if a plaintiff is not tripped up by the equitable doctrines
of laches and acquiescence, courts may still dismiss claims under
statutes of limitations. Because of the absence of such a provision
in the Lanham Act itself, it has become fashionable to import an
appropriate standard from local state law. Thus, for example, one
court applied Maryland’s catchall three-year statute to a plaintiff’s
federal claims, only to hold ultimately that the parties’
disagreement over when the plaintiff’s claims accrued precluded

884. See Trans Union LLC v. Credit Research, Inc., 142 F. Supp. 2d 1029, 1040 (N.D.
Ill. 2001).
885 See Villanova Univ. v. Villanova Alumni Educ. Found., 123 F. Supp. 2d 293, 306-10,
886 Nat’l Baseball Hall of Fame & Museum v. All Sports Promotions Group, 58
887 See id. at 1123.
2001).
889 See id. at 1041.
dismissal as a matter of law. Another court, however, applied a six-year statute of limitations under New York law to dismiss the plaintiff's Lanham Act claims as a matter of law. Likewise, the Fourth Circuit upheld an application of a four-year statute of limitations borrowed from North Carolina state law to dismiss certain of the plaintiff's claims in that case.

Notwithstanding increasing judicial recognition of the statute of limitations defense, the Third Circuit rejected one plaintiff's theory that a six-year state statute of limitations applied to the defendants' efforts to cancel his registration. Rather, the court held, the plain language of Section 14(3) authorized the cancellation “at any time” of registrations that had been procured through fraudulent filings: “Where we find that the statutory language has a clear meaning, we need not look further.”

e. Claim and Issue Preclusion

Under federal law, res judicata bars a subsequent action when a prior judgment has been rendered in an action where (1) the parties are the same in both suits, (2) the prior judgment was rendered by a court of competent jurisdiction, (3) there has been a final judgment on the merits, and (4) the same cause of action is involved in both cases. . . . Res judicata bars all claims that were or could have been advanced in support of a cause of action on occasion of its former adjudication, not merely those that were adjudicated.

An unusual fact pattern led to an expansive application of res judicata principles in Verband der Zuechter des Oldenburger Pferdes e.V. v. International Sporthorse Registry, Inc. The plaintiff was a German entity created by a horse breeding act to establish and administer standards for certifying the Oldenberg breed of horse. Since its inception, the plaintiff had used a certification mark described as the “O and CROWN design,” which in 1983 was adopted in apparently identical form by the defendant, a nonprofit United States entity. In 1988, the parties entered into an unusual agreement that ratified the defendant's ability to certify Oldenberg horses through the use of the O and CROWN

mark in exchange for a 50 percent royalty payable to the plaintiff. The agreement was renewed “[i]n its essence” in 1993, but in a form that did not mention the mark. When the defendant applied to register the mark in its own name in 1996, the plaintiff terminated the agreement, leading to two pieces of litigation between the defendant and a third party that eventually became the basis for the court’s inquiry into the applicability of res judicata.896

The third party was another user of the O and CROWN mark for competitive certification services that began operations in 1996. Upon discovering this use, the defendant sued for infringement in Illinois state court and received a temporary restraining order against the third party. The temporary restraining order was dissolved during negotiations between the plaintiff and defendant, however, and the third party subsequently relocated and began using the mark again in its new location. The defendant sued once more and secured a final injunction upon consent that granted it ownership of the mark and permanently enjoined the third party from its use.897

When the plaintiff subsequently sued the defendant for infringement of the mark, the defendant sought to give the prior judgment against the third party preclusive effect, claiming that the third party was the “arm” of the plaintiff. Over the objections of the plaintiff, which characterized the third party as merely a licensee, the court agreed. Concluding that Seventh Circuit law recognized consent decrees as binding if they contained both acknowledgements of validity and infringement, the court first noted that the prior injunction contained just such recitations.898 Second, both cases featured an identity of interests. And third, the court found that the plaintiff and the third party were in privity with each other. Although there was evidence that the plaintiff had injected itself into negotiations to resolve the earlier litigation and had to some extent controlled the actions of the third party, the court’s conclusion on this third point was based largely on the fact that the plaintiff had licensed the third party to use the mark, something that the court itself acknowledged was a “somewhat novel ground.”899

In another more conventional case,900 the plaintiff had mounted an earlier challenge to the defendants’ U.S. PRIME and U.S. PRIME ONLY marks, which the plaintiff maintained were

896. See id. at 1551.
897. See id. at 1552-53.
898. See id. at 1554-56.
899. Id. at 1560.
deceptive when used in conjunction with the defendants’ allegedly non-U.S.D.A. Prime steaks. With the failure of that action, the plaintiff filed a new one in another district. The second court was unable to distinguish between the two actions for res judicata purposes, however, and granted the defendants’ motion to dismiss: “The plaintiffs [sic] claims in the present suit are virtually identical to the allegations made previously in the [earlier] litigation and clearly arise out of the same operative facts. . . . [T]he documentary evidence submitted sufficiently establishes the requisite elements of claim preclusion.”901

Nevertheless, allegations of claim and issue preclusion fell short in three other cases. In the first, the appellants were an individual and several related companies, which were the alleged owners of the federally registered WAR mark for a rock music group.902 In a prior action in Florida state court, the appellees, former members of the group, had sued the appellants under the theory that the registration had been fraudulently procured. Although the state court had agreed with the appellees on this point, two of the appellants were protected from the effects of that judgment by a federal bankruptcy stay. In a later federal lawsuit that included those appellants as defendants, the Ninth Circuit declined to accord the earlier state court judgment preclusive effect. Noting that Florida law recognized collateral estoppel principles only in cases involving identical parties, the appellate court concluded that the earlier bankruptcy stay had precluded the appellants in question from fully participating in the earlier litigation.903

In the second case, the plaintiff previously had sought to enforce its alleged rights against a nonprofit foundation, which, shortly before the dissolution of the foundation, resulted in an agreement by it acknowledging the validity of the plaintiff’s marks.904 When the plaintiff subsequently sued a competitor whose president had been the president of the defunct foundation, the plaintiff sought to hold the new defendants to the terms of its settlement with the foundation. The court, however, concluded that there was an absence of privity between the new defendants and the foundation. Although acknowledging that the parties in question were “closely related,” the court nevertheless concluded that they were “distinct organizations with distinct financial interests.”905

901. Id. at 1159.
902. See Far Out Prods., Inc. v. Oskar, 247 F.3d 986, 58 U.S.P.Q.2d 1702 (9th Cir. 2001).
903. See id. at 995, 58 U.S.P.Q.2d at 1706-07.
905. See id. at 317, 57 U.S.P.Q.2d at 1199-1200.
In the other case, the plaintiff sought to parlay an appearance by a single defendant as a witness in earlier litigation into a holding that all the defendants were bound by the result of the earlier case. 906 The Third Circuit understandably declined to reach such an outcome, noting instead that the facts before it “are plainly insufficient to permit a reasonable inference that [the defendant] exercised any control over litigation decisions or strategy.” 907

Other cases reached predictable results. For example, the Fifth Circuit reached the self-evident conclusion that a prior opinion that has been reversed on appeal cannot serve as a basis for a claim of res judicata. 908 Likewise, another court held that a plaintiff who had earlier dismissed with prejudice a dilution claim aimed at protecting certain marks, was not estopped from later adding a claim alleging the dilution of different marks. 909

E. Remedies

1. Injunctive Relief

   a. Preliminary Injunctions

   In a case presenting the most unusual preliminary injunction entered over the past year, the Ninth Circuit affirmed an order requiring the defendant to consent to the importation of the plaintiff’s goods. 910 Although the defendant had secured the interdiction by Customs of the plaintiff’s goods, the Ninth Circuit agreed with the district court that the plaintiff’s declaratory action for invalidity and noninfringement was likely to succeed. Because the administrative procedures for challenging Customs’ seizure of the plaintiff’s goods did not contemplate a challenge to the validity of the mark asserted by a complainant, their inadequacy merited judicial intervention. 911

   Whatever the nature of the relief ultimately entered, of course, it is first necessary to satisfy certain prerequisites, which, in addition to proving a likelihood of success on the merits, typically include a showing of irreparable harm. When trademark infringement is at issue, this showing is easily made in those jurisdictions following the rule that a demonstration of likely

907. Id. at 196, 57 U.S.P.Q.2d at 1772.
911. See id. at 838, 57 U.S.P.Q.2d at 1924-25.
confusion or dilution creates a presumption of irreparable harm. As one court explained during the past year:

Harm to [the] plaintiff can be presumed due to the likelihood of confusion which comes when, as here, different parties use substantially identical marks to identify substantially identical services. This is a classic case of the issuance of injunctive relief to prevent “loss of control of reputation, loss of trade and loss of goodwill,” the very things which the Lanham Act was designed to prevent.

Since infringement of [a] trademark deprives the owner of control over its goodwill, the injury to goodwill is by its nature irreparable, whether or not accompanied by loss of trade. This is true even if the infringer matches the high quality of [the] plaintiff’s services.

This general proposition, of course, is subject to exceptions. For example, it may not carry the day if the plaintiff relies “completely” on it with no further discussion of the relative hardships. Likewise, a plaintiff that has delayed unreasonably in seeking relief may have difficulty establishing irreparable harm from the simple fact of infringement. Finally, as one court explained, this presumption may or may not apply with equal force in the false advertising context:

Where the challenged advertising makes a misleading comparison or reference to a competitor’s product, irreparable harm is presumed.


In contrast, where a false or misleading advertisement touting the benefits of a product is non-comparative and makes no reference to any competitor’s product, irreparable harm is not presumed. Although the plaintiff need not come forward with specific evidence that the challenged claims actually resulted in some definite loss of sales, the plaintiff must establish that it has a reasonable basis for believing that it is likely to suffer injury as a result of the false advertising.\[916\]

In addition to the general presumption of irreparable harm established by a showing of a likelihood of success on the merits,\[917\] one court identified a unique threat to the plaintiff, a publisher of fashion magazines, posed by the defendants’ infringement. Accepting testimony by the plaintiff’s witnesses that it depended on feedback from consumers in planning future issues of its magazine, the court noted that misdirected communications from those consumers to the defendants harmed the plaintiff because “it is clear that [the plaintiff] is not receiving consumer information from which it would benefit.”\[918\] Equally to the point, association with the defendants’ lower quality goods and services damaged the plaintiff in a more conventional sense.\[919\]

Defendants, of course, may claim their own irreparable harm in attempts to ward off preliminary injunction motions, but this tactic fell short in several cases.\[920\] In one,\[921\] the defendant conspicuously failed to consult a trademark attorney before adopting its mark, leading the court to conclude that “the defendant brought any harm from the injunction it will suffer on itself.”\[922\] In another case, the court similarly concluded that the defendants’ claimed irreparable harm amounted to nothing more than the profits they would receive “from misrepresentation of

---


918. Id. at 801.

919. See id.

920. See, e.g., id. at 802 (“To the extent that the potential harm to defendants is directly related to the fact that the use of the “Vogue” trademarks is likely to confuse consumers into thinking that defendants’ business is affiliated with the Vogue magazines, defendants should not be entitled to complain about such harm.”); cf. Bernina of Am., Inc. v. Fashion Fabrics Int’l, Inc., 57 U.S.P.Q.2d 1881 (N.D. Ill. 2001) (sua sponte examination of potential harm to defendant, notwithstanding failure of defendant to appear).


922. Id. at 694, 57 U.S.P.Q.2d at 1216.
their status as a licensee of [the plaintiff].”

Having moved forward with a product launch in the face of a cease-and-desist letter, one defendant found itself in a uniquely poor position to claim that it would be irreparably harmed by an injunction. Likewise, another court entered relief with the observation that “[w]here both parties may suffer harm, but that harm was a result of [the] defendant’s own conduct, it follows that issuance of an injunction would not impose a greater hardship on [the] defendant than denial would impose on [the] plaintiff.”

One defendant did not allege its own irreparable harm as a basis for denying preliminary relief, but instead relied on its voluntary cessation of the activities sought to be enjoined. The court nevertheless granted the plaintiff’s motion, noting that “[t]rademark plaintiffs are not required to present specific evidence demonstrating that defendants will continue infringing in the future.”

Another court, reaching an analogous holding in a case in which the lead defendant maintained that it would not use its mark except in a narrow channel of distribution, noted that “the fact that [the defendant] has devoted significant funds to pursuing this litigation with the aid of well-known counsel amply demonstrates that it has every intention of selling its sauces through traditional commercial channels unless enjoined by this Court from doing so.”

One court used a more sophisticated analysis to accept a defendant’s claims of cessation of use as a ground for the denial of preliminary injunctive relief. Several factors weighed in favor of an injunction notwithstanding the defendant’s alleged reformation: (1) the defendant’s actions, if resumed, would cause the plaintiffs irreparable harm; (2) the defendant had no legitimate interest in continuing his former conduct; and (3) the defendant had failed to contest the plaintiffs’ suggestion that the public interest would be best served by the relief sought.

927. Id. at 1930.
930. See id. at 788, 55 U.S.P.Q.2d at 1046-47.
A preliminary injunction ideally should benefit the public interest as well. Nevertheless, as with the requirement of a showing of irreparable harm to the plaintiff, this requirement also is easily met with a showing of likely confusion:

The public interest favors injunctive relief in the trademark infringement context when confusion in the marketplace as to the origin of the defendant’s products has occurred. This is especially true when the evidence supports an inference that the defendant chose the trademark at issue with the deliberate intent to pass its products off as those manufactured by the claimant.

b. Permanent Injunctions

The latest installment in the dispute between the heirs of Percy L. Crosby, the creator of a cartoon schoolboy character named “Skippy,” and the producer of SKIPPY peanut butter led to a victory of sorts for the heirs. The battle began when the heirs’ corporation licensed its SKIPPY mark in connection with caramel corn, popcorn, and nuts, a move challenged successfully by the peanut butter producer in an infringement action. Over ten years later, one of the heirs established a website featuring a partisan account of the parties’ dispute replete with accusations of fraud and theft of the SKIPPY mark. The plaintiff peanut butter concern then filed suit, alleging that the site violated the injunction from the earlier case that barred the heir from contesting the plaintiff’s rights.

Although the district court entered a broadly-worded injunction requiring the heir to remove large portions of text from the offending website, the Fourth Circuit reversed. Concluding that the injunction covered “purely editorial and historical comments,” the appellate court held that the relief entered by the district court went well beyond that required to eliminate a likelihood of confusion. Because the injunction instead constituted “a wholesale suppression of speech,” the court vacated

---


936. Id. at 461, 55 U.S.P.Q.2d at 1037.
it and remanded the action to the district court to “narrowly draw an injunction to prohibit only illegal conduct and nothing more.”

Another appellate court was more sympathetic to a trial court’s permanent injunction. The case originated in a dispute between a franchisor and two terminated franchisees, who had been preliminarily enjoined from the continued use of the franchisor’s marks earlier in the litigation. When it became apparent that the former franchisees were continuing to receive calls on telephone lines listed under the franchisor’s marks, the court entered a permanent injunction requiring the transfer of the numbers to the franchisor. On the former franchisees’ appeal, the appellate court acknowledged that the franchise agreement between the parties did not expressly require the transfer, but noted that the agreement did require terminated franchisees to avoid even the possibility of confusion. This language, the appellate court concluded, warranted the trial court’s not having considered the possibility of a split-interrupt intercept that would allow callers to clarify which party they had intended to reach.

One court denied a motion to stay a permanent injunction pending the defendant’s appeal. The defendant was a former member of the plaintiffs’ “The Platters” performing group who had agreed to restrictions on his ability to promote himself as a former Platter. As the court’s order merely incorporated the defendant’s earlier agreement with the plaintiffs, the court saw no reason to suspend the order until appellate review.

2. Contempt

Findings of contempt are comparatively infrequent in trademark cases, but three plaintiffs struck pay dirt in their efforts to have their opponents sanctioned. In one case, the consequences of a cybersquatter’s failure to comply with a prior injunction were severe: In an order apparently drafted by the plaintiff, the court not only imposed a fine of $5,000 per day, but also ordered the incarceration of the defendant’s president and “all others in active concert or participation with Defendant who enter the United States.”

---

937. Id. at 463, 55 U.S.P.Q.2d at 1038.
939. See id. at 338.
940. See id.
941. See id. at 341.
942. See id. at 342.
944. See id. at 111.
In another case, having previously entered into a consent injunction that barred it from marketing a pediatric electrolyte solution in square bottles, one trade dress defendant sought unsuccessfully to escape the injunction's strictures by supplying a private label distributor with the same product in the same containers.\textsuperscript{946} When the plaintiff moved for a finding of contempt, the defendant argued that the express terms of the earlier injunction prohibited it only from selling product in square bottles that featured the trademark it had been using at the time; because the new bottles were privately labeled, the absence of the defendant's trademark therefore removed them from the ambit of the injunction. The Eleventh Circuit was not amused by this argument, however, which it concluded “myopically distort[ed]” the terms of the injunction. Because “[a] consent judgment need not recite every possible way in which a violation might occur when the proscribed conduct is readily ascertainable to an ordinary person,” the appellate court upheld the imposition of sanctions in the amount of $179,649.30.\textsuperscript{947}

In the third case, one defendant did not advance his interests by attending a hearing on the plaintiff's motion for contempt clad in a T-shirt bearing a mark he had been enjoined from using.\textsuperscript{948} Although he and his codefendants stridently contested the merits of the court's earlier finding of infringement, the court held that this subjective belief did not excuse continued use of the marks at issue, even if the defendants coupled that use with a new disclaimer. Concluding that “[t]he caustic nature of the pleadings filed by the Defendants and the history of contentious conduct among the parties convinces the undersigned that future contemptuous conduct will continue absent a finding of civil contempt,”\textsuperscript{949} the court found each of the prerequisites for such a finding was satisfied: (1) the contemnors had actual knowledge of an earlier decree; (2) the decree was in favor of the party moving for contempt; (3) the contemnors knowingly had violated the decree; and (4) the moving party was harmed by the violation.\textsuperscript{950}

One motion to have a defendant held in contempt failed.\textsuperscript{951} To escape a finding of infringement in earlier proceedings, the defendant repeatedly had represented to the district court and the Third Circuit that it would use a disclaimer in association with the

\textsuperscript{946} See Abbot Labs. v. Unlimited Beverages, Inc., 218 F.3d 1238, 55 U.S.P.Q.2d 1440 (11th Cir. 2000).

\textsuperscript{947} See id. at 1241, 55 U.S.P.Q.2d at 1443.


\textsuperscript{949} Id. at 978.

\textsuperscript{950} See id. at 976.

challenged mark; following these representations, however, advertisements for the defendant’s products began to appear without the disclaimer. Unfortunately for the plaintiff, however, the substance of the defendant’s representations had never been incorporated into a judicial order and this omission led the court to conclude that the plaintiff’s motion was best treated as one to reopen the proceedings.952

3. Monetary Recovery

a. Awards of Actual Damages

One Eighth Circuit false advertising case upheld an award of actual damages that were grounded on only circumstantial, rather than direct evidence.953 At trial, the plaintiff introduced evidence that its revenues had declined during the period of the defendant’s misconduct, while the defendant’s revenues had increased at the same rate as the decline in the plaintiff’s revenues during the same period. As the appellate court noted, “[t]aken together, this evidence supports an inference that the shift in the companies’ market shares was due to [the defendants’] misconduct, and the jury did not err in so finding.”954 This holding in turn opened the door for the court to affirm a $14.1 million damage award based on calculations provided to the jury by the plaintiff’s expert.955

b. Awards of Statutory Damages

Only one reported case over the past year addressed at any length the issue of statutory damages for counterfeiting under Section 35(c) of the Lanham Act.956 Reviewing the defendants’ sale of merchandise it had deemed counterfeit under both trademark and copyright law, the court concluded that the defendants had been willfully blind at best and knowledgeably outright at worst as to the unlawful nature of their goods.957 Accordingly, the court concluded that the plaintiff had submitted “significant, undisputed summary judgment evidence that supports an award of ordinary statutory damages toward the upper end of the applicable

952. See id. at 670, 58 U.S.P.Q.2d at 1442.
954. Id. at 740, 55 U.S.P.Q.2d at 1417.
955. See id. at 740-41, 55 U.S.P.Q.2d at 1417.
range,"\textsuperscript{958} which the court determined to be \textquotedblright$50,000.00 for each of the seven separate trademark infringements.\textquotedblright\textsuperscript{959}

c. Awards of Punitive Damages

Although cases brought under the Lanham Act infrequently produce opinions of constitutional magnitude, one exception to this rule occurred in Cooper Industries v. Leatherman Tool Group.\textsuperscript{960} Submitted to a jury, the defendant’s alleged infringement of the plaintiff’s trade dress resulted in awards of $50,000 in compensatory damages and $4.5 million in punitive damages. Rejecting the defendant’s arguments that the relationship between the two awards was unconstitutionally disproportionate under the Supreme Court’s decision in BMW of North America v. Gore,\textsuperscript{961} the Ninth Circuit held, in an unreported opinion, that the district court had not abused its discretion in refusing to overturn the award.

The Supreme Court reversed the Ninth Circuit’s choice of standard of review, however, holding instead that the intermediate court should have conducted a de novo review of the issue. Citing its earlier decision, the Court explained that:

In Gore, we instructed courts evaluating a punitive damages award’s consistency with due process to consider three criteria: (1) the degree or reprehensibility of the defendant’s misconduct; (2) the disparity between the harm (or potential harm) suffered by the plaintiff and the punitive damages award; and (3) the difference between the punitive damages awarded by the jury and the civil penalties authorized or imposed in comparable cases. Only with respect to the first Gore inquiry do the district courts have a somewhat superior vantage over courts of appeals, and even then the advantage exists primarily with respect to issues turning on witness credibility and demeanor. Trial courts and appellate courts seem equally capable of analyzing the second factor. And the third Gore criterion, which calls for a broad legal comparison, seems more suited to the expertise of appellate courts. Considerations of institutional competence therefore fail to tip the balance in favor of deferential appellate review.\textsuperscript{962}

\textsuperscript{958} Id.
\textsuperscript{959} Id. at 1011.
\textsuperscript{960} 121 S. Ct. 1678, 58 U.S.P.Q.2d 1641 (2001).
\textsuperscript{961} 517 U.S. 559 (1996).
\textsuperscript{962} Cooper Indus., 121 S. Ct. at 1687-88, 58 U.S.P.Q.2d at 1648 (citation and footnote omitted).
**d. Accountings of Profits**

Cases addressing the equitable remedy of an accounting of profits sharply declined over the past year. Indeed, the Ninth Circuit stood alone among the federal appellate courts in reaching a significant holding on the issue.\(^{963}\) Although volumes of case law would seem to preclude a genuine attempt to argue the point, the defendants in the action gamely asserted that an absence of actual confusion precluded an accounting. The court, however, made short work of this contention.\(^{964}\)

**4. Attorneys’ Fees**

**a. Awards in Favor of Prevailing Plaintiffs**

Although the typical award of attorneys’ fees to a prevailing plaintiff\(^{965}\) turns on the egregiousness of the defendant’s infringement, the Third Circuit concluded that the prerequisite finding of an “exceptional case” under Section 35 of the Act\(^{966}\) may also rest on a defendant’s litigation tactics.\(^{967}\) The tactics in question were indeed beyond the pale: Having been served with the plaintiff’s suit, the defendants responded with a blitzkrieg of meritless counterclaims and second-filed actions in other fora against the plaintiff, its principal, and its attorneys.\(^{968}\)

Concluding that “culpable conduct may be broader than willful infringement,”\(^{969}\) the Third Circuit affirmed the district court’s award of fees, even though it had vacated the district court’s finding of willful infringement at an earlier stage of the proceedings. The court noted that Section 35(a)’s reference to “equitable considerations” permitted district courts to take into account “the totality of the circumstances in each case.”\(^{970}\) Particularly as the virtually identically worded patent statute\(^{971}\) routinely had served as a basis for an award of fees based on vexatious litigation tactics, the appellate court rejected the

\(^{963}\) See Gracie v. Gracie, 217 F.3d 1060, 55 U.S.P.Q.2d 1256 (9th Cir. 2000).
\(^{964}\) See id. at 1068, 55 U.S.P.Q.2d at 1262-63.
\(^{965}\) A plaintiff that has failed to establish liability obviously is not entitled to an award of fees. See, e.g., SQP, Inc. v. Sirrom Sales, Inc., 130 F. Supp. 2d 364, 369 (S.D.N.Y. 2001).
\(^{968}\) Among other things, the defendant alleged that by filing the plaintiff’s infringement suit, plaintiff’s counsel had engaged in “attempted extortion, business interference and interruption, malicious prosecution, scheming and artifice to defraud and to obtain money by means of false and fraudulent pretenses and misrepresentations, and RICO violations.” See id. at 276, 55 U.S.P.Q.2d at 1823.
\(^{969}\) Id. at 280, 55 U.S.P.Q.2d at 1826.
\(^{970}\) See id. at 281, 55 U.S.P.Q.2d at 1827.
defendants’ argument that the availability of other sanctions, such as those under Rule 11, precluded the imposition of liability for fees based on litigation conduct alone.972

One dilution case in which the senior user failed to secure an award of fees demonstrated the apparent wisdom of a blindly aggressive approach by the junior user.973 Having seen the senior user and federal registrant enter its market, the junior user sought injunctive relief and monetary damages in a state court action. Although the strategy of provoking a conflict with the senior user ultimately proved to be ill-advised on the merits, the court nevertheless found the junior user’s claims of superior rights to be evidence of its good faith.974

Another losing defendant managed to stave off an award of fees with a more conventional approach.975 Although ultimately found liable for infringement, the defendant introduced evidence and testimony that (1) it had secured a favorable opinion from counsel before undertaking the challenged activity, (2) it had included disclaimers of affiliation with the plaintiff on its packaging, (3) its use of the plaintiff’s trademarks was intended to have been a fair nominative one, (4) it had believed that the plaintiff had approved of its use, and (5) it had attempted to resolve the matter amicably upon receiving the plaintiff’s objections.976 Convinced by this showing, the court entered summary judgment in the defendant’s favor on the plaintiff’s motion for an award of fees.977

b. Awards in Favor of Prevailing Defendants

An award of fees to a prevailing defendant generally is the exception, rather than the rule. For example, the Ninth Circuit, in one case, rejected claims of bad faith litigation on the part of the plaintiffs in light of the defendants’ failure “to cite any specific record evidence to support [their] aggressive speculation regarding [the plaintiffs’] state of mind.”978 Similarly, another court declined to impose an award of fees on a plaintiff who had merely failed as a factual matter to demonstrate prior use of its marks, explaining that “such a failing is insufficient to demonstrate the sort of

974. See id. at 1692.
976. See id. at 494-95.
977. See id. at 495-96.
egregious misconduct that would warrant a determination that the issue was exceptional, so as to warrant a fee award."979

Nevertheless, even the most sympathetic plaintiffs can be tagged with awards of fees if they overstate their cases. In the most notable award of fees to defendants over the past year, a group of individuals representing the estate of the Princess of Wales fell victim to Section 35 after the failure, as a matter of law, of their blunderbuss suit against sellers of memorabilia depicting the Princess.980 In granting the defendants’ motion for fees, the court took particular issue with the plaintiffs’ dilution claim, which the court considered to have been built on the “absurd contention that ‘Diana, Princess of Wales’ had taken on a meaning other than identification of an individual.”981 The plaintiffs’ false advertising claim was equally “groundless and unreasonable,” as “the statements at issue were true . . . [and] [i]t appears that plaintiffs had no reasonable basis to believe that they were false.”982 Accordingly, the defendants were ultimately found to be entitled to $2,308,000 in fees.983

Similarly, the strange and terrible saga of S Industries in the Northern District of Illinois ended the only way it could, with the Seventh Circuit upholding an award of fees to a defendant in one of the many unsuccessful cases brought by the plaintiff.984 The appellate court’s holding was influenced by a number of factors, including (1) the lack of merit of the plaintiff’s claims, (2) the plaintiff’s failure to comply with its obligations during discovery, (3) its practice of filing procedurally deficient pleadings, and (4) its absence from a hearing to determine the quantum of fees to be awarded. Indeed, the plaintiff’s conduct before the district court had been such that the Seventh Circuit ordered it to show cause why additional sanctions were not warranted for filing a frivolous appeal.985

In another opinion, which arose out of a plaintiff’s unsuccessful trade dress infringement claims, the court concluded that it should “consider the exceptional nature of the case under

981. Id. at 1189 (internal quotation marks omitted).
982. Id.
983. See id. at 1190.
the totality of the circumstances when determining the propriety of an award of fees.”

The court found this standard to be easily met, in no small part because of the “remarkab[ly] . . . snide and unprofessional” conduct of the plaintiff’s counsel:

This case was filed without notice to [the defendant] and without any meaningful pre-litigation attempt to resolve the companies’ differences. The claim was not brought in an unsettled area of the law, nor did it ever have a reasonable likelihood of success, as the court held early on in its denial of plaintiff’s motion for a preliminary injunction. Yet [the plaintiff] appeared determined to make the litigation as damaging as possible for [the defendant’s] business.

These efforts included attempts to compel depositions of the defendant’s personnel during an important trade show, refusals to produce its own witnesses for depositions, excessively long pleadings, and apparently calculated discourteousness towards opposing counsel. As the court noted, “[t]aken as a whole, [the plaintiff’s] hardball conduct in pursuing this litigation provides evidence of an improper motivation: to drain as much profit as possible out of a far smaller competitor.”

c. Calculation of Attorneys’ Fees

In one Ninth Circuit case, the appellants understandably sought to whittle down an award of the entirety of the appellees’ fees in prosecuting an action that proved to be only partially successful in a jury trial and that was grounded to some extent in non-Lanham Act causes of action. The district court, not optimistic about its ability to separate out the work done on the successful Lanham Act claims, declined to undertake an apportionment, leading the Ninth Circuit court to reverse. Noting that “a prevailing party in a case involving Lanham Act and non-Lanham Act claims can recover attorneys’ fees only for work related to the Lanham Act claims,” the appellate court observed:

Based on the record before us, we must remand for the district court to attempt an apportionment or to make findings that apportionment would be impossible. . . . While calculating an “exact percentage” may be impossible, this does not relieve the district court of its duty to make some attempt to adjust

---


987. Id. at 116. The details of the court’s discussion of the plaintiff’s conduct are contained in the portion of its opinion awarding fees under the Copyright Act, but are incorporated by reference in the Lanham Act portion of the opinion. See id. at 121.

988. Id. at 118.

the fee award to reflect, even if imprecisely, work performed on non-Lanham Act claims.\textsuperscript{990} Particularly in light of the district court’s failure to develop an adequate evidentiary record for the quantum of fees awarded, the Ninth Circuit set aside the award and remanded the action.\textsuperscript{991}

Another party was only partially successful in its challenge to the amount of fees claimed by its opponent, in this case a prevailing defendant.\textsuperscript{992} Although the case had been heard in Springfield, Massachusetts, the court declined to restrict Boston-based defense counsel to the comparatively low rates prevailing in Springfield, holding instead that “where the client reasonably hires counsel from outside the community to perform specialized work, a reasonable rate in the attorney’s city of origin will be awarded.”\textsuperscript{993} Having established the relevant billing rates, the court noted that defense counsel had shown “considerable restraint” in setting forth their hours and disbursements. Nevertheless, the court did reduce the proposed fee award in certain respects, including partial or full disallowances of attorney time spent on travel, conferences with co-counsel, and the pursuit of “issues of dubious relevance.”\textsuperscript{994} After partially reducing the defendant’s request for compensation for work by clerks and paralegals in light of “an unusually large number of hours spent ‘indexing’ files, discovery, and other papers,” as well as disallowing claimed costs for electronic research, which it considered firm overhead, the court ultimately awarded a lodestar total of $1,007,680.47.\textsuperscript{995}

One set of prevailing defendants fared somewhat better in their request to be reimbursed for their electronic research, escaping with only 25 percent of these costs allocated to unrecoverable overhead, a step the court took “if for no other reason than the fact that law firms do not charge clients for law books.”\textsuperscript{996} By the same token, the defendants’ overall fees and costs defending against the plaintiffs’ three Lanham Act causes of action were reduced by one third after the court concluded that one of the three “could be considered an attempt to extend existing law.”\textsuperscript{997} Finally, the court also disallowed, in its entirety, a claim by the defendants for reimbursement of fees expended in lobbying efforts

\textsuperscript{990} Id. at 1070, 55 U.S.P.Q.2d at 1263.
\textsuperscript{991} See id. at 1071, 55 U.S.P.Q.2d at 1263-64.
\textsuperscript{993} Id. at 123.
\textsuperscript{994} Id. at 124-25.
\textsuperscript{995} See id. at 125-27.
\textsuperscript{997} Id. at 1188.
to counter the plaintiffs’ attempts throughout the litigation to convince the California General Assembly to change the law governing right of publicity claims.998

5. Personal Liability

In contrast to the rules governing personal liability for other torts, the personal liability of corporate officers for trademark infringement does not depend on a piercing of the corporate veil. For example, in Mattel, Inc. v. Internet Dimensions, Inc.999 the individual in question was the sole officer, director, employee, and shareholder of the defendant corporation. Particularly because the individual defendant did not deny his involvement in the cybersquatting and dilution undertaken by his corporation, the court had little difficulty finding him personally liable for injunctive and monetary relief.1000

In another case, the court declined to dismiss, as a matter of law, allegations of infringement, dilution, and cybersquatting against an individual defendant.1001 Chief among the evidence advanced by the plaintiff in opposition to the motion was the fact that a series of domain names at issue in the case originally had been registered by the individual defendant himself, something the court concluded might lead a reasonable jury to find liability against that defendant.1002

Finally, in a third case, an individual defendant sought to escape personal liability by arguing a lack of knowledge of the counterfeit nature of the goods at issue.1003 The court was unimpressed, noting that the defendant had purchased bottles of shampoo bearing the plaintiff’s marks for “approximately $1.70 per bottle, when the list price for the product was roughly $2.75 per bottle.”1004 Although the plaintiff was not necessarily obligated to show that the defendant knew or should have known the goods were counterfeit for personal liability to attach to his actions, the court held that this apparent willful blindness met the grade.1005

---

998. See id. at 1189.
1000. See id. at 1627.
1002. See id. at 372.
1004. Id at 118.
1005. See id.
F. Procedural Matters

1. Jurisdictional Issues

a. Personal Jurisdiction

(1) Opinions Exercising Personal Jurisdiction

Disputes over jurisdiction often took the forefront in ACPA suits in light of the significance of the issue of personal jurisdiction as to whether a plaintiff can proceed with an in rem action under the Anticybersquatting Consumer Protection Act. In one case purporting to be both an in rem and in personam action, the defendant registrant lacked any brick-and-mortar presence in the United States but nevertheless operated an online casino accessible from the forum jurisdiction, the Eastern District of Virginia.\textsuperscript{1006} On evidence that the website was “inherently interactive,” and that five Virginia residents had purchased memberships, the court held that the registrant was subject to an exercise of personal jurisdiction in that state.\textsuperscript{1007} Accordingly, the court dismissed the plaintiff’s in rem claims against the offending domain name itself.\textsuperscript{1008}

Even in cases not presenting allegations of cybersquatting, courts often have the occasion to address the extent to which defendants’ online activities could support the exercise of personal jurisdiction. In one case presenting an extreme example of an exercise of jurisdiction, the defendants allegedly transmitted throughout the world an unsolicited e-mail advertising a pornographic website; even worse, they used a false return address that suggested that they were subscribers of the plaintiff, an Internet service provider.\textsuperscript{1009} In an action brought in part under Section 43(a), the court held that the act of forwarding the single e-mail into Mississippi satisfied the state’s long-arm statute twice over: (1) it constituted an attempt to solicit business for the website and (2) it caused an injury to the plaintiff when it was opened in the state.\textsuperscript{1010} Rejecting the defendants’ arguments that such an application of the state statute would violate constitutional safeguards, the court observed that “[b]y sending an e-mail solicitation to the far reaches of the earth for pecuniary gain, one does so at her own peril, and cannot then claim that it is not reasonably foreseeable that she will be haled into court in a

\textsuperscript{1007} See id. at 350-51.
\textsuperscript{1008} See id. at 351.
\textsuperscript{1010} See id. at 775-77.
distant jurisdiction to answer for the ramifications of that solicitation.”

In another case centering around online activities, two of the defendants, both residents of California, had engaged a North Carolina resident to establish and maintain an Internet website later found to infringe the plaintiff’s marks by a North Carolina district court. When the California defendants sought a stay of the district court’s injunction pending their appeal, the court was unimpressed by their jurisdictional arguments for two primary reasons. First, these defendants affirmatively had engaged in contact with their North Carolina counterpart, who had placed the infringing material online at their instigation. Second, the court noted, “trademark infringement is akin to tort cases and thus jurisdiction may attach when the defendant’s conduct is either aimed at or has an effect on the forum state.” Treating the locus of the plaintiff’s injury as the North Carolina resident’s website, the court held an exercise of jurisdiction appropriate under both the North Carolina long-arm statute and the Due Process Clause.

A defendant with an interactive website obviously runs a greater risk of being haled into court than does a defendant with a passive site. In one case in an Oregon federal district court, the defendant’s allegedly infringing and diluting mark appeared on a “highly interactive” site. Although the defendant had been contacted through the website only by a single Oregon resident (who may or may not have “purchased” the defendant’s services by posting a resume at the site), the court nevertheless found that the nature of the site weighed in favor of an exercise of jurisdiction, a decision buttressed by the defendant’s national advertising and its toll-free telephone number. With respect to its focus on the defendant’s website, the court explained,

Lest personal jurisdiction in cases such as this be mistaken for over-reaching, those conducting businesses over the Internet can protect themselves with (1) a disclaimer that they will not sell products or provide services . . . outside of a certain geographic area; and (2) an interactive agreement that includes a choice of venue clause to which a consumer or client

1011. Id. at 779-80.
1013. See id. at 974.
1014. Id. at 975.
1015. See id. at 971-76.
1017. See id. at 1150-51.
must agree before purchasing any products or receiving any services.\textsuperscript{1018}

Not all cases involving alleged misconduct on the Internet turned on the unique nature of that medium. Perhaps the most unusual opinion addressing a challenge to a district court’s exercise of personal jurisdiction occurred in a case in which the defendants had been served with process while attending a preliminary injunction hearing earlier in the litigation.\textsuperscript{1019} Although there apparently were more conventional alternative bases for an exercise of jurisdiction, the First Circuit held that this service had satisfied the requirements of the “transient jurisdiction” doctrine. Rejecting the defendants’ argument that they were entitled to participate in the hearing without subjecting themselves to the jurisdiction of the district court, the court of appeals held that the “process immunity” theory invoked by the defendants applied only to appearances by defendants in unrelated litigation. Equally to the point, the defendants had failed to request process immunity from the district court, instead, apparently, raising it only on appeal. Under these circumstances, the appellate court held that an exercise of jurisdiction was proper.\textsuperscript{1020}

Other more traditional cases presenting challenges to personal jurisdiction produced rather predictable results.\textsuperscript{1021} In one such case, the defendants had solicited donations for their charitable activities from residents of the forum state, New Jersey.\textsuperscript{1022} More damning still, they regularly had participated in an event known as the “Ellis Island Medal of Honor Gala.” Particularly as “[a] substantial part of Ellis Island is New Jersey territory,” the court had little difficulty concluding that an exercise of jurisdiction was appropriate.\textsuperscript{1023}

Sales by defendants in the forum state inevitably led to findings that an exercise of jurisdiction was appropriate. In one case, the defendant had sold millions of dollars worth of product in the forum state and had a “broad distributorship network” there as

\textsuperscript{1018} Id. at 1152.
\textsuperscript{1020} See id. at 61-63, 57 U.S.P.Q.2d at 1281-83.
well. Although the district court had dismissed the action on jurisdictional grounds, the Federal Circuit reversed. As the appellate court concluded, these "continuous and systematic" activities left the defendant subject to an exercise of general jurisdiction.

A California corporation with sales in Florida met the same fate in an infringement suit filed in federal court in that state. Prior to the filing of the suit, the defendant’s sales in Florida were relatively modest: a total of eight transactions with only two customers that generated approximately $27,000 worth of revenue. Nevertheless, the court found that the defendant actively had cultivated those sales over an extended period of time, in part through a website accessible from the state and through advertisements in industry trade publications distributed in the state. Accordingly, an exercise of jurisdiction was appropriate.

Another Florida district court addressing similar facts reached an identical conclusion. During the 2000 marketing season, the defendant shipped over one million packages of strawberries bearing an allegedly infringing mark, of which approximately 1,000 were delivered to a retailer in Florida by the corporate defendant. On this showing, the court held jurisdiction appropriate under both the applicable long-arm statute and the Due Process Clause. The court did, however, decline to exercise jurisdiction over the corporate defendant’s president, who had been named individually in the complaint.

There are, of course, ways other than shipments into a forum to warrant an exercise of jurisdiction. In one case, the defendants had, inter alia, arranged for their acquaintances to represent falsely to large purchasers of the parties’ products that the plaintiff had gone out of business. The resulting “devastating impact on plaintiff’s business,” coupled with the damage caused to the plaintiff’s mark as a result of the defendant’s run-of-the-mill infringement, justified an exercise of jurisdiction in light of the injury suffered by the plaintiff in the forum state.

Not all cases finding an exercise of personal jurisdiction appropriate were predictable, however. In one declaratory
judgment action, the Ninth Circuit held general jurisdiction to be lacking over a defendant that had neither substantial nor continuous and systematic contacts with the forum state, but nevertheless concluded that the district court’s finding of specific jurisdiction was proper. The basis for this holding was the defendant’s transmission of a letter to Network Solutions, Inc. objecting to the registration of the plaintiff’s domain name. This action, the appellate court concluded, was sufficient to create specific jurisdiction because (1) the defendant intentionally had mailed the letter, which (2) had been aimed at the plaintiff, and (3) the effects of which would have been felt by the plaintiff in its home state had NSI complied with the defendant’s request to “unplug” the plaintiff’s website. These facts distinguished the case from those involving mere cease-and-desist letters directed to forum states, in which the transmittal of the letters did not, itself, threaten to bring about the injury sought to be avoided.

Another case bearing on the issue was brought in the Southern District of New York by a bevy of media heavyweights against a defendant with operations in San Diego and Israel. Applying the New York long-arm statute, the court found an exercise of jurisdiction appropriate on the basis of the plaintiffs’ allegations that (1) New York residents had been confused by the defendants’ conduct, (2) the defendants had transmitted infringing content into New York, and (3) the defendants had derived $60,000 from their international activities, a figure regarded as significant in light of the court’s recognition that “it is common for internet companies to be viewed as extremely successful despite the fact that they operate at a great loss.”

(2) Cases Declining to Exercise Personal Jurisdiction

Several potentially significant cases holding an exercise of jurisdiction to be inappropriate revolved around the Anticybersquatting Consumer Protection Act. Disputes over personal jurisdiction in the cybersquatting context can take one of two forms. If a plaintiff is attempting to assert a standard private cause of action against the defendant itself, the plaintiff must establish that the defendant’s conduct triggers the relevant state long-arm statute and that an exercise of jurisdiction would satisfy

1033. See id. at 1089, 55 U.S.P.Q.2d at 1945.
1036. See id. at 1962-63.
due process requirements. If the plaintiff seeks to invoke the in rem provisions of ACPA, however, it must demonstrate the exact opposite, i.e., that an exercise of personal jurisdiction over the owner of the domain name would be inappropriate.

Two cases, one from each context, concluded that an exercise of personal jurisdiction by federal district courts in the Eastern District of Virginia could not be justified by the mere registration of a domain name with Network Solutions, Inc. In the first case, in which the plaintiff sought injunctive and monetary relief against the owner of a series of domain names under infringement, dilution, and unfair competition theories, the court first noted that only the plaintiff’s ACPA claim fell within the “doing business” prong of the Virginia long-arm statute. The “business” conducted by the defendant with NSI, however, was “certainly brief” and did not create an ongoing relationship between the defendant and a Virginia domiciliary other than the payment of an annual fee. At best, the defendant had a “miniscule presence” in the forum, which precluded its contacts from forming the basis for an exercise of personal jurisdiction.

In the in rem action, the court noted that the Canadian owner of the domain names in question did not purposefully direct his activities to Virginia when he registered the domain names. The act of registration required only that the owner visit NSI’s website from his computer, located in Canada. In general, the entire process of registration is relatively brief, involving the submission of limited personal and credit card information and an exchange of emails to finalize the agreement.

NSI’s website does not indicate that it is located in Virginia or even that NSI is a Virginia business. Because of the limited number of domain name registrars, the owner’s choice to register the domain names through NSI provides inconclusive evidence that he chose to register with NSI because it is a Virginia business.

Under these circumstances, the court concluded, there were “serious doubts that traditional notions of fair play and substantial justice could support personal jurisdiction in this case.”

1038. See id. at 854, 55 U.S.P.Q.2d at 1565.
1039. See id. at 857-58, 55 U.S.P.Q.2d at 1567-68.
1041. Id. at 866, 55 U.S.P.Q.2d at 1740.
1042. Id. at 887, 55 U.S.P.Q.2d at 1741.
Another opinion turned on the ACPA’s somewhat cryptic provisions governing the proper forum for such an action. In particular, 15 U.S.C. § 1125(d)(2)(A) provides that “[t]he owner of a mark may file an in rem civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered . . . the domain name is located. . . .”1043 The ACPA, however, defines the situs of allegedly unlawful domain names with the following language:

In an in rem action under this paragraph, a domain name shall be deemed to have its situs in the judicial district in which—

(i) the domain name registrar, registry or other domain name authority that registered or assigned the domain name is located; or

(ii) documents sufficient to establish control and authority regarding the disposition of the registration and use of the domain name are deposited with the court.1044

Finally, 15 U.S.C. § 1125(d)(2)(D)(i) provides for good measure that upon receipt of a certified copy of a complaint filed under the ACPA, a domain name registrar must “expeditiously deposit with the court documents sufficient to establish the court’s control and authority regarding the disposition of the registration and use of the domain name to the court.”1045

One plaintiff unsuccessfully sought to establish a district court’s jurisdiction over the plaintiff’s in rem claims by arguing that because the domain name registrar responsible for the domain name had complied with 15 U.S.C. § 1125(d)(2)(D)(i) by transmitting the required documents to the court, 15 U.S.C. § 1125(d)(2)(C) necessarily vested jurisdiction with the court, notwithstanding the apparent absence of any other connections between the district involved and the domain name and its owner.1046 As the court characterized this theory, “a plaintiff may bring suit in any judicial district it chooses, and it may have the situs of the res transferred to the federal court in that district simply by filing a copy of the complaint with the domain name registrar.”1047

The court found the plaintiff’s theory of jurisdiction wanting on multiple grounds. First, “[t]he statute simply does not make

---

1044. Id. § 1125(d)(2)(D).
1045. Id. § 1125(d)(2)(D)(i).
1047. Id. at 125, 58 U.S.P.Q.2d at 1620 (citation omitted).
linguistic sense if it is read to allow actions to be brought either in the judicial district in which the registrar, registry, or other authority is located or in any judicial district that the plaintiff chooses to bring the action."\textsuperscript{1048} Second, "nothing in the [legislative history] suggests that anyone in Congress intended to provide for (or even was cognizant of the possibility of) in rem actions anywhere other than in the district in which the registrar, registry, or other authority is located."\textsuperscript{1049} Finally, in an extended analysis, the court concluded that application of the statute in the manner proposed by the plaintiff would pose constitutional due process concerns: "[A] statute that creates a res out of an intangible bundle of rights, and then gives to any plaintiff with a colorable claim the right to transfer that res to the forum of its choice, anywhere in the nation, offends notions of fair play."\textsuperscript{1050}

The Internet also came into play in nondomain name related disputes. While his company’s building burned, an Oklahoma resident allegedly was faced with the choice of saving a mother cat and her kittens or, alternatively, saving his company’s files. His choice to rescue the felines resulted in his insurance carrier denying coverage for the lost files, leading him to establish an Internet gripe site\textsuperscript{1051} targeting the carrier and the Ohio-based manufacturer of a water cooler he held responsible for the fire.\textsuperscript{1052} When the manufacturer sued in the Southern District of Ohio in an attempt to enjoin the online references to its trademarks, the defendant and his company responded with a motion to dismiss on jurisdictional grounds. In granting the motion, the court concluded that the plaintiff had failed to demonstrate that it had suffered a trademark-related injury in Ohio. Under these circumstances, the plaintiff’s allegations failed to meet the requirements of either the Ohio long-arm statute or the Due Process Clause.\textsuperscript{1053}

Similarly, in another Southern District of Ohio case, the defendant Washington residents were accused of having registered, and then offered for sale, a domain name allegedly similar to the plaintiff’s trademark.\textsuperscript{1054} Because the plaintiff apparently failed to submit any evidentiary materials in opposition to the defendants’ motion to dismiss, the court had little difficulty concluding that the mere registration of a domain name did not fall within the scope of the Ohio long-arm statute.\textsuperscript{1055}

\textsuperscript{1048} Id. (emphasis in original).
\textsuperscript{1049} Id. at 128, 58 U.S.P.Q.2d at 1622-23 (footnote omitted).
\textsuperscript{1050} Id. at 139, 58 U.S.P.Q.2d at 1628.
\textsuperscript{1051} See <www.boycott-em.com/fire-cats/021198ARTICLE.html>.
\textsuperscript{1053} See id. at 620-24.
\textsuperscript{1055} See id. at 888-89.
As these cases suggest, not all online activities lend themselves to findings that jurisdiction is appropriate, particularly if they involve passive websites. In one federal case in the Eastern District of Missouri, the defendant was a California and United Kingdom resident who secured the <virtualcar.com> domain name and, until receiving the plaintiff's challenge, displayed photographs of classic cars at that address. As described by the court, “[t]he website included photographs of classic cars, but the user could not purchase such cars via the site or exchange information with Defendant via the site. No Missouri users contacted Defendant about buying cars via the site and the site led to no business with a Missouri user.” Under the circumstances, the court held that an exercise of jurisdiction by a Missouri court would not comport with constitutional standards of fair play; the court did, however, transfer the action to the Central District of California.

Another court also declined to exercise jurisdiction over a defendant after concluding that its ties to the forum state did not extend beyond a website accessible in the state. The court acknowledged that “personal jurisdiction clearly is proper where a defendant, over the Internet, enters into contracts or otherwise consummates commercial transactions with residents of the forum state.” Nevertheless, noting that “a defendant must avail itself of the forum state in a manner that it is somehow more than an allegedly infringing domain name or use of an allegedly infringing mark on an interactive web site,” it concluded that the plaintiff's jurisdictional arguments did not survive the strictures of the Due Process Clause.

Outside of the Internet context, one California district court opinion declining to exercise jurisdiction over the defendant was notable for the court's reversal of its own position on the issue. Having learned of the presence in the marketplace of counterfeit products bearing the plaintiff's marks, the Texas defendant wrote to the plaintiff's California headquarters seeking advice on how to avoid the counterfeits. The plaintiff did not respond, but instead

1056. See, e.g., Miami Breakers Soccer Club v. Women's United Soccer Ass'n, 140 F. Supp. 2d 1325 (S.D. Fla. 2001) (holding that the passive nature of the defendant's website, among other factors, weighed in favor of the court declining to exercise jurisdiction).
1058. Id. at 1158.
1059. Id. at 1159-60.
1061. Id. at 776.
1062. Id. at 778.
1063. See id. at 779-80.
filed suit when it discovered some of the objectionable products in the defendant’s stores. The court initially denied the defendant’s Rule 12 motion to dismiss on the theory that the defendant’s sales of the products were tortious acts directed at the plaintiff. On the defendant’s motion for summary judgment, however, the court did dismiss the action on jurisdictional grounds, explaining, “[the defendant] took steps to ensure that its products were compliant, which [the plaintiff] rebuffed. . . . [The defendant] did not specifically target [the plaintiff], but rather the opposite, in that it tried to avoid counterfeit sales. . . .”

In another case, a Kentucky domiciliary and manufacturer of baseball equipment engaged the head baseball coach at Georgia Tech in a promotional capacity. When the parties’ relationship deteriorated, the plaintiff sued in its home forum of the Western District of Kentucky, alleging, among other things, false endorsement under Section 43(a). Finding that the defendant had not been to Kentucky during the pendency of the contract, whether to perform his duties under the contract or otherwise, the court granted the defendant’s motion to dismiss on jurisdictional grounds.

Even when visits to the forum state have occurred, they may not be dispositive. When the BOSTON BREAKERS women’s professional soccer team participated in its league’s draft in Boca Raton, Florida, and then later participated in an All-Star game in Fort Lauderdale, the team incurred the objection of the MIAMI BREAKERS men’s professional soccer team. When the latter sued the women’s league for violations of the Lanham Act, the league moved to dismiss on jurisdictional grounds, citing its lack of contacts with that state. The court was unmoved by the league’s prior visits to Florida and the league’s failed plans to place a team in Orlando, and was equally unconvinced that the league’s passive website had caused an injury in Florida, instead holding that these contacts were insufficient to meet the requirements of either the Florida long-arm statute or the Due Process Clause.

(3) Cases Deferring an Exercise of Jurisdiction

One court temporarily dodged the issue of whether registration of a domain name related to a trademark could create personal jurisdiction in the federal district in which the mark owner resided, choosing instead to order limited discovery on the

1067. See id. at 676-79.
1069. See id. at 1328-31
nature of the defendants’ ties to the forum.1070 Before doing so, however, the court opined that (1) “registering a domain name that incorporates a trademark for which only the mark owner could have a legitimate use could be sufficient . . . to support [an] assertion of personal jurisdiction in the mark owner’s place of residence” but that (2) “incorporating a famous mark into a domain name cannot always be deemed proof that registration of the domain name was expressly aimed at the trademark owner.”1071

2. Standing

Although outside of the context of consumer lawsuits the Lanham Act’s standing requirements are liberally interpreted, the Fifth Circuit served notice last year that businesses do not enjoy carte blanche to sue their competitors.1072 The subject of this holding was Amway’s reputed misrepresentations to its distributors about the allegedly illegal Amway pyramid scheme. In affirming the district court’s conclusion that Procter & Gamble did not have standing to challenge these nefarious practices, the appellate court first noted that standing under the Lanham Act entails more than simply meeting Article III’s requirements: On the contrary, “standing has constitutional and prudential components,” the latter of which the court concluded was “an integral part of judicial self-government.”1073

Concluding that Congress had not restricted this judicial self-governance when passing the Lanham Act, the court considered a variety of factors when determining whether Procter & Gamble’s claims made the grade:

(1) the nature of the plaintiff’s alleged injury: Is the injury of a type that Congress sought to redress in providing a private remedy violations of the [relevant statutes]?; (2) the directness or indirectness of the asserted injury; (3) the proximity or remoteness of the party to the alleged injurious conduct; (4) the speculativeness of the damages claim; and (5) the risk of duplicative damages or complexity in apportioning damages.1074

Concluding that an application of each of these factors counseled against allowing Procter & Gamble to challenge Amway’s business

1071. Id. at 775 & n.2.
1073. Id. at 560, 58 U.S.P.Q.2d at 1024 (quoting Lujan v. Defenders of Wildlife, 504 U.S. 555, 560-61 (1992)).
1074. Id. at 562-63, 58 U.S.P.Q.2d at 1026 (internal quotation marks omitted).
practices under the guise of a false advertising suit, the court affirmed the district court’s dismissal of this aspect of the case.\footnote{1075}{See id. at 563-64, 58 U.S.P.Q.2d at 1026-27.}

Although the better view is that, under certain circumstances, Section 43(a) is available in suits against noncompetitors,\footnote{1076}{See, e.g., Towers Fin. Corp. v. Dun & Bradstreet, 803 F. Supp. 820, 824 (S.D.N.Y. 1992) (enjoining dissemination of false financial information concerning plaintiff on ground that “[i]f the report is false and misleading, it is not protected by the First Amendment and can be restrained under the Lanham Act”).} three cases reached the contrary conclusion. In the first case, the plaintiff sought compensation for an allegedly false accusation by the defendant, a self-styled monitor of sales of counterfeit products on the Internet, that the plaintiff sold unauthorized goods on her website.\footnote{1077}{Tzougrakis v. Cyveillance, Inc., 145 F. Supp. 2d 325 (S.D.N.Y. 2001).} The court, however, entered summary judgment in the lead defendant’s favor in a confused opinion that demonstrated the court’s lack of understanding of the issues presented by the plaintiff’s Section 43(a) claim and the relationship between trademark and copyright law:

Plaintiff claims that defendant . . . violated 15 U.S.C. § 1125(a) (the Lanham Act) which states that misleading representations about a copyrighted product are subject to civil action in the federal courts. The Lanham Act, however, does not apply in this case. . . . \footnote{1078}{Id. at 329 (citations omitted).}

. . . Plaintiff has not contested the fact that the two companies are engaged in very different businesses and do not offer any of the same products or services.

Therefore, the court grants summary judgment to defendant . . . on Plaintiff’s first claim under the Lanham Act.\footnote{1079}{See Town & Country Motors, Inc. v. Bill Dodge Auto. Group, 115 F. Supp. 2d 31, 33 (D. Me. 2000).}

In the second case, the plaintiff, a rust proofing franchise, sought to enjoin alleged representations by the sales force of a local automobile dealer that purchases of the plaintiff’s services would void the dealer warranties of their automobiles.\footnote{1080}{Id. at 33-34.} Concluding that Section 43(a) reaches only statements made “by a defendant who is in commercial competition with the plaintiff,” the court held that disputed factual issues on this issue precluded entry of summary judgment in the defendant’s favor.\footnote{1080}{Id. at 33-34.}
Finally, in the third case, the plaintiffs were a collection of companies objecting to the defendants’ alleged practice of “slamming,” or transferring long-distance telephone service without customers’ consent. Concluding that a competitive relationship was a prerequisite for challenging the defendants’ putatively false advertising, the court dismissed the Lanham Act claims of those plaintiffs claiming to have been slamming victims of the defendants. The court did, however, allow the claims of the lead plaintiff, a direct competitor of the lead defendant, to go forward.

3. Declaratory Judgment Actions

Disputes in which the parties have engaged in mutual threats prior to the inception of litigation often result in a declaratory judgment action being filed ahead of an infringement action. In one such case, the junior user filed a mere twelve minutes before the senior user reached the courthouse in another district. Rather than itself resolve the issue of where the parties’ claims should be heard, the second court concluded that the first-to-file rule required it to defer to the first court to do so. As it explained, the most appropriate approach is for the court where a complaint is first filed to determine which case should go forward. This approach is supported by a body of case law that directs the court which first obtained jurisdiction to determine whether it should retain the case or let it proceed in the court of second filing.

Nevertheless, one panel of the Florida Court of Appeals held that priority of service, not of filing, determines which court properly should decide where a dispute should be heard. The plaintiff filed an action in Florida state court seeking a declaratory judgment of noninfringement, but took 21 days to serve the defendant. In the meantime, the defendant not only filed a federal infringement action in the Southern District of Florida but successfully served the plaintiff with a federal summons. The state trial judge originally assigned to the case stayed the action pending the federal court’s determination of which court properly enjoyed jurisdiction, but a successor judge subsequently vacated.

1082. See id. at 590-91.
1084. Id. at 1042, 58 U.S.P.Q.2d at 1472-73.
1086. See id. at 1115.
On the defendant’s appeal, the appellate court invoked a Florida procedural rule favoring the party serving first in state court priority battles to conclude that there was “no basis for a departure from this usual practice in the present case.” Accordingly, the court concluded, “under Florida procedural law the federal court exercised jurisdiction over the cause first with the earlier service of process.”

4. Extraterritoriality of the Lanham Act

Can a federal court hearing a Lanham Act claim exercise personal jurisdiction over foreign defendants whose activities occurred abroad? The answer, according to one court, is no. The defendants, both domiciliaries of the United Kingdom, had been licensees of the plaintiff, an Illinois-based corporation. Upon the termination of the license, the defendants had continued to sell the plaintiff’s products in Germany and to hold themselves out as the plaintiff’s agents.

Noting that federal statutes presumptively lack extraterritorial reach, the court dismissed the plaintiff’s Lanham Act claims. Although the plaintiff argued that the defendants’ conduct adversely had affected its interests because it had made it more difficult for the plaintiff to conduct business in Germany, the court rejected what it deemed to be a “for whom the bell tolls” theory:

[T]here must be more to justify the application of our national laws to foreigners abroad than what [the plaintiff] has presented. On [the plaintiff’s] argument, Congress can write trademark legislation for the world if activities by any foreign citizen in any foreign country have any effect, however remote and tenuous, on United States commerce. I don’t think so. All firms in the international economy are “a piece of the continent, a part of the main,” but that is not a basis for federal jurisdiction. If [the plaintiff] has a trademark case, it is under British, German, or other EC law.

A different result held in a case in which the plaintiff challenged the overseas conduct of an Italian citizen, but United States resident, and his company. The court began its analysis

1087. See id.
1088. Id. at 1116.
1089. Id.
1091. See id. at 949-50, 56 U.S.P.Q.2d at 1156.
1092. Id. at 952, 56 U.S.P.Q.2d at 1157-58.
by noting that “[i]t is well-established that United States courts have jurisdiction to apply the Lanham Act to allegedly infringing conduct occurring outside the United States when necessary to prevent harm to United States commerce.”\(^{1094}\) It then determined that the Second Circuit’s three-part test for determining the propriety of an extraterritorial injunction warranted the issuance of the requested relief: (1) the forty-year residency of the lead defendant in the United States weighed in favor of treating him as a United States citizen fully subject to the court’s orders; (2) the proposed injunction would not create a conflict with foreign law; and (3) the defendants’ actions were having a substantial effect on United States commerce.\(^{1095}\)

5. Sanctions

In the midst of three other cases involving the same or related parties and presenting identical issues, one plaintiff apparently lost patience and filed a new action in which it successfully sought an ex parte seizure order from a different judge.\(^{1096}\) The plaintiff’s fortunes changed dramatically, however, when the new court learned of the pendency of the other actions in the same district. Relying on a local rule aimed at preventing duplicate litigation, the court faulted the plaintiff for failing to advise it of the other actions, vacated its prior order, and then dismissed the action in light of the plaintiff’s violation of the local rule. As the court further explained, the related actions in any case would have precluded the plaintiff from demonstrating the requisite irreparable harm, “[s]ince the parties have been litigating many of the same issues before other judges on this Court for over eight months without any apparent difficulty.”\(^{1097}\)

6. Venue/Choice of Law

The proposition that a court should not order a change of venue when such a change would merely shift the inconveniences from the defendant to the plaintiff proved dispositive in one case.\(^{1098}\) The plaintiff, the Swedish producer of ABSOLUT vodka, sought to challenge three Australian defendants’ uses of the ABSOLUT BEACH mark for swimwear and beachwear and their registration of the <absolutbeach.com> and <absolutebeach.com> domain names. Although acknowledging the defendants’ “very

\(^{1094}\) Id. at 336.

\(^{1095}\) See id. at 336-41.


\(^{1097}\) Id. at 702, 58 U.S.P.Q.2d at 1640.

strong” claims that having to defend an action in the United States would be potentially ruinous, 1099 the court nevertheless declined to order a transfer to a United Kingdom court hearing another case between the same parties. As the court explained, deference to the plaintiff’s choice of forum was warranted by the location of many of the plaintiff’s witnesses in the United States, the “local interest” in having the plaintiff’s United States trademark rights adjudicated in the United States, the absence of a foreign law equivalent of the Anticybersquatting Consumer Protection Act, and the court’s own “speed and efficiency.” 1100

Another court hearing a Lanham Act claim also declined to grant a defense motion for a dismissal of the action based on improper venue. 1101 Referring to 28 U.S.C. § 1391(b)(2), the court noted that the statute authorized suit “in . . . a judicial district in which a substantial part of an event or omissions giving rise to the claim occurred.” Because affidavits submitted by the parties established that the defendant had placed advertisements featuring the challenged mark in magazines enjoying circulation within the forum district, the court held that the defendant had failed to carry its burden of demonstrating the impropriety of venue. 1102 Because the defendant was unable to demonstrate that the convenience of the parties and witnesses warranted not proceeding in the plaintiff’s choice of forum, the court also denied the defendant’s motion in the alternative for a transfer. 1103

7. Court Review of, and Deference to, United States Patent and Trademark Office Decisions

Given the opportunity to accord weight to an examining attorney’s ex parte rejection of a defendant’s application to register its mark, the Third Circuit declined to do so. 1104 Although acknowledging the existence of case law granting at least some degree of deference to USPTO registrability decisions, the appellate court also noted that “other courts have held that a court need not defer to the patent office [sic] when there is relevant evidence not considered by the office that informs the analysis.” 1105 Ultimately, the court held this latter line of authority persuasive, concluding that “although an initial USPTO determination by an examining attorney may be considered, it need not be given weight

1099. See id. at 800-01.
1100. See id. at 801-03.
1102. See id. at 613.
1103. See id.
1105. Id. at 220-21, 57 U.S.P.Q.2d at 1110.
when the USPTO attorney did not review all the evidence available to the District Court.” 1106

Another court reached the opposite conclusion, however. 1107 In the context of an inquiry into whether the defendants’ importation of allegedly infringing goods was having a substantial effect on United States commerce, the court noted with approval the USPTO’s prior ex parte rejection of the defendants’ application, concluding that the plaintiff “has established credible evidence of likely consumer confusion through the United States Patent and Trademark Office.” 1108 Moreover, the court noted, “[t]he likelihood of consumer confusion is further bolstered by [the plaintiff’s] success in canceling or opposing the [defendant’s] trademarks . . . in jurisdictions throughout the world, including Italy, Germany, France, Switzerland, and Austria.” 1109

8. Court Review of, and Defe rence to, UDRP Proceedings

One owner of a domain name subject to an in rem action under the Anticybersquatting Consumer Protection Act failed to convince the court to stay its proceedings during the pendency of an action under the Uniform Dispute Resolution Policy (“UDRP”). 1110 The court’s rationale was three-fold: First, the UDRP itself contemplated the possibility of judicial proceedings initiated after the filing of an action under the UDRP. Second, nothing in ICANN’s policies purported to deprive complainants under the UDRP of the right to proceed in court. Finally, the court found the opinion of “experts in this field” to similar effect to be probative. 1111

9. Insurance Coverage

In an opinion sure to warm the hearts of trademark attorneys, not to mention those of their malpractice insurance carriers, the New York Court of Appeals confirmed that a firm defending an infringement action was under no duty to inform its client of the possibility of insurance coverage. 1112 Notwithstanding the success

---

1106. Id.
1108. Id. at 341.
1109. Id.
of successor counsel in securing coverage under the client’s policy, the court held that the first firm to represent the client was not negligent for allegedly failing to advise the client to report a claim to its carrier. Significantly, however, this holding rested in part on the then-novel nature of the theory that coverage might exist for the defense of such cases—a rationale that may lose its force on a going-forward basis.\textsuperscript{1113}

Five noteworthy opinions addressed the perennial issue of whether an “advertising injury” clause in a general liability insurance policy obligated the carrier to pick up the defense of allegations of infringement under the Lanham Act, with three holding in favor of the policy holder. In addition to the usual contractual interpretation arguments, the carrier in the first case advanced the novel theory that because its insured had been accused of infringing the trade dress of only a single item, the tort alleged did not rise to the level of a misappropriation of a style of doing business within the meaning of the policy.\textsuperscript{1114} The court disagreed, however, citing with approval prior authority to the effect that “because trade dress and trademark infringement claims require proof of consumer confusion, advertising as an activity of calling the public’s attention to the infringing product is inherent in a Lanham Act claim.”\textsuperscript{1115}

Affirming a trial court’s entry of summary judgment in favor of a former defendant in a false advertising case brought under the Lanham Act and Maryland law, the Indiana Court of Appeals held in the second case that coverage under an “advertising injury” clause was indeed triggered by such a dispute.\textsuperscript{1116} The policy expressly contemplated a duty to defend against claims brought for “misappropriation of advertising ideas or [a] style of doing business.”\textsuperscript{1117} Noting that the underlying dispute had involved allegations that the then-defendant had used a certification mark that falsely suggested that the mark’s users had doctorates, the carrier argued that this did not constitute an alleged misappropriation of the then-plaintiff’s method of operations.\textsuperscript{1118} The court rejected this argument, however, and concluded instead that the then-plaintiff had been challenging a directly competing certification program that threatened its own similar style of business. Accordingly, it affirmed the trial court’s finding of a duty to defend.\textsuperscript{1119}

\textsuperscript{1113} See id. at 748, 57 U.S.P.Q.2d at 1157.
\textsuperscript{1115} Id. at 1273 (footnote omitted).
\textsuperscript{1117} Id. at 303.
\textsuperscript{1118} See id. at 307-08.
\textsuperscript{1119} See id. at 308.
The third advertising injury clause case presented the clearest case for coverage. 1120 The putative insured party had been accused of advertising and selling counterfeit shampoo: As the court concluded, “[b]ecause the allegations of the complaint expressly alleged that the [then-]defendant’s advertising activities violated the [third-party plaintiff’s] trademark, the allegations potentially bring the claim within the protection purchased.”1121 With the policyholder enjoying the benefit of the New York rule that “[i]f the underlying complaint contains any facts or allegations which bring the claim potentially within the protection purchased, the insurer is obligated to defend,”1122 the court reversed entry of summary judgment in the carrier’s favor.

The fourth case demonstrated the difficulty that some policy holders have in securing coverage at the hands of an unsympathetic court.1123 The litigation underlying the claim had been one for trade dress infringement, and had been triggered by the policy holder’s solicitation of a single customer for the sale of a product designed specifically for that customer.1124 Hearing an appeal from the entry of summary judgment in the carrier’s favor, a panel of the California Court of Appeals acknowledged that, under certain circumstances, coverage might be appropriate for claims arising out of a single transaction.1125 Quoting the policy at issue, the appellate court nevertheless concluded that:

the term “advertising” as used in the standard CGL policy does not include responding to a single customer in a competitive bidding process with a product tailor-made for that customer. Thus, based on the facts established at summary judgment, it follows that the alleged injury was not “caused by an offense committed in the course of advertising [the insured’s] goods, products or services . . . .” Consequently, there was no potential for coverage under the policy.1126

Consistent with this restrictive definition of “advertising,” the Second Circuit adopted a similarly limited interpretation of the phrase “trademarked slogan” in the fifth case.1127 Although the plaintiff’s policy expressly excluded “advertising injuries,” include-
ing claims arising from allegations of trademark infringement, it nevertheless did include coverage “arising solely out of infringement of . . . tradmarked or service marked titles or slogans.” In litigation arising from the carrier’s refusal to pick up the costs of an earlier dispute in which the insured had been accused of infringing the BOSS trademark for clothing, the Second Circuit denied indemnification to the insured on the theory that “the relevant . . . cases indicate that ‘tradmarked slogans’ are phrases used to promote or advertise a house mark or product mark, in contradistinction to the house or product mark itself.” In light of the broader duty to defend, however, the appellate court held that the district court properly had required the carrier to cover the costs of the earlier litigation.

10. Attorney Disqualification

A party that knowingly signs a conflict waiver when it retains a law firm may be in a uniquely poor position to try to disqualify that firm if the firm subsequently represents an adverse party in unrelated litigation. In General Cigar Holdings, Inc. v. Altadis, S.A., the plaintiff and the defendant jointly had retained the firm of Latham & Watkins in a challenge to certain Massachusetts regulations restricting the promotion of tobacco products. In joining this arrangement, which included other companies as well, the defendant had entered into a retainer agreement that acknowledged Latham’s representation of the plaintiff, but that did not expressly advise the defendant of Latham’s position that it could represent the plaintiff in any subsequent litigation against the defendant. When that litigation arose under the Lanham, Sherman, and Clayton Acts, the defendant attempted unsuccessfully to have Latham disqualified from the second case:

The engagement letter in the instant case was reviewed by outside counsel and the respective representatives of the corporations. . . . It is clear that advance consent was obtained from knowledgeable and sophisticated parties. There is no dispute that the predecessors of [the defendant] were aware of the Latham attorneys’ relationship with [the plaintiff]. Allowing for advance, informed consent has significant advantages to both clients and lawyers alike, especially where large firms and sophisticated clients are involved. While the engagement letter could have been more

1128. Id. at 616, 59 U.S.P.Q.2d at 1166.
1129. Id. at 618, 59 U.S.P.Q.2d at 1169.
1130. See id. at 620-23, 59 U.S.P.Q.2d at 1170-72.
explicit, under the circumstances, it represents informed consent for potential adverse actions.\textsuperscript{1132}

\textit{G. Antitrust Matters}

The near-universal failure under modern law of antitrust counterclaims in routine infringement actions did not dissuade some litigants from asserting them. In one case, the plaintiff alleged that the defendants’ challenge to his ownership of Internet domain names corresponding to the defendants’ federally registered trademarks constituted anticompetitive conduct.\textsuperscript{1133} In rejecting the plaintiff’s claims under Section 1 of the Sherman Act,\textsuperscript{1134} the court noted that “efforts to protect trademark rights, even those that go as far as bringing suit against a party who has allegedly infringed upon or diluted the trademark owner’s rights, represent fair competition, further general trademark policies, and do not constitute violations of antitrust laws.”\textsuperscript{1135} With respect to the plaintiff’s claims under Section 2,\textsuperscript{1136} the court properly defined the relevant market as domain names generally, rather than those similar to the defendants’ marks. Because the defendants clearly had not attempted to control, much less monopolize, this larger market, the plaintiff’s Section 2 claims necessarily failed as a matter of law as well.\textsuperscript{1137}

Another opinion applied the Noerr-Pennington doctrine to antitrust counterclaims grounded in part in cease-and-desist letters from the plaintiff alleging trademark infringement and false advertising.\textsuperscript{1138} Although acknowledging that Noerr-Pennington extends to conduct incidental to the prosecution of lawsuits, and that the letters therefore fell within the doctrine’s scope, the court nevertheless declined to grant the plaintiff’s Rule 12(b)(6) motion for dismissal because the defendant’s counterclaims had other, nonlitigation bases as well.\textsuperscript{1139}

\begin{itemize}
\item \textsuperscript{1132} Id. at 1339.
\item \textsuperscript{1134} See 15 U.S.C. § 1 (2000).
\item \textsuperscript{1135} Weber, 112 F. Supp. 2d at 672, 56 U.S.P.Q.2d at 1524.
\item \textsuperscript{1136} See 15 U.S.C. § 2.
\item \textsuperscript{1137} See Weber, 112 F. Supp. 2d at 674, 56 U.S.P.Q.2d at 1525.
\item \textsuperscript{1139} See id. at 1858.
\end{itemize}
H. Miscellaneous Matters

1. Right to Trial by Jury

One court addressed the issue of whether the Seventh Amendment guarantees a defendant the right to trial by jury on the plaintiff’s (1) request for cancellation of the defendant’s registration and (2) allegations of dilution. As to the former, the court held that “[a] claim for cancellation of a trademark registration . . . is equitable in nature and does not give rise to a jury trial right.” As to the latter, the court noted that the plaintiff in the case before it was seeking only injunctive relief under the federal and New York dilution statutes; as a consequence, no right to a jury trial would lie under those causes of action as well, even if “a claim for money damages would trigger the right to a jury trial.”

2. Exhaustion of Rights and Diverted Goods

The point at which a mark owner’s rights can be deemed to have been exhausted was a frequent subject of litigation over the past year. In the most interesting case to address the subject, the plaintiff professional baseball player had licensed the use of his name and likeness to a manufacturer of a variety of products. When the plaintiff terminated the agreement, the defendant admittedly disposed of some of its inventory, which had been manufactured prior to the end of the parties’ relationship. The defendant sought to characterize these products as genuine goods, but the court held that genuineness should be measured as of the date of first sale, not manufacture. It further explained that:

[A] court faced with an infringement claim for unauthorized sales of a trademarked product must perform a two-part analysis. First, the court must consider whether the trademark owner authorized the first sale of the goods. Second, the court must consider whether the goods were genuine. If the initial sale was authorized, the court must undertake the second part of the analysis and determine whether, as a matter of fact, the goods which were later resold without authorization were genuine. If the goods were genuine, there is no violation of the Lanham Act despite the fact that the goods were resold without the trademark owner’s consent. If the goods were not genuine, that is altered or not in keeping with the trademark owner’s quality standards, a valid

1141. Id. at 209.
1142. Id. at 210.
claim for trademark infringement is established. If the trademark owner did not approve the original sale, the goods cannot be considered genuine as a matter of law and infringement is established.\footnote{1144}

In another notable case, defendants legitimately reselling consumer credit information provided to them by Trans Union incurred Trans Union’s wrath when they began to use Trans Union’s marks on their website, in their domain names, and in their metatags.\footnote{1145} Noting that the products actually provided by the defendants to their customers were actually amalgams of information from various sources, the court rejected the defendants’ exhaustion argument: “[D]efendants are not like resellers or authorized dealers, as they do not merely purchase credit reports from Trans Union and then turn around and sell these products unaltered on the internet.”\footnote{1146}

These cases notwithstanding, the issue of exhaustion arose most often in the context of parallel, or gray market, imports. Although a favorite argument of gray market plaintiffs is that the diversion of goods from “authorized” channels of distribution necessarily renders the goods infringing, one court rejected this theory out of hand in a well-reasoned opinion denying preliminary injunctive relief to the mark holder.\footnote{1147} The case presented a classic example of competing black letter doctrines: The defendant claimed that the plaintiff had exhausted its rights when it first placed the branded products in question into commerce, while the plaintiff alleged that the goods imported by the defendant were materially different from their domestic counterparts.

The plaintiff was unable to demonstrate actual physical differences between the parties’ goods, and, therefore, the court made short work of the plaintiff’s request for preliminary relief grounded in the mere fact of diversion:

\[T]\he fact that the goods have traveled overseas in no way renders them materially different. At most, the goods have lost part of their shelf-life, but are still well within the range allowed retailers by [the plaintiff].

\ldots Absent a reason to believe that something happens in the course of overseas shipping, the Court does not find such shipping to create a material difference. To do otherwise, as the plaintiff wishes, would create a per se rule making “grey

\footnote{1144} Id. at 382.
\footnote{1146} Id. at 1039.
market” importation a violation of trademark law. That is not the law.\textsuperscript{1148}

The court’s opinion also is noteworthy for its treatment of an additional argument raised by the plaintiff, namely that contractual provisions barring the plaintiff’s authorized distributors from diverting merchandise bearing the plaintiff’s mark somehow were binding on the defendant. Although the plaintiff alleged that the defendant knew of these provisions, and that the defendant actively had participated in the distributors’ acquisition of the merchandise from the defendant, the court rejected the theory that the distributors were mere alter egos of the defendant. Setting the transaction in motion through the distributors, the court concluded, was not enough: Rather, because the distributors were not mere “pass-throughs,” their contractual obligations were not binding on the defendant.\textsuperscript{1149}

One court, however, granted preliminary injunctive relief to a gray market plaintiff after finding that the defendants were marketing goods from which the product batch codes had been obliterated.\textsuperscript{1150} Although the allegation that a mark owner has lost the ability to control the quality of diverted goods ordinarily is an insufficient basis for relief,\textsuperscript{1151} the court held that “[t]he batch codes are vital to Plaintiffs’ quality control effort in that those codes are the only means for the Plaintiffs to identify and recall defective or outdated products.”\textsuperscript{1152} The court’s conclusion that the obliteration of the codes from the plaintiffs’ bottles “degrades the appearance of the product” might well have served as a basis for relief on the theory that the goods sold by the defendants materially differed from their “authorized” counterparts; its ultimate holding, however, was grounded in the theory that “[b]y selling products from which the batch codes have been removed, Defendants are depriving Plaintiffs of their exclusive right to control the quality of their products.”\textsuperscript{1153}

Another gray market plaintiff succeeded in proving liability even in the absence of material differences between the parties’ goods.\textsuperscript{1154} Although it was apparently undisputed that the defendant sold parallel goods that were materially identical to

\textsuperscript{1148} Id. at 1761-62.
\textsuperscript{1149} See id. at 1820.
\textsuperscript{1151} See, e.g., Matrix Essentials v. Emporium Drug Mart, 988 F.2d 587, 26 U.S.P.Q.2d 1532 (5th Cir. 1993), discussed in The 46th Year, 83 TMR 1080.
\textsuperscript{1152} Davidoff, 56 U.S.P.Q.2d at 1757.
\textsuperscript{1153} Id. at 1757.
their domestic counterparts, the defendant marketed those goods using decals and signage that prominently featured the plaintiff’s design marks and allegedly suggested that the defendant was an authorized dealer. Acknowledging that this showing was a “slim” one, the court nevertheless held it sufficient to defeat the defendant’s motion for summary judgment. As the court explained, a finding of unfair competition ultimately might be appropriate under these circumstances “where the manufacturer has an authorized network in place and the consumer is misled into believing that the defendant is part of that network.”

Although not presenting a holding on the merits, another gray market case was significant for its treatment of the issue of material differences between the parties’ products. Although the plaintiff alleged that the defendant had imported materially different cigarettes bearing the plaintiff’s marks, the plaintiff nevertheless moved the court for a protective order when the defendant sought discovery on the plaintiff’s packaging and the ingredients and flavor profiles of its products. The court granted the plaintiff’s motion, but at a cost: “It should be self-evident, and indeed [the plaintiff] concedes, that entry of the protective order prevents [the plaintiff] from presenting formulation evidence—or evidence of such manifestations of formulation as taste—as proof of material differences at trial.”

Finally, although the significance of materially differing goods typically is raised in the likelihood of confusion context, one court acknowledged the possibility that the existence of material differences might be a proper basis for a finding of dilution. As it explained in granting the plaintiff leave to assert a dilution claim, “[b]y alleging that the [allegedly diverted products of the plaintiff] sold . . . were materially different than those marketed [by the plaintiff], and that these differences contributed to the dilution of the marks, [the plaintiff] has adequately stated a claim for trademark dilution.”

Outside of the materially differing goods context, one court held that exhaustion principles do not mandate that defendants be permitted to use domain names incorporating plaintiffs’ trademarks for websites reselling the plaintiffs’ own goods. In a cursory footnote treatment of the issue, the court observed that

---

1155. Id. at 1593.
1157. Id. at 1256.
1159. Id. at 1534.
“[the defendant] fails to explain how the doctrine applies in this situation, where, by using [the plaintiff’s] trademarks in its domain names, [the defendant] goes well beyond stocking, displaying, or reselling.”\footnote{1161}{Id. at 780 n.8}

3. Necessary Parties

Is a trademark owner a necessary party in a lawsuit against one of its licensees? One set of plaintiffs found out the hard way that the answer is yes.\footnote{1162}{See Jaguar Cars Ltd. v. Manufactures des Montres Jaguar, S.A., 196 F.R.D. 306 (E.D. Mich. 2000).}

At its inception, the case was against a Spanish owner of a federal registration and one of its licensees, which manufactured watches bearing the Spanish company’s mark for sale in the United States by a third defendant. In response to the complaint, the Spanish mark owner successfully moved for dismissal of the plaintiffs’ claims against it for want of personal jurisdiction. Following this holding, the licensee moved for dismissal of those claims of the plaintiffs bearing on the Spanish mark owner’s rights on the theory that the Spanish mark owner was a necessary party. The court granted the motion, observing:

Undoubtedly, [the Spanish mark owner] has an interest in being able to fully exploit the economic benefits of its registered trademark. As a practical matter, the relief sought by Plaintiffs, i.e., an injunction prohibiting [the remaining] Defendants from using the mark “JAGUAR” in connection with their sale of watches and damages for such use, if granted, would directly affect [the Spanish mark owner’s] ability to protect that interest. In addition to directly affecting [the Spanish mark owner’s] ability to exploit its trademark through Defendants, an injunction and/or damages against Defendants could also have a chilling effect upon the willingness of other potential licensors, distributors, and retailers, who may be unwilling to risk exposing themselves to litigation even though [the Spanish mark owner] may have a superior right to use the mark.\footnote{1163}{Id. at 308.}

4. Fraud Before the Patent and Trademark Office as a Basis for Cancellation

Although the Lanham Act permits the cancellation “at any time” of a registration that has been procured from the USPTO by fraud,\footnote{1164}{See 15 U.S.C. § 1064(3) (2000).} the standard for proving fraud is a high one. One opinion

\footnote{1161}{Id. at 780 n.8}
\footnote{1163}{Id. at 308.}
rejected a defendant’s claim that the plaintiff had defrauded the agency by failing to advise it of the defendant’s domain name registration. The court noted that the domain name registration had been issued after the filing date of the plaintiff’s ultimately successful service mark application with the USPTO; in any case, however, “[i]t is only when another’s rights, not just use, are ‘clearly established,’ that ‘good faith’ is eliminated. The other user’s rights must be at least equivalent to, if not superior to, the applicant’s own rights to the mark [to constitute fraud].”

Not all claims by defendants of fraudulent procurement fell short. One such case was the latest round in longstanding litigation between two claimants to the DRIFTERS mark for a performing group. The plaintiff, a former editor of a popular music magazine, had assembled a group of former members of the original Drifters and then convinced them to register the mark with the USPTO before assigning the registration to himself. The lead defendant in turn was the widow of the manager of the original group, who had kept her own version of the group intact over the years, albeit with a regularly shifting membership. The Third Circuit affirmed a jury finding that the plaintiff’s knowledge of the defendants’ claims of priority rendered his registration void, in no small part because his performers had renounced their claims to the mark as part of their original contracts with the lead defendant’s husband.

Although the Act is silent on the issue of whether a registrant’s post-registration conduct can serve as a basis for cancellation, this silence did not dissuade two appellate courts from assuming that fraud in the post-registration context can indeed result in cancellation. In the first case, the plaintiff allegedly had submitted a fraudulent combined declaration under Sections 8 and 15 for one registration and had obtained a second registration of the same mark through a fraudulent application. The court held that the plaintiff’s post-registration filings, although containing several false statements, failed to meet the requisite standard:

Allegedly fraudulent statements must show a deliberate attempt to mislead the Patent and Trademark Office . . . and may not be the product of mere error or inadvertence.

---

1166. Id. at 1080-81, 57 U.S.P.Q.2d at 1613 (emphasis in original).
1168. Id. at 197, 57 U.S.P.Q.2d at 1772-74.
Moreover the knowing misstatements must have been made "with respect to a material fact—one that would have affected the PTO's action on the application."\footnote{1171}

The statements made by the plaintiff in prosecuting its second registration, however, fell into a different category. Although the plaintiff’s claimed date of first use was based on rights acquired from a predecessor, the court found that the plaintiff was aware that its predecessor’s use was limited to services, rather than the goods covered by the registration. Moreover, even as to those services, the plaintiff had “consciously avoided” investigating whether the mark was still in use at the time of the purchase. The court therefore concluded that “[b]ecause defendants have proven by clear and convincing evidence that [the plaintiff’s] application for registration . . . contained material and knowing misrepresentations, the . . . registration is invalid.”\footnote{1172}

In the second case, the Ninth Circuit affirmed entry of summary judgment in a registrant’s favor on allegations that the registrant had filed a fraudulent Section 15 affidavit.\footnote{1173} Although there had been a prior state court judgment adverse to the claims to the mark of a company related to the registrant, a federal bankruptcy stay had protected the registrant himself at the time of the judgment. Moreover, a settlement of the original dispute had resulted in the original state court judgment being vacated prior to the submission of the affidavit. Under these circumstances, the Ninth Circuit held, the registrant had not been required to disclose the earlier judgment.\footnote{1174}

Rather than addressing the merits of the defendants’ claims of fraudulent Section 15 affidavits, these courts might have done better to dismiss the claims outright as a matter of law. The evidentiary presumptions created by the filing of a Section 15 affidavit are irrelevant to the validity of the registration itself, which is governed by Section 14 of the Act.\footnote{1175} After five years, the Act’s incontestability provisions restrict the grounds upon which registrations may be challenged, with Section 14(3) allowing cancellation only:

\[\text{if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it was registered, or is functional, or has been abandoned, or its registration was obtained fraudulently or contrary to the}\]

\footnote{1171. Id. at 312, 57 U.S.P.Q.2d at 1195 (quoting Orient Express Trading Co. v. Federated Dept. Stores, Inc., 842 F.2d 650, 653, 6 U.S.P.Q.2d 1308, 1311 (2d Cir. 1988), discussed in The 41st Year, 78 TMR 766).
\footnote{1172. Id. at 314, 57 U.S.P.Q.2d at 1197.
\footnote{1173. See Far Out Prods., Inc. v. Oskar, 247 F.3d 986, 58 U.S.P.Q.2d 1702 (9th Cir. 2001).
\footnote{1174. See id. at 995-96, 58 U.S.P.Q.2d at 1708.
provisions of . . . subsection (a), (b), or (c) of section 2 for a registration under this chapter or contrary to similar prohibitions of such prior Acts for a registration under such Acts, or if the registered 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.\textsuperscript{1176}

The statute therefore allows cancellation only if the registration itself, and not the incontestable evidentiary presumptions secured by a Section 15 affidavit, is obtained fraudulently.\textsuperscript{1177} A Section 15 affidavit is not an act in the “obtaining” of a registration because it is not a prerequisite for either the maintenance of a registration or Section 14’s statute of limitations on cancellation actions.\textsuperscript{1178} Indeed, judicial creation of the extrastatutory ground for cancellation accepted by these courts would be particularly inappropriate in light of congressional awareness that some registrants would, in fact, file fraudulent affidavits to obtain the benefits of incontestability under Sections 15 and 33. Notwithstanding this awareness, Congress expressly chose to include such fraud as an affirmative defense to the evidentiary presumptions attaching to a registration while at the same time excluding Section 15 fraud as a ground for the cancellation of the registration itself under Section 14(3).\textsuperscript{1179}

\section*{5. Corporate Due Diligence}

The United States Patent and Trademark Office’s refusal to register three trademarks on Section 2(d) grounds\textsuperscript{1180} led to an interesting case between two parties to a corporate acquisition gone wrong and their attorneys.\textsuperscript{1181} The marks were part of a parcel of assets purchased from the lead defendant by the plaintiff, which allegedly was unaware of a prior federal registrant of

\begin{footnotesize}
\begin{itemize}
  \item 1177. See Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc., 469 U.S. 189, 195, 224 U.S.P.Q. 327, 330 (1985), discussed in The 37th Year, 74 TMR 470 and The 38th Year, 75 TMR 587 ("[Section 14(3)] allows cancellation of an incontestable [registration] at any time . . . if it was obtained fraudulently . . .").
  \item 1178. See, e.g., Imperial Tobacco Ltd. v. Philip Morris, Inc., 899 F.2d 1575, 1578 n.6, 14 U.S.P.Q.2d 1390, 1393 n.6 (Fed. Cir. 1990), discussed in The 43rd Year, 80 TMR 636 ("[Section 14] is not dependent on the filing of a declaration under Section 15 which provides incontestable rights of use. . . ."); W. Worldwide Enters. Group v. Qingdao Brewery, 17 U.S.P.Q.2d 1137, 1139 (T.T.A.B. 1990), discussed in The 44th Year, 81 TMR 699 ("[A] registration that is over five years old may be cancelled solely on the grounds set forth in Section 14(3), irrespective of whether or not the owner of the registration has filed an affidavit under Section 15.").
  \item 1179. See Park ‘N Fly, 469 U.S. at 196-97, 224 U.S.P.Q. at 330 (distinctions drawn by incontestability provisions “cannot be attributed to inadvertence”).
  \item 1180. See 15 U.S.C. § 1052(d).
\end{itemize}
\end{footnotesize}
similar marks until after the transaction closed. Although the plaintiff subsequently filed suit against the lead defendant and his counsel in the earlier transaction, a North Carolina trial court issued a directed verdict in the defendants' favor and the court of appeals affirmed. According to both courts, the evidence established knowledge of the prior claimant by two officers of the plaintiff, even if the officer responsible for the plaintiff's side of the transaction was unaware of it. Under these circumstances, the appellate court held, the plaintiff was properly charged with knowledge of the alleged defect in the marks.

6. Judicial Recusals

Although the circumstances under which a judge properly should recuse himself or herself from a case are addressed infrequently in reported trademark opinions, one exception to this rule occurred in SecuraComm Consulting, Inc. v. Securacom, Inc. Having been tagged with both a finding of infringement and an award of the plaintiff's attorneys fees after a bench trial, the defendant unsuccessfully moved for recusal and then appealed the denial of its motion to the Third Circuit. Unfortunately for the defendant, however, its asserted bases for recusal were restricted to events that had occurred during the proceedings before the district court. This failure to establish grounds lying outside the proceedings proved fatal to its appeal: As the appellate court explained, “[w]e have repeatedly stated that a party's displeasure with legal rulings does not form an adequate basis for recusal...”

---

1182. See id. at 235.
1183. See id. at 237.
1184. See id. at 238.
1186. Id. at 278, 55 U.S.P.Q.2d at 1824-25.
TABLE OF CURRENT CASES REVIEWED

<table>
<thead>
<tr>
<th>CASE DESCRIPTION</th>
<th>PAGE NUMBERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>A&amp;H Sportswear, Inc. v. Victoria’s Secret Stores, Inc.</td>
<td>344, 482, 514, 1104</td>
</tr>
<tr>
<td>A&amp;H Sportswear Co. v. Victoria’s Secret Stores, Inc.</td>
<td>484, 951</td>
</tr>
<tr>
<td>A.V. by Versace, Inc. v. Gianni Versace, S.p.A.</td>
<td>1093, 1107</td>
</tr>
<tr>
<td>Abbot Labs. v. Unlimited Beverages, Inc.</td>
<td>946</td>
</tr>
<tr>
<td>Abercrombie &amp; Fitch Co. v. Hunting World, Inc.</td>
<td>39</td>
</tr>
<tr>
<td>Action Auto Glass v. Auto Glass Specialists</td>
<td>757</td>
</tr>
<tr>
<td>Adoreable Promotions, Inc. v. Austin Promotions, Inc.</td>
<td>138</td>
</tr>
<tr>
<td>Advance Magazine Publishers, Inc. v. Vogue Int'l</td>
<td>273, 346, 387, 686, 917</td>
</tr>
<tr>
<td>Advantage Rent-A-Car, Inc. v. Enterprise Rent-A-Car Co.</td>
<td>545</td>
</tr>
<tr>
<td>Alitalia-Linee Aeree Italiane S.p.A. v. Casinoalitalia.com</td>
<td>1006</td>
</tr>
<tr>
<td>Alcar Group v. Corporate Performance Sys. Ltd.</td>
<td>1090</td>
</tr>
<tr>
<td>Alliance Metals, Inc. v. Hinely Indus.,</td>
<td>362, 372</td>
</tr>
<tr>
<td>Am. Home Prods. v. Reliance Trading Co.,</td>
<td>1147</td>
</tr>
<tr>
<td>Am. Ass’n of Naturopathic Physicians v. Hayhurst</td>
<td>1021</td>
</tr>
<tr>
<td>Amazon, Inc. v. Cannondale, Inc.</td>
<td>657</td>
</tr>
<tr>
<td>America Online, Inc. v. AT&amp;T Corp.</td>
<td>187</td>
</tr>
<tr>
<td>America Online, Inc. v. Huang</td>
<td>1037</td>
</tr>
<tr>
<td>Amstar Corp. v. Domino’s Pizza, Inc.</td>
<td>533</td>
</tr>
<tr>
<td>Anheuser-Busch, Inc. v. Molson Breweries</td>
<td>118</td>
</tr>
</tbody>
</table>

* References are to footnote numbers.
Barbecue Marx, Inc v. 551 Ogden, Inc., 235 F.3d 1041, 57 U.S.P.Q.2d 1307 (7th Cir. 2000) 355, 438
Bober v. Glaxo Wellcome PLC, 246 F.3d 934 (7th Cir. 2001) 751
Brittingham v. Jenkins, 914 F.2d 447, 16 U.S.P.Q.2d 1121 (4th Cir. 1990) 879
Brookfield Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d 1036, 50 U.S.P.Q.2d 1545 (9th Cir. 1999) ................................................................. 443
Cairns v. Franklin Mint Co., 24 F. Supp. 2d 1013, 49 U.S.P.Q.2d 1396 (C.D. Cal. 1998), aff’d, 216 F.3d 1082 (9th Cir. 1999) ................................................................. 728
Central, Inc. v. Cook, 120 F. Supp. 2d 770 (E.D. Wis. 2000) ................................................................. 403
Chance v. Pac-Tel Teletrac, Inc., 242 F.3d 1156, 58 U.S.P.Q.2d 1222 (9th Cir. 2001) ................................................................. 161
Chichi’s Inc. v. Chi-Chi’s Inc., 222 U.S.P.Q. 831 (Commr. 1984) .................................................................................................................. 95
Choice Hotels Int’l, Inc. v. Kaushik, 147 F. Supp. 2d 1242
(M.D. Ala. 2000), aff’d without opinion, 260 F.3d 1627
(11th Cir. 2001) .......................................................................................... 281, 362, 486
Christian Science Bd. of Directors of the First Church of
Christ, Scientist v. Robinson, 115 F. Supp. 2d 607
(W.D.N.C. 2000), aff’d, 259 F.3d 209 (4th Cir. 2001) .................. 200
Christian Science Bd. of Directors of the First Church of
Christ, Scientist v. Robinson, 123 F. Supp. 2d 965
(W.D.N.C. 2000) .......................................................................................... 817, 948, 1012
Cineplex Odeon Corp. v. Fred Wehrenberg Circuit of
Cline v. 1-888-Plumbing Group, 146 F. Supp. 2d 351
(S.D.N.Y. 2001) .................................................................................. 202, 342, 429, 528, 697, 824, 1001
Clorox Co. v. Proctor [sic] & Gamble, 228 F.3d 24, 56
U.S.P.Q.2d 1385 (1st Cir. 2000) .................................................. 612, 621, 627, 645
Coats v. Merrick Thread Co., 149 U.S. 562 (1893) ......................... 304
Comedy III Prods., Inc. v. Gary Saderup, Inc., 21 P.3d 797,
58 U.S.P.Q.2d 1823 (Cal. 2001) .................................................. 740, 819
Commerce Nat’l Ins. Servs., Inc. v. Commerce Ins. Agency,
Inc., 214 F.3d 432, 55 U.S.P.Q.2d 1098 (3d Cir. 2000) ... 209, 227,
277, 346, 422, 474
Computer Mgmt. Assistance Co. v. Robert F. DeCastro,
Inc., 220 F.3d 396, 55 U.S.P.Q.2d 1643 (5th Cir. 2000) ........ 718
Consorzio del Prosciutto di Parma v. Parma Sausage
Supp. 2d 992, 56 U.S.P.Q.2d 1548 (S.D. Cal. 2000) ... 221, 226,
247, 315
Cooper Industries v. Leatherman Tool Group, 121 S. Ct.
1678, 58 U.S.P.Q.2d 1641 (2001) .................................................. 960
(4th Cir. 2000) .................................................................................. 933
(E.D. Va. 1986) .................................................................................. 934
Creamette Co. v. Conlin, 191 F.2d 108, 90 U.S.P.Q. 160 (5th
Cir. 1951) .................................................................................. 839
In re Creative Beauty Innovations Inc., 56 U.S.P.Q.2d 1203
(T.T.A.B. 2000) .................................................................................. 37
Creative Gifts, Inc. v. UFO, 235 F.3d 540, 57 U.S.P.Q.2d
1321 (10th Cir. 2000) .................................................................. 196, 271, 860
Cumberland Packing Corp. v. Monsanto Co., 140 F. Supp.
2d 241 (E.D.N.Y. 2001) .................................................................. 342, 470, 500
Cunningham v. Laser Golf Corp., 222 F.3d 943, 55
U.S.P.Q.2d 1842 (Fed. Cir. 2000) .................................................. 56
Dayton Sports Ctr. v. 9-Ball, Inc., 751 N.E.2d 520 (Ohio Ct. App. 2001) ................................................................. 614, 636, 774
815 Tonawanda St. Corp. v. Fay’s Drug Co., 842 F.2d 643, 6 U.S.P.Q.2d 1284 (2d Cir. 1988) ......................... 532
Far Out Prods., Inc. v. Oskar, 247 F.3d 986, 58 U.S.P.Q.2d 1702 (9th Cir. 2001) .......................................................... 902, 1173
In re Gartside, 203 F.3d 1305, 53 U.S.P.Q.2d 1773 (Fed. Cir. 2000) ................................................................. 63
Home Builders Ass’n v. L&L Exhibition Mgmt., Inc., 226 F.3d 944, 56 U.S.P.Q.2d 1197 (8th Cir. 2000) ........ 144, 207, 327
Imperial Tobacco Ltd. v. Philip Morris, Inc., 899 F.2d 1575, 14 U.S.P.Q.2d 1390 (Fed. Cir. 1990) ........................ 1178
In re International Flavors & Fragrances, Inc., 51 U.S.P.Q.2d 1513 (Fed. Cir. 1999) ........................................ 127
Interpace Corp. v. Lapp, Inc., 721 F.2d 460 (3d Cir. 1983) .... 345
Kassbaum v. Steppenwolf Prods., Inc., 236 F.3d 487, 57 U.S.P.Q.2d 1300 (9th Cir. 2000) ............................... 359, 851


Landgraf v. USI Film Products, 511 U.S. 244 (1994) .......... 335


Marshak v. Reed, 199 F.R.D. 110 (E.D.N.Y. 2001).......... 943


Marshak v. Treadwell, 240 F.3d 184, 57 U.S.P.Q.2d 1764 (3d Cir. 2001) .................................................. 377, 831, 893, 906, 1167


Matrix Essentials v. Emporium Drug Mart, 988 F.2d 587, 26 U.S.P.Q.2d 1532 (5th Cir. 1993) ........................................ 1151
Mattel, Inc. v. Robarb’s, Inc., 139 F. Supp. 2d 487 (S.D.N.Y. 2001) .......................................................... 342, 509, 975
Mead Data Cent., Inc. v. Toyota Motor Sales, Inc., 875 F.2d 1026, 10 U.S.P.Q.2d 1961 (2d Cir. 1989) ............ 567
Miami Breakers Soccer Club v. Women’s United Soccer Ass’n, 140 F. Supp. 2d 1325 (S.D. Fla. 2001) ........ 1056, 1068
Microware Sys. Corp. v. Apple Computer, Inc., 238 F.3d 989, 57 U.S.P.Q.2d 1384 (8th Cir. 2001) ........... 467
Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 51
U.S.P.Q.2d 1882 (2d Cir. 1999) .................................................. 151, 566
In re Narada Productions Inc., 57 U.S.P.Q.2d 1801
(T.T.A.B. 2001) ........................................................................... 22
Nat’l Baseball Hall of Fame & Museum v. All
Sports Promotions Group, 58 U.S.P.Q.2d 1114 (S.D.N.Y.
2001) .................................................................................. 198, 342, 425, 534, 886
Natkin v. Winfrey, 111 F. Supp. 2d 1003, 56 U.S.P.Q.2d
1594 (N.D. Ill. 2000) .................................................................... 712
Neiman Marcus Group v. Phillep Charriol Int'l Ltd., 56
In re Nett Designs Inc., 57 U.S.P.Q.2d 1564 (Fed. Cir. 2001) .... 7
New Kayak Pool Corp. v. R&P Pools, Inc., 246 F.3d 183, 58
U.S.P.Q.2d 1475 (2d Cir. 2001) .................................................. 343
New Kids on the Block v. New Am. Publ'g, Inc., 971 F.2d
302, 23 U.S.P.Q.2d 1534 (9th Cir. 1992) ...................................... 841
Nida Corp. v. Nida, 118 F. Supp. 2d 1223 (M.D. Fla. 2000) ...... 1026
N. Light Tech., Inc. v. N. Lights Club, 236 F.3d 57, 57
U.S.P.Q.2d 1277 (1st Cir.), cert. denied, 121 S. Ct. 2263
(2001) .................................................................................. 688, 1019
Novartis Consumer Health, Inc. v. Johnson & Johnson-
1885) .................................................................................. 799
On-Line Careline Inc. v. America Online Inc., 229 F.3d
1080, 56 U.S.P.Q.2d 1471 (Fed. Cir. 2000) ................................ 61
PACCAR, Inc. v. TeleScan Techs., L.L.C., 115 F. Supp. 2d
Packard Press Inc. v. Hewlett-Packard Co., 227 F.3d 1352,
56 U.S.P.Q.2d 1351 (Fed. Cir. 2000) ............................................ 69
Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc., 469 U.S. 189,
224 U.S.P.Q. 327 (1985) .................................................. 122, 280, 1177
1048 (S.D.N.Y. 2001) .................................................... 342, 379, 468, 532, 928
Rptr. 2d 753 (Cal. Ct. App. 2000) ........................................... 1123
Petro Shopping Center L.P. v. James River Petroleum, 41
U.S.Q.P.2d 1853 (E.D. Va. 1997) ........................................... 121
Pizzeria Uno Corp. v. Temple, 747 F.2d 1522, 224 U.S.P.Q.2d 185 (4th Cir. 1984). 349
Procter & Gamble v. Amway Corp., 242 F.3d 539, 58 U.S.P.Q.2d 1008 (5th Cir. 2001) 604, 812, 908, 1072
Procter & Gamble v. Haugen, 222 F.3d 1262, 56 U.S.P.Q.2d 1098 (10th Cir. 2000) 600
RE/MAX N. Cent., Inc. v. Cook, 120 F. Supp. 2d 770 (E.D. Wis. 2000) 403
Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development, 170 F.3d 449, 50 U.S.P.Q.2d 1065 (4th Cir. 1999) ............................................. 561
Rogers v. Grimaldi, 875 F.2d 994, 10 U.S.P.Q.2d 1825 (2d Cir. 1989) ............................................................................... 798
Rommel v. Laffey, 194 F.R.D. 441 (N.D.N.Y. 2000) ................. 153
Rose Art Indus. v. Swanson, 235 F.3d 165, 57 U.S.P.Q.2d 1125 (3d Cir. 2000) ................................................................. 173
Scarborough v. Myles, 245 F.3d 1299 (11th Cir. 2001) ............. 779
<table>
<thead>
<tr>
<th>Case</th>
<th>Citation</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shooster v. BT Orlando L.P.</td>
<td>766 So. 2d 1114</td>
<td>1085</td>
</tr>
<tr>
<td>Skippy, Inc. v. CPC Int’l, Inc.</td>
<td>674 F.2d 209, 216 U.S.P.Q.</td>
<td>879</td>
</tr>
<tr>
<td>Sony Pictures Entertainment, Inc. v. Fireworks</td>
<td>Entertainment Group, 137 F. Supp. 2d 1177, 58</td>
<td></td>
</tr>
<tr>
<td>Stuhlbarg Int’l Sales Co. v. John D. Brush &amp; Co.</td>
<td>240 F.3d 832, 57 U.S.P.Q.2d 1920 (9th Cir. 2001)</td>
<td></td>
</tr>
<tr>
<td>In re Styleclick.com Inc.</td>
<td>57 U.S.P.Q.2d 1445 (T.T.A.B. 2001)</td>
<td></td>
</tr>
<tr>
<td>TCPIP Holding Co. v. Haar Communications, Inc.</td>
<td>244 F.3d 88, 57 U.S.P.Q.2d 1969 (2d Cir. 2001)</td>
<td>342, 412, 525</td>
</tr>
<tr>
<td>In re Styleclick.com Inc.</td>
<td>57 U.S.P.Q.2d 1445 (T.T.A.B. 2001)</td>
<td></td>
</tr>
</tbody>
</table>
Ty, Inc. v. Jones Group, Inc., 237 F.3d 891, 57 U.S.P.Q.2d 1617 (7th Cir. 2001) .............................................. 355, 393, 924
United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90 (1918) .............................................................. 159
V & S Vin & Sprit Aktiebalog v. Hanson, 146 F. Supp. 2d 796 (E.D. Va. 2001) .................................................. 1098
Virtual Works, Inc. v. Volkswagen of Am., 238 F.3d 264, 57 U.S.P.Q.2d 1547 (4th Cir. 2001) ..................... 683

----------
TABLE OF CONTENTS

Part I. Articles and Reports

Authors ........................................................................................................ 1
Titles ........................................................................................................... 3
Subjects ..................................................................................................... 6

Part II. Case Section

Tabulation—Confusing Similarity Found ................................................. 13
Tabulation—No Confusing Similarity Found .......................................... 16
Tabulation—Dilution Found ................................................................... 19
Tabulation—No Dilution Found ............................................................... 24
Tabulation—Other .................................................................................. 30
ANNUAL INDEX
2001

PART I
AUTHORS

Page

Aaker, David A., Jerre B. Swann, Sr. and Matt Reback—
Trademarks and Marketing ........................................................ 787
Alexander, Miles J.—Charlotte Jones—The Quintessential
Leader .......................................................... 1097
Arden, Thomas P.—Protection of Nontraditional Marks (Book
Review) ................................................................................. 929
Biagi, Richard B.—The Intersection of First Amendment
Commercial Speech Analysis and the Federal Trademark
Dilution Act: A Jurisprudential Roadmap.................................. 867
Borchard, William M.—A Tribute to Charlotte Jones................. 1099
Carminatti, Antonella and Alexandre da Cunhio Lyrio—
Trademarks v. Domain Names—The Brazilian Experience...... 980
da Cunhio Lyrio, Alexandre and Antonella Carminatti—
Trademarks v. Domain Names—The Brazilian Experience...... 980
Davis, Theodore H., Jr. and David J. Kera—The Fifty-Third
Year of Administration of the Lanham Trademark Act of
1946 .......................................................................................... 1
Drewsen, Alan C.—A Note from Alan C. Drewsen............... 1088
Fefferman, Stephen A. and Steven B. Pokotilow—FTDA
Survey Evidence: Does Existing Case Law Provide any
Guidance for Constructing a Survey? ...................................... 1150
Fey, Dorothy—A Note from Dorothy Fey ......................... 1091
Fletcher, Anthony L.—Good Morning, Miss Jones ............... 1101
Fross, Alvin—A Tribute to Charlotte Jones ............................... 1096
Greenbaum, Arthur J.—A Tribute to Charlotte Jones ............... 1095
Harris, Ray K. and Stephen R. Winkelmann—Why Product
Configurations Cannot Be Inherently Distinctive ................. 988
Hays, Thomas—An Application of the European Rules on
Trademark Exhaustion to Extra-Market Goods .................. 675
Hilliard, David C., Beverly W. Pattishall and Joseph N. Welch
II—Trademarks and Unfair Competition (Book Review) ........ 930
<table>
<thead>
<tr>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jacoby, Jacob—The Psychological Foundations of Trademark Law: Secondary Meaning, Genericism, Fame, Confusion and Dilution</td>
</tr>
<tr>
<td>Janssen, Werner, Jr.—Reflections on Over Forty Years</td>
</tr>
<tr>
<td>Kera, David J. and Theodore H. Davis, Jr.—The Fifty-Third Year of Administration of the Lanham Trademark Act of 1946</td>
</tr>
<tr>
<td>Kostello, Dyann L.—Grappling With the Limits of Fame Under the FTDA—Do Marks Famous Only in Niche Market or Limited Geographic Area Qualify for Protection?</td>
</tr>
<tr>
<td>Krechevsky, Curtis and Gailyc C. Sonia—The Nice Agreement Revisited: Still a Class Act?</td>
</tr>
<tr>
<td>Krizman, Lisa Kopf—“But It’s for Internal Use Only!”—A Guide for Trademark Counsel</td>
</tr>
<tr>
<td>Lall, Chandler M. and Nils Victor Montan—Trademark Anticounterfeiting in Asia and the Pacific Rim (Book Review)</td>
</tr>
<tr>
<td>Max, Theodore C.—A Hall of Fame Player</td>
</tr>
<tr>
<td>Montan, Nils Victor and Chandler M. Lall—Trademark Anticounterfeiting in Asia and the Pacific Rim (Book Review)</td>
</tr>
<tr>
<td>Mustello, Randi J.—A Mentor and a Friend</td>
</tr>
<tr>
<td>O’Farrell, Miguel B.—Revendication: Is It Appropriate for Trademark Piracy Cases?</td>
</tr>
<tr>
<td>Palladino, Vincent N.—Secondary Meaning Surveys in Light of Lund</td>
</tr>
<tr>
<td>—Thank You, Charlotte</td>
</tr>
<tr>
<td>Pattishall, Beverly W., David C. Hilliard and Joseph N. Welch II—Trademarks and Unfair Competition (Book Review)</td>
</tr>
<tr>
<td>Pegram, John B.—Charlotte Jones: An Expert in Judgment, Motivation and Friendship</td>
</tr>
<tr>
<td>Pilson, Allan S.—Charlotte Jones</td>
</tr>
<tr>
<td>Raskopf, Robert L.—Charlotte: A Force of a Friend</td>
</tr>
<tr>
<td>Razzano, Pasquale A.—On Her Retirement</td>
</tr>
<tr>
<td>Reback, Matt, Jerre B. Swann, Sr. and David A. Aaker—Trademarks and Marketing</td>
</tr>
</tbody>
</table>
Renke, Robert P.—TrafFix Devices, Inc. v. Marketing Displays, Inc.: The Shrinking Scope of Product Configuration Trade Dress.......................................................... 624
Rolfe, Robin A.—A Note from Robin A. Rolfe .................................. 1090
Shire, Howard J.—Charlotte Jones.................................................. 1119
—Varying Standards for Assessing Whether There Is Dilution Under the Federal Trademark Dilution Act........ 1124
Singh, Puneet—Gateway Pages: A Solution to the Domain Name Conflict?................................................. 1226
Solomon, Barbara A.—Domain Name Disputes: New Developments and Open Issues ...................................... 833
Sonia, Gailyc C. and Curtis Krechevsky—The Nice Agreement Revisited: Still a Class Act?................................ 1184
Speiss, Thomas J., III—Is the Trademark Dilution Act Retroactive? ................................................................. 937
Swann, Jerre B., Sr.—The Perfect Brand ....................................... 1106
Swann, Jerre B., Sr., David A. Aaker, and Matt Reback— Trademarks and Marketing........................................... 787
Wall, Anne M.—The Game Behind the Games .............................. 1243
Weinberg, Steven M.—The Heart and Soul of the TMR .................. 1115
Welch II, Joseph N., Beverly W. Pattishall and David C. Hilliard—Trademarks and Unfair Competition (Book Review) ................................................................................................................... 930

TITLES

Amicus Letter of the International Trademark Association in Libertel Groep B.V................................................................. 908
Amicus Letter of the International Trademark Association in Shield Mark B.V. v. J. Kist ................................................................. 1269
An Application of the European Rules on Trademark Exhaustion to Extra-Market Goods—Thomas Hays........ 675
“But It’s for Internal Use Only!”—A Guide for Trademark Counsel—Lisa Kopf Krizman................................................. 964
Charlotte Jones: An Expert in Judgment, Motivation and Friendship—John B. Pegram......................................................... 1102
Charlotte Jones—Allan S. Pilson ................................................................................................................. 1108
Charlotte Jones—Howard J. Shire .............................................................................................................. 1119
Charlotte Jones—The Quintessential Leader—Miles J. Alexander ................................................................................... 1097
Charlotte: A Force of a Friend—Robert L. Raskopf ......................... 1114
Domain Name Disputes: New Developments and Open Issues—Barbara A. Solomon ....................................................... 833
Editor’s Note: Dilution Law: A “Patch-Quilt” of Judicial Interpretation of the Federal Trademark Dilution Act .......... 1123
Editor’s Note on TrafFix Devices, Inc. v. Marketing Displays, Inc. ................................................................................................. 622
The Eighth Annual International Review of Trademark Jurisprudence .............................................................................. 250
The Fifty-Third Year of Administration of the Lanham Trademark Act of 1946—David J. Kera and Theodore H. Davis, Jr. .......................................................................................... 1
FTDA Survey Evidence: Does Existing Case Law Provide any Guidance for Constructing a Survey?—Steven B. Pokotilow and Stephen A. Fefferman ....................................... 1150
The Game Behind the Games—Anne M. Wall ................................. 1243
Gateway Pages: A Solution to the Domain Name Conflict?—Puneet Singh .............................................................................. 1226
Good Morning, Miss Jones—Anthony L. Fletcher........................... 1101
Grappling With the Limits of Fame Under the FTDA—Do Marks Famous Only in Niche Market or Limited Geographic Area Qualify for Protection?—Dyann L. Kostello ....................................................................................... 1133
A Hall of Fame Player—Theodore C. Max ..................................... 1120
The Heart and Soul of the TMR—Steven M. Weinberg .................. 1115
Is the Trademark Dilution Act Retroactive?—Thomas J. Speiss, III ..................................................................................... 937
List of Other Articles, Legal Notes and Books .............................. 782, 932, 1081, 1289
A Mentor and a Friend—Randi J. Mustello ..................................... 1092
The Nice Agreement Revisited: Still a Class Act?—Curtis Krechevsky and Gailyc C. Sonia .................................................. 1184
A Note from Alan C. Drewsen—Alan C. Drewsen .......................... 1088
A Note from Dorothy Fey—Dorothy Fey ....................................... 1091
A Note from Robin A. Rolfe—Robin A. Rolfe ................................. 1090
On Her Retirement—Pasquale A. Razzano ..................................... 1118
Oral Argument in the Supreme Court of the United States
TrafFix Decision: TrafFix Devices, Inc., Petitioner v.
Marketing Displays, Inc. ......................................................... 649
The Perfect Brand—Jerre B. Swann, Sr. ..................................... 1106
Protection of Nontraditional Marks (Book Review)—Thomas P.
Arden ...................................................................................... 929
The Psychological Foundations of Trademark Law: Secondary
Meaning, Genericism, Fame, Confusion and Dilution—
Jacoby Jacoby .......................................................................... 1013
Reflections on Over Forty Years—Werner Janssen, Jr. .............. 1094
Revendication: Is It Appropriate for Trademark Piracy
Cases?—Miguel B. O'Farrell .................................................... 896
Reviews of Articles from Other Publications ......................... 772, 913,
1072, 1275
Secondary Meaning Surveys in Light of Lund—Vincent N.
Palladino .................................................................................. 573
Thank You, Charlotte—Vincent N. Palladino ............................. 1104
TMR Editors-in-Chief Who Served Under Charlotte Jones ....... 1122
Trademark Anticounterfeiting in Asia and the Pacific Rim
(Book Review)—Nils Victor Montan and Chandler M. Lall .... 1079
Trademarks and Marketing—Jerre B. Swann, Sr., David A.
Aaker, and Matt Reback ....................................................... 787
Trademarks and Unfair Competition (Book Review)—Beverly
W. Pattishall, David C. Hilliard and Joseph N. Welch II ........ 930
Trademarks v. Domain Names—The Brazilian Experience—
Antonella Carminatti and Alexandre da Cunhio Lyrio .......... 980
TrafFix Decision: TrafFix Devices, Inc., Petitioner v.
Marketing Displays, Inc. ......................................................... 641
TrafFix Devices, Inc. v. Marketing Displays, Inc.: A Step in the
Right Direction—Jeanne-Marie Marshall ................................. 632
TrafFix Devices, Inc. v. Marketing Displays, Inc.: The
Shrinking Scope of Product Configuration Trade Dress—
Robert P. Renke ..................................................................... 624
A Tribute to Charlotte Jones—Alvin Fross .............................. 1096
A Tribute to Charlotte Jones—Arthur J. Greenbaum .......... 1095
A Tribute to Charlotte Jones—William M. Borchard .......... 1099
Varying Standards for Assessing Whether There Is Dilution
Under the Federal Trademark Dilution Act—Howard J.
Shire ..................................................................................... 1124
Why Product Configurations Cannot Be Inherently
Distinctive—Ray K. Harris and Stephen R. Winkelman ......... 988
SUBJECTS

AMICUS BRIEFS AND LETTERS
Amicus Letter of the International Trademark Association in
Libertel Groep B.V. ........................................................................ 908
Amicus Letter of the International Trademark Association in
Shield Mark B.V. v. J. Kist .......................................................... 1269
Brief of Amicus Curiae, International Trademark Association
in Playboy Enterprises, Inc., Appellant, vs. Netscape
Communications Corp., Appellee, Playboy Enterprises,
Inc., vs. Excite, Inc., Appellee ....................................................... 756

ANTICOUNTERFEITING
Trademark Anticounterfeiting in Asia and the Pacific Rim
(Book Review)—Nils Victor Montan and Chandler M. Lall...... 1079

ANTICYBERSQUATTING CONSUMER PROTECTION ACT
Domain Name Disputes: New Developments and Open
Issues—Barbara A. Solomon ...................................................... 833

ASIA
Trademark Anticounterfeiting in Asia and the Pacific Rim
(Book Review)—Nils Victor Montan and Chandler M. Lall...... 1079

BOOK REVIEWS
Phillips .......................................................................................... 1079
Protection of Nontraditional Marks—Thomas P. Arden......... 929
Trademark Anticounterfeiting in Asia and the Pacific Rim—
Nils Victor Montan and Chandler M. Lall .............................. 1079
Trademarks and Unfair Competition—Beverly W. Pattishall,
David C. Hilliard and Joseph N. Welch II .............................. 930

BRAZIL
Trademarks v. Domain Names—The Brazilian Experience—
Antonella Carminatti and Alexandre da Cunhio Lyrio ........ 980

BRIEFS
Amicus Letter of the International Trademark Association in
Libertel Groep B.V. ........................................................................ 908
Amicus Letter of the International Trademark Association in
Shield Mark B.V. v. J. Kist .......................................................... 1269
BRIEFS (continued)
Brief of Amicus Curiae, International Trademark Association
in Playboy Enterprises, Inc., Appellant, vs. Netscape
Communications Corp., Appellee, Playboy Enterprises,
Inc., vs. Excite, Inc., Appellee ....................................................... 756

CLASSIFICATION
The Nice Agreement Revisited: Still a Class Act?—Curtis
Krechevsky and Gaily C. Sonia ................................................ 1184

CONFUSING SIMILARITY
The Psychological Foundations of Trademark Law: Secondary
Meaning, Genericism, Fame, Confusion and Dilution—
Jacob Jacoby ................................................................................ 1013

DEDICATION
Charlotte: A Force of a Friend—Robert L. Raskopf ................. 1114
Charlotte Jones: An Expert in Judgment, Motivation and
Friendship—John B. Pegram ........................................................... 1102
Charlotte Jones—Allan S. Pilson .................................................. 1108
Charlotte Jones—Howard J. Shire ................................................ 1119
Charlotte Jones—The Quintessential Leader—Miles J.
Alexander .................................................................................... 1097
Good Morning, Miss Jones—Anthony L. Fletcher ................. 1101
A Hall of Fame Player—Theodore C. Max ................................. 1120
The Heart and Soul of the TMR—Steven M. Weinberg ............. 1115
A Mentor and a Friend—Randi J. Mustello ............................... 1092
A Note from Alan C. Drewsen—Alan C. Drewsen ..................... 1088
A Note from Dorothy Fey—Dorothy Fey ................................. 1091
A Note from Robin A. Rolfe—Robin A. Rolfe ......................... 1090
On Her Retirement—Pasquale A. Razzano ............................... 1118
The Perfect Brand—Jerre B. Swann, Sr. ................................ 1106
Reflections on Over Forty Years—Werner Janssen, Jr .......... 1094
Thank You, Charlotte—Vincent N. Palladino .......................... 1104
TMR Editors-in-Chief Who Served Under Charlotte Jones ....... 1122
A Tribute to Charlotte Jones—Alvin Fross ............................... 1096
A Tribute to Charlotte Jones—Arthur J. Greenbaum .............. 1095
A Tribute to Charlotte Jones—William M. Borchard .............. 1099

DILUTION
“But It’s for Internal Use Only!”—A Guide for Trademark
Counsel—Lisa Kopf Krizman ......................................................... 964
Editor’s Note: Dilution Law: A “Patch-Quilt” of Judicial
Interpretation of the Federal Trademark Dilution Act .......... 1123
DILUTION (continued)
FTDA Survey Evidence: Does Existing Case Law Provide any Guidance for Constructing a Survey?—Steven B. Pokotilow and Stephen A. Fefferman.......................................................... 1150
Grappling With the Limits of Fame Under the FTDA—Do Marks Famous Only in Niche Market or Limited Geographic Area Qualify for Protection?—Dyann L. Kostello.......................................................... 1133
Is the Trademark Dilution Act Retroactive?—Thomas J. Speiss, III ...................................................................................... 937
The Psychological Foundations of Trademark Law: Secondary Meaning, Genericism, Fame, Confusion and Dilution—Jacob Jacoby................................................................................ 1013
Varying Standards for Assessing Whether There Is Dilution Under the Federal Trademark Dilution Act—Howard J. Shire ........................................................................................................ 1124

DOMAIN NAMES
Domain Name Disputes: New Developments and Open Issues—Barbara A. Solomon........................................................ 833
Gateway Pages: A Solution to the Domain Name Conflict?—Puneet Singh............................................................................... 1226
Trademarks v. Domain Names—The Brazilian Experience—Antonella Carminatti and Alexandre da Cunhio Lyrio............... 980

EUROPEAN COMMUNITY (EC)
An Application of the European Rules on Trademark Exhaustion to Extra-Market Goods—Thomas Hays..................... 675

EXHAUSTION OF TRADEMARK RIGHTS
An Application of the European Rules on Trademark Exhaustion to Extra-Market Goods—Thomas Hays..................... 675
FAMOUS MARKS
Grappling With the Limits of Fame Under the FTDA—Do Marks Famous Only in Niche Market or Limited Geographic Area Qualify for Protection?—Dyann L. Kostello........................................................................................ 1133
The Psychological Foundations of Trademark Law: Secondary Meaning, Genericism, Fame, Confusion and Dilution—Jacob Jacoby................................................................................ 1013

FEDERAL TRADEMARK DILUTION ACT (FTDA)
“But It’s for Internal Use Only!”—A Guide for Trademark Counsel—Lisa Kopf Krizman....................................................... 964
Editor’s Note: Dilution Law: A “Patch-Quilt” of Judicial Interpretation of the Federal Trademark Dilution Act............. 1123
FTDA Survey Evidence: Does Existing Case Law Provide any Guidance for Constructing a Survey?—Steven B. Pokotilow and Stephen A. Fefferman.......................................................... 1150
Grappling With the Limits of Fame Under the FTDA—Do Marks Famous Only in Niche Market or Limited Geographic Area Qualify for Protection?—Dyann L. Kostello........................................................................................ 1133
Is the Trademark Dilution Act Retroactive?—Thomas J. Speiss, III ...................................................................................... 937
The Psychological Foundations of Trademark Law: Secondary Meaning, Genericism, Fame, Confusion and Dilution—Jacob Jacoby................................................................................ 1013
Varying Standards for Assessing Whether There Is Dilution Under the Federal Trademark Dilution Act—Howard J. Shire .................................................................................................. 1124

FIRST AMENDMENT

GENERIC NAMES
The Psychological Foundations of Trademark Law: Secondary Meaning, Genericism, Fame, Confusion and Dilution—Jacob Jacoby................................................................................ 1013

INFRINGEMENT
“But It’s for Internal Use Only!”—A Guide for Trademark Counsel—Lisa Kopf Krizman....................................................... 964
INTERNATIONAL ANNUAL REVIEW (IAR)
The Eighth Annual International Review of Trademark Jurisprudence ................................................................. 250

INTERNATIONAL TRADEMARK ASSOCIATION (INTA)
Amicus Letter of the International Trademark Association in Libertel Groep B.V. ........................................................................ 908
Amicus Letter of the International Trademark Association in Shield Mark B.V. v. J. Kist .......................................................... 1269

INTERNET
Domain Name Disputes: New Developments and Open Issues—Barbara A. Solomon ........................................................ 833
Gateway Pages: A Solution to the Domain Name Conflict?—Puneet Singh ........................................................................ 1226
Trademarks v. Domain Names—The Brazilian Experience—Antonella Carminatti and Alexandre da Cunhio Lyrio ................. 980

MARKETING
The Game Behind the Games—Anne M. Wall ........................................ 1243
Trademarks and Marketing—Jerre B. Swann, Sr., David A. Aaker, and Matt Reback ............................................................... 787

PARALLEL IMPORTS
An Application of the European Rules on Trademark Exhaustion to Extra-Market Goods—Thomas Hays ......................... 675

PIRATING
Revendication: Is It Appropriate for Trademark Piracy Cases?—Miguel B. O’Farrell ................................................................. 896

PRODUCT CONFIGURATION
Editor’s Note on TrafFix Devices, Inc. v. Marketing Displays, Inc ................................................................. 622
Oral Argument in the Supreme Court of the United States TrafFix Decision: TrafFix Devices, Inc., Petitioner v. Marketing Displays, Inc. ................................................................. 649
TrafFix Decision: TrafFix Devices, Inc., Petitioner v. Marketing Displays, Inc. ................................................................. 641
<table>
<thead>
<tr>
<th>PRODUCT CONFIGURATION (continued)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Why Product Configurations Cannot Be Inherently Distinctive—Ray K. Harris and Stephen R. Winkelman</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROTECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>“But It’s for Internal Use Only!”—A Guide for Trademark Counsel—Lisa Kopf Krizman</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SECONDARY MEANING</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Psychological Foundations of Trademark Law: Secondary Meaning, Genericism, Fame, Confusion and Dilution—Jacob Jacoby</td>
</tr>
<tr>
<td>Secondary Meaning Surveys in Light of Lund—Vincent N. Palladino</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SUPREME COURT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Editor’s Note on TrafFix Devices, Inc. v. Marketing Displays, Inc.</td>
</tr>
<tr>
<td>Oral Argument in the Supreme Court of the United States TrafFix Decision: TrafFix Devices, Inc., Petitioner v. Marketing Displays, Inc.</td>
</tr>
<tr>
<td>TrafFix Decision: TrafFix Devices, Inc., Petitioner v. Marketing Displays, Inc.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SURVEYS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTDA Survey Evidence: Does Existing Case Law Provide any Guidance for Constructing a Survey?—Steven B. Pokotilow and Stephen A. Fefferman</td>
</tr>
<tr>
<td>Secondary Meaning Surveys in Light of Lund—Vincent N. Palladino</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>THE NICE AGREEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Nice Agreement Revisited: Still a Class Act?—Curtis Krechevsky and Gailyc C. Sonia</td>
</tr>
<tr>
<td>PAGE</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>622</td>
</tr>
<tr>
<td>649</td>
</tr>
<tr>
<td>988</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TRADEMARK ACT OF 1946</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TRADEMARK EXHAUSTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>675</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>UNIFORM DOMAIN NAME DISPUTE RESOLUTION POLICY</th>
</tr>
</thead>
<tbody>
<tr>
<td>833</td>
</tr>
</tbody>
</table>
PART II

TABULATION—CONFUSING SIMILARITY FOUND

Editor’s Note: In this section, as well as that of Tabulation—No Confusing Similarity Found, which follows, the first mark before the “versus” will be the prior mark and the mark after the versus will be the later mark. Each section will be divided in three parts: Courts, Court of Appeals for the Federal Circuit and Trademark Trial and Appeal Board. Also, at the end of some cases will be an O in brackets that represents Opposition Proceedings.

COURTS

ASIAN SOURCES v. ASIANSOURCE.COM both for information regarding Asian services, Trade Media Holdings Ltd. v. Huang & Associates, 57 U.S.P.Q.2d 1366, D.N.J., 11/22/00.


CAE both for various electronics-related goods and services, CAE, Inc. v. Clean Air Engineering, Inc., 60 U.S.P.Q.2d 1449, 7th Cir., 10/2/01.

CHECKPOINT for commercial electronic security control systems v. CHECK POINT for computer software that protects and manages access to information, Checkpoint Systems, Inc. v. Check Point Software Technologies, Inc., 60 U.S.P.Q.2d 1609, 3d Cir., 10/19/01.


THE DRIFTERS both for musical group, Marshak v. Treadwell, 57 U.S.P.Q.2d 1764, 3d Cir., 2/09/01.

* Cases in this section were summarized by the following members of the TMR Editorial Board: Sean D. Johnson, Kathleen McCarthy, Linda Pickering, and Thomas J. Speiss.
HARRODS for department store services v. HARRODSSTORE.COM, CYBERHARRODS.COM, HARRODSSOUTHAMERICA.COM, HARRODSSUDAMERICA.COM, HARRODSBRAZIL.COM, and numerous other domain names with HARRODS allegedly registered in bad faith with intent to profit off of plaintiffs’ mark, Harrods Ltd. v. Sixty Internet Domain Names, 60 U.S.P.Q.2d 1145, E.D. Va., 6/27/01.


LIVE WIRE v. LIVEWIRE (used alone or in combination with generic or descriptive terms) both for feature film and television production services (however, the court also found that confusion was not likely between LIVE WIRE v. LIBERTY LIVEWIRE), Electropix, Inc. v. Liberty Livewire Corp., 60 U.S.P.Q.2d 1346, C.D. Cal., 8/20/01.


NORTHERNLIGHT.COM v. NORTHERNLIGHTS.COM both for Internet services, Northern Light Technology, Inc. v. Northern Lights Club, 57 U.S.P.Q.2d 1277, 1st Cir., 1/08/01.


PETA for an animal rights organization v. PETA.ORG domain name used for a purported parody website, People for the Ethical Treatment of Animals v. Doughney, 60 U.S.P.Q.2d 1109, 4th Cir., 8/23/01.

POSTAL SERVICE for mail delivery services v. POSTALSERVICE.COM domain name allegedly registered in bad faith to profit off of the United States Postal Service’s mark, Zipee Corp. v. U.S. Postal Service, 60 U.S.P.Q.2d 1379, D.C. Or., 12/12/00.


VW, for automobiles, v. VW.NET, for Internet services, Virtual Works, Inc v. Volkswagon of America, Inc., 57 U.S.P.Q.2d 1547, 4th Cir., 1/22/01.

TRADEMARK TRIAL AND APPEAL BOARD

AMAZON for restaurant services v. AMAZON for chili sauce and pepper sauce, In re Comexa Ltda., 60 U.S.P.Q.2d 1118, T.T.A.B., 5/30/01.


DAKIN’S QUALITY CRAFTED MINIATURES & Design (of horses) and DAKIN’S CIRCLE B & Design, for “young and teen-age figurine collectibles, namely, wooden miniature horse stalls, barns and farm-yard related accessories and supplies” v. DAKIN & other marks including DAKIN with designs and other elements for various toy products and Christmas ornaments, In re Dakin’s Miniatures, Inc., 59 U.S.P.Q.2d 1593, T.T.A.B., 11/8/99.


HORNBLOWER & WEEKS for security brokerage, investment banking and asset management services v. HORBLOWER & WEEKS for investment banking, investment management and

KING-FM and KING-TV for radio and television broadcasting services v. KYNG for radio broadcasting services, In re Infinity Broadcasting Corp. of Dallas, 60 U.S.P.Q.2d 1214, T.T.A.B., 8/15/01.


PINE CONE BRAND for packaged fresh citrus fruit v. PINE CONE for canned fruits and vegetables, In re Wilson, 57 U.S.P.Q.2d 1863, T.T.A.B., 1/19/01.


TAILWATERS for clothing and catalog services v. TAILWATER for clothing, Orvis Co. v. Watershed Designs LLC, 60 U.S.P.Q.2d 1440, T.T.A.B., 7/26/00. [O]

TABULATION—NO CONFUSING SIMILARITY FOUND


EXPRESS SERVICES v. CAREERS EXPRESS both for temporary and permanent employment services, Express Services, Inc. v. Careers Express Staffing Services, 57 U.S.P.Q.2d 1940, 3d Cir., 5/24/00.


HALL OF FAME, BASEBALL HALL OF FAME, NATIONAL BASEBALL HALL OF FAME and NATIONAL BASEBALL HALL OF FAME AND MUSEUM for educational institution and baseball museum v. AMERICAN YOUTH BASEBALL HALL OF FAME for baseball facility for youth tournaments, National

IM v. I M HERE, for Internet services, America Online, Inc. v. AT&T Corp., 57 U.S.P.Q.2d 1902, 4th Cir., 2/28/01.

THE JOY OF SIX for entertainment services in the nature of football games v. THE JOY OF SIX used as a newspaper headline subsequently placed on sports memorabilia, Packman v. Chicago Tribune Co., 60 U.S.P.Q.2d 1245, 7th Cir., 9/27/01.

LIVE WIRE v. LIBERTY LIVEWIRE both for feature film and television production services (however, the court also found that confusion was likely between LIVE WIRE v. LIVEWIRE used alone or in combination with generic or descriptive terms), Electropix, Inc. v. Liberty Livewire Corp., 60 U.S.P.Q.2d 1346, C.D. Cal., 8/20/01.


MOHEGAN and MOHEGAN TRIBE for casino business, annual festival and cultural presentations v. MOHEGAN and MOHEGAN TRIBE for sale of arts and crafts, annual festival and cultural presentations, Mohegan Tribe of Indians of Connecticut v. Mohegan Tribe and Nation, Inc., 58 U.S.P.Q.2d 1374, Conn., 2/20/01.


OS-9 v. MAC OS 9 both for computers, Microware Systems Corp. v. Apple Computer, Inc., 57 U.S.P.Q.2d 1384, 8th Cir., 1/16/01.


SMOKE DADDY v. BONE DADDY both for restaurant services, Barbeque Marx, Inc. v. 551 Ogden, Inc., 57 U.S.P.Q.2d 1307, 7th Cir., 12/22/00.
STRICK for transportation equipment v. STRICK.COM domain name for computer consultant and software development services, Strick Corp. v. Strickland, 60 U.S.P.Q.2d 1889, E.D. Pa., 8/27/01.


YOU HAVE MAIL v. YOU HAVE MAIL! for Internet services, America Online, Inc. v. AT&T Corp., 57 U.S.P.Q.2d 1902, 4th Cir., 2/28/01.

TRADEMARK TRIAL AND APPEAL BOARD

TABULATION—DILUTION FOUND

Editor’s Note: In each section which follows, the first mark before the “versus” will be the allegedly earlier mark and the mark after the versus will be the allegedly diluting mark. Each section will be divided into two parts: Trial Courts and Appellate Courts (both including federal and state jurisdictions). When only state law dilution acts are involved, the expression “state law only” is used.

TRIAL COURTS

A.V. BY VERSACE, ALFREDO VERSACE and variations thereof v. VERSACE and variations thereof, all for clothing, shoes and accessories, A.V. by Versace, Inc. v. Gianni Versace, S.p.A., 126 F. Supp. 2d 328, S.D.N.Y., 1/4/01. The court dismissed defendant/cross-plaintiff’s motion to modify preliminary injunction against plaintiffs/cross-defendants as moot because the court issued clarifying order that preliminary injunction applied extraterritorially.

ANIMAL PLANET for use as a name of a television program v. use as a name of a pet store, Discovery Communications, Inc. v. Animal Planet, Inc., 172 F. Supp. 2d 1282 (C.D. Cal. 2001). On plaintiff’s motion for default judgment, court found case exceptional and awarded attorneys fees.


BEANIE BABIES and variations thereof for plush animal toys v. SCREENIE BEANIES for plush animals that can be used to clean computer monitors, Ty, Inc. v. Softbelly’s, Inc., 2001 WL 125321, N.D. Ill., 2/9/01. The court granted plaintiff’s motion for preliminary injunction based on likelihood of success on merits of infringement claim.

* Cases in this section were summarized by Marnie Barnhorst and Felicia Boyd, members of the TMR Editorial Board.

BEANIEBABIES for use on plush toys v. BARGAINBEANIES.COM used to sell not only BEANIEBABIES, but also other toys and accessories, Ty, Inc. v. Perryman, 2001 WL 1223550, N.D. Ill., 2001. Court granted defendant’s motion for clarification of its grant of plaintiff’s summary judgment motion as to the claim of trademark dilution, but denied defendant’s motion to alter or amend judgment.

BEANIEBABIES for use on plush toys v. BEANIEBABIES.COM used to sell not only BEANIEBABIES, but also other toys and accessories, Ty, Inc. v. Agnes M., Ltd., 2001 WL 1414210, N.D. Ill., 2001. Court granted plaintiff’s summary judgment that use of BEANIEBABIES.COM as a domain name for a website diluted plaintiff’s trademark.


Design of hang tags affixed to handbags and other leather products v. design of hang tags affixed to alleged knock-off products, Coach, Inc. v. We Care Trading Co., Inc., 2001 WL 812126, S.D.N.Y., 7/18/01. After jury verdict for plaintiff and entry of permanent injunction against defendant, the court denied defendants’ motions for judgment as a matter of law, for a partial new trial, and to vacate the injunction and to alter or amend the injunction. The court also denied plaintiff’s motion for sanctions, but granted plaintiff’s motion for attorney’s fees and expenses.

Design of packaging for Crayola crayons v. design of packaging for children’s markers, Binney & Smith v. Rose Art Industries, 60
The court granted plaintiff's motion for preliminary injunction.


Flame design for use on toy cars v. use of flame design in toy car display cases, Mattel, Inc. v. Robarb’s, Inc., 2001 WL 913894, S.D.N.Y., 8/14/01. After entry of preliminary injunction on infringement claim, the court granted plaintiff’s motion for summary judgment seeking permanent injunction enjoining further infringement and dilution.


JACK IN THE BOX for use in “several capacities” v. JACKINTHEBOX.ORG and JACKINTHEBOX.NET as registered but undeveloped Internet domain names, Jack in the Box, Inc. v. Jackinthebox.org, 143 F. Supp. 2d 590, E.D. Va., 5/21/01. The court granted plaintiff’s motion for default judgment based on infringement claim, but court stated in footnote that it would apply the same analysis to dilution claim.

NBBJ used in connection with well-known architectural firm v. mark used for a new nonprofit corporation which offers free technology and computer skill training, NBBJ East Limited Part. v. The NBBJ Training Academy, Inc., 2001 WL 1681141, S.D. Ohio, 2001. The court granted plaintiff’s preliminary injunction concluding that plaintiff’s mark is diluted by defendant’s use of the NBBJ.


SCAN DESIGN both for retail furniture businesses and merchandise, Scan Design of Florida, Inc. v. Scan Design Furniture, Inc., 2001 WL 599146, S.D. Fla., 5/18/01. The court granted plaintiff’s motion for preliminary injunction based on likelihood of success on merits of infringement and unfair competition claims.

TRANS UNION and stylized TU logo for credit reporting agency v. TRANSUNION.COM, TRANSUNION.ORG, TRANSUNION.NET, etc. and CREDITBUREAUTRANSUNION.COM, CREDITBUREAUTRANSUNION.ORG, CREDITBUREAUTRANSUNION.NET, etc. as Internet domain names for website of credit bureau and use of TU logo on website, Trans Union L.L.C. v. Credit Research, Inc., 142 F. Supp. 2d 1029, N.D. Ill., 3/26/01. The court granted plaintiff’s motion for preliminary injunction as to TU logo and “transunion” domain names, but denied the motion as it pertained to “creditbureautransunion” domain names.


VIRGIN for a “vast array of business endeavors” v. VIRGIN and VIRGIN EARTH for cosmetic, dietary and mineral products, Virgin Enterprises Limited v. American Longevity, 2001 WL 897178, S.D.N.Y., 8/8/01. After parties settled case with permanent injunction entered against defendant, the court granted defendant’s motion for a hearing on merits to consider plaintiff’s motion for attorney’s fees and costs.

APPELLATE COURTS

BEANIE BABIES for plush toy animals v. BEANIE RACERS for plush toy cars, Ty, Inc. v. Jones Group, Inc., 237 F.3d 891, 7th Cir., 1/23/01. The court affirmed the district court’s grant of preliminary injunction based on likelihood of success on infringement claim.

COOLMAIL v. COOLMAIL and COOLMAIL.TO, all for email services, Planetary Motion, Inc. v. Techplosion, Inc., 59 U.S.P.Q.2d 1894, 11th Cir., 8/16/01. The court affirmed the district court’s grant of summary judgment for plaintiff based on likelihood of success on merits of infringement claim and without reaching dilution issue, but vacated award of attorney fees.

HORSESHOE BAY for real estate development, brokerage and property management services and golf resort v. HORSESHOEBAY.COM as Internet domain name for real estate brokerage firm, Horseshoe Bay Resort Sales Co. v. Lake Lyndon B. Johnson Improvement Corp., 2001 WL 893433, Tex. Ct. Appeals, 8/9/01. The court affirmed the district court’s finding of dilution and grant of permanent injunction.

PETA for animal-rights organization v. PETA.ORG as domain name of website called “People Eating Tasty Animals,” People for the Ethical Treatment of Animals v. Doughney, 60 U.S.P.Q.2d 1109, 4th Cir., 8/23/01. The court affirmed trial court’s grant of summary judgment for plaintiff based on likelihood of success on merits of infringement claim and denial of attorney’s fees and costs.


VICTOR’S LITTLE SECRET for adult specialty store v. VICTORIA’S SECRET for lingerie stores and line of women’s lingerie and other clothing and accessories, 59 U.S.P.Q.2d 1650, 6th Cir., 7/30/01.
The court affirmed the district court’s grant of summary judgement for plaintiff.

VW.NET as Internet domain name of website of Internet service provider v. VW for automobiles, Virtual Works, Inc. v. Volkswagen of America, Inc., 238 F.3d 264, 4th Cir., 1/22/01. The court affirmed the district court’s grant of summary judgment to defendant on defendant’s ACPA counterclaim, but the court did not address district court’s grant of summary judgment on dilution claim because remedy would be the same.

**TABULATION—NO DILUTION FOUND**

**TRIAL COURTS**

1-800-FOR-MERCEDES a phone number used for the Mercedes-Benz client assistance center v. 1-800-MERCEDE(S) a number licensed to local Mercedes-Benz dealerships, Daimlerchrysler AG v. Bloom, 2001 WL 1640139 (D. Minn. 2001). On cross-motions for summary judgment, the court found that no trademark dilution existed because defendant did not advertise or promote the use of his phone number. Although defendant licensed the phone number and others like it, licensing alone is insufficient to invoke protection of the Lanham Act.

1-800-PLUMBING for plumbing services v. mark for toll-free telephone number and 1-800-PLUMBING.COM and variations thereof for Internet domain names, Cline v. 1-888-Plumbing Group, Inc., 146 F. Supp. 2d 351, S.D.N.Y., 5/25/01. The court denied plaintiff’s motion for summary judgment because mark was descriptive with no inherent distinctiveness, and therefore, unprotected under FTDA.


AUTOZONE used in marketing automotive parts was not diluted or infringed by the use of POWERZONE used in marketing consumer electronic products. See Autozone, Inc. v. Tandy Corp., 174 F. Supp. 2d 718 (M.D. Tenn. 2001).

CHAMBORD and CHAMBORD LIQUEUR ROYALE for raspberry liqueur, fruit preserves, milk chocolate and cake v. CAFETIERE CHAMBORD for non-electric coffee makers, CAFÉ CHAMBORD COFFEE for coffee, and CHAMBORD.COM for Internet domain name of website advertising line of coffee and tea makers, Chatam

CITI, as used by a New York provider of financial services, is not infringed or diluted by the use of the mark CITY by a West Virginia provider of financial services. See Citigroup, Inc. v. City Holding Co., 171 F. Supp. 2d 333, S.D.N.Y., 2001. The court found CITI to be distinctive of and dissimilar to CITY.

CNN v. CNNEWS.COM domain name used for website designed and operated to provide news and information to Chinese-speaking individuals worldwide. See Cable News Network L.P., L.L.L.P. v. CNNEWS.COM, 2001 WL 1657492, E.D. Va., 2001. The court found there was no dilution because plaintiffs could not show any actual harm. The plaintiff provided no evidence of (a) loss of income, (b) survey results demonstrating consumers in relevant market mentally associated the offending domain name with the famous mark, or (c) contextual factors in addition to the (a) and (b) above.

EARTHMATE for compost v. EARTHMATE and EARTHLLIFE for, allegedly, “Mascaro” compost, PRS Materials, Inc. v. Green Acres Nursery & Garden Center, Inc., 2001 WL 530721, E.D. Pa., 5/9/01. After the bench trial, the court entered judgment in favor of defendant because plaintiff failed to prove that defendant passed off Mascaro compost as Earthmate or Earthlife.

EPIX.COM for Internet domain name of website showcasing electronic pictures v. EPIX for printed circuit boards and computer programs, Interstellar Starship Serv. v. Epix, Inc., 125 F. Supp. 2d 1269, D. Or., 1/3/01. The court entered judgment against defendant on defendant’s dilution counterclaim because mark was not distinctive, i.e., had no local “favorable associational value.”

FAREDEALS provider of travel services v. FAREDEALS.COM allegedly owned by defendants. See Fare Deals, Ltd. v. World Choice Travel.com, Inc., 2001 WL 1683900, D. Md., 2001. Faredeals.com’s ownership was transferred to several different entities. Plaintiffs sued two companies who were labeled as independent contractors with the owner of the website. The defendants moved to dismiss the complaint for failure to state a claim. The court granted the motion finding that neither defendant had direct, vicarious or contributory liability for the use of the mark in commerce.

FASHION TELEVISION, FT FASHION TELEVISION, FASHION TV and FTV for magazine-format television fashion program v. variations of FASHION TELEVISION for 24-hour television channel featuring non-stop music and clips of fashion models on a
catwalk, Chum Limited v. Lisowski, 2001 WL 243541, S.D.N.Y., 3/12/01. The court granted defendant’s motion for summary judgment on plaintiff’s dilution claims because the mark is generic.

FERRARI counterclaimed against Motorsport Engineering, Inc. for trademark dilution. See Motorsport Engineering, Inc. v. Maserati, S.P.A. and Ferrari, S.P.A. v. Motorsport Engineering, Inc., 2001 WL 1671069, D. Mass., 2001. Both sides moved for summary judgment. The court granted summary judgment to Ferrari for trademark infringement because it also found Motorsport was not a licensed dealer of Ferraris. The court granted Motorsport summary judgment because Ferrari could not establish tarnishment as a matter of law with regard to its dilution claim, but denied both parties summary judgment as to the “blurring” theory of dilution because there was a lack of briefing and unclear record as to a ruling in either favor.

HEIDI OTT for handmade and mass-produced collectible artisan dolls v. alleged knock-off dolls, doll furniture and doll clothing, Heidi Ott A.G. v. Target Corporation, 2001 WL 803857, D. Minn., 3/8/01. The court granted two defendants’ motions to dismiss dilution claims because there was no evidence that they made commercial use of the mark. The court also granted the third defendant’s motion to dismiss the dilution claim because marks famous only in a niche market cannot be famous for purposes of federal trademark law where products are directly competing.

LEXUS for automobiles v. LEXXNS CLUB for bar and nightclub, Toyota Motor Sales, U.S.A., Inc. v. Profile Cocktail Lounge, Inc., 2001 WL 123787, N.D. Ill., 2/13/01. The court granted defendant’s motion for summary judgment because the plaintiff was unlikely to prevail on merits due to dissimilarity of the marks.


NISSAN Motor Co., Ltd. v. NISSAN Computer Corp., 2001 WL 15557455, C.D. Cal., 2001. Nissan Motor purchased search terms “nissan” and “nissan.com” knowing that Nissan Computer owned the domain name www.nissan.com. Nissan Computer moved to assert counterclaims that plaintiff tortiously purchased marks as search terms for purpose of manipulating search engine’s result’s list. Court found no dilution of defendant’s “www.nissan.com” mark because mark was indistinguishable from “Nissan” (.com does not add anything to a mark, but simply denotes that the site is commercial in nature) and plaintiff already used “Nissan” as a protected mark making its use of the mark legal.

Owners of FORD, LINCOLN, JAGUAR and VOLVO sued domain registrants that allegedly incorporated the marks. See Ford Motor Co. v. Greatdomains.com, Inc., 2001 WL 1661564, E.D. Mich., 2001. Court dismissed claims of trademark infringement and dilution because the names were not associated with any “goods or services.” Simply registering, warehousing or trafficking domain names that incorporate a protected mark is alone insufficient to support claims of trademark infringement or dilution.

Owners of FORD.COM sued owners of FUCKGENERALMOTORS.COM, which provided hyperlink to FORD.COM, for trademark infringement and dilution. See Ford Motor Co. v. 2600 Enterprises, 2001 WL 1661587, E.D. Mich., 2001. Court denied motion for preliminary injunction because Ford did not satisfy likelihood of prevailing on the merits that the mark was diluted or infringed. Ford made no allegations that defendants provided any goods or services for sale under the FORD mark or that they solicit funds. The court said “Trademark law does not permit Plaintiff to enjoin persons from linking to its homepage simply because it does not like domain name or other content of the linking webpage.” Id. at *3.

SKUNK WORKS and LOCKHEED MARTIN for goods and services in the aerospace and aeronautical fields v. registrar of alleged diluting Internet domain names, Lockheed Martin Corporation v. Network Solutions, Inc., 141 F. Supp. 2d 648, N.D. Tex., 5/1/01. The court granted defendant’s motion for summary judgment because acceptance of registrations for domain names is not a use of a mark, nor does it reflect an intent to profit from the mark, and therefore does not violate Texas antidilution statute.

SWIX for ski waxes v. SWIX.COM and SWIX.NET as Internet domain names of websites providing Internet services, Hartog & Co. AS v. Swix.com, 136 F. Supp. 2d 531, E.D. Va., 3/16/01. After the bench trial, the court entered judgment denying plaintiff’s ACPA claims because plaintiff’s mark is not famous and there was no blurring. Accordingly, the alleged Internet domain names do not dilute plaintiff’s mark.

THE PLATTERS both for musical performing groups, Marshak v. Reed, 2001 WL 92225, E.D.N.Y., 2/1/01. In a declaratory judgment action, the court granted plaintiff’s motion for summary judgment
on defendant’s dilution counterclaim because defendant failed to show he had rights to the name.

TINKERBELL for children’s cosmetics, fragrances and accessories v. TINKERBELL, TINKER BELL, TINK and Tinker Bell character image for various products, New Dana Perfumes Corp. v. The Disney Store, Inc., 131 F. Supp. 2d 616, M.D. Pa., 1/29/01. The court denied plaintiff’s motion for preliminary injunction because plaintiff was unlikely to prevail on dilution by blurring claim.

VOICES for tabloid newspaper v. CTVOICES.COM for Internet domain name of “bulletin board” website service facilitating exchange of opinions and online communication, Prime Publishers, Inc. v. American-Republican, Inc., 2001 WL 897194, D. Conn., 8/7/01. After bench trial, the court entered judgment in favor of defendant on dilution claim.

APPELLATE COURTS

BUDDY LIST, YOU HAVE MAIL, and IM v. BUDDY LIST, YOU HAVE MAIL!, and I M HERE, all for email and instant messaging Internet services, America Online, Inc. v. AT&T Corp., 243 F.3d 812, 4th Cir., 2/28/01. The court affirmed district court’s grant of defendant’s motion for summary judgment with regard to “You Have Mail” and “IM” marks, but vacated and remanded with respect to “Buddy List” mark because whether it was a valid mark could not be determined on basis of evidence of record.

EXPRESS ONE for airline freight carrier and charter passenger business v. EXPRESONE for online screen name used to post anti-union message on Internet message board, Express One Int’l, Inc. v. Steinbeck, 2001 WL 946812, Tex. Ct. Appeals, 8/22/01. The court affirmed the district court’s grant of summary judgment for defendant.

THE CHILDREN’S PLACE for store selling children’s clothing and accessories as well as the children’s clothes and accessories sold in the stores v. THECHILDRENSPLACE.COM and variations thereof for Internet domain names of undeveloped websites, TCPIP Holding Company, Inc. v. Haar Communications, Inc., 244 F.3d 88, 2d Cir., 2/28/01. The court vacated the district court’s grant of preliminary injunction against defendant to the extent it was premised on FTDA because the alleged mark was descriptive, lacked inherent distinctiveness and, on the evidence of record, was not famous.

WE’LL PICK YOU UP v. WE’LL PICK YOU UP for rental car companies, Advantage Rent-A-Car, Inc. v. Enterprise Rent-A-Car, Co., 238 F.3d 378, 5th Cir., 1/22/01. The court affirmed the district
court’s holding that mark is insufficiently famous for federal, New Mexico and Arkansas anti-dilution statutes, but vacated and remanded the district court’s decision for determination whether mark is sufficiently distinctive under Texas or Louisiana anti-dilution statutes that do not require that a mark be famous.
TABULATION—OTHER

TRIAL COURTS

“Agnes b” for use in connection with ready-wear-clothes v. “Arden B” for use with clothing designed for young women, Trouble v. The Wet Seal, Inc., 2001 WL 1606895, S.D.N.Y., 2001. Parties brought motions in limine prior to commencement to trial. The court held that (a) pleading of infringement claim allowed for proof of both forward and reverse customer confusion, (b) evidence of damages would be admitted, even though untimely, (c) log of instances of customer confusion would not be admitted, (d) expert would not be allowed to testify regarding issues of customer confidence and damages, (e) alleged infringer could not rely on good faith reliance of counsel defense of infringement after resisting discovery request on grounds of attorney-client privilege, (f) mall lessor could testify regarding matters related to mall leasing without qualifying as expert, and (g) consumer confusion survey results would not be admitted.

ABSOLUT and variations thereof for vodka and assorted clothing items v. ABSOLUT BEACH, ABSOLUTBEACH.COM and ABSOLUTEBEACH.COM for swimwear and beachwear, V & S Vin & Spirit Aktiebolag v. Hanson, 146 F. Supp. 2d 796, E.D. Va., 6/8/01. The court denied defendants’ motion to dismiss for forum non conveniens.

ALITALIA for air cargo and passenger transportation services v. CASINOALITALIA.COM for Internet domain name of website for online casino gambling, Alitalia-Linee Aeree Italiane v. Casinoalitalia.com and Technologia JPR, Inc., 128 F. Supp. 2d 340, E.D. Va., 1/19/01. The court denied plaintiff’s motion for summary judgment because, under ACPA, plaintiff could not maintain both in personam and in rem actions. The court had in personam jurisdiction over website owner. The website owner must be offered opportunity to file response to complaint and summary judgment motion.

BARBIE’S GRILL and BARBIESGRILL.COM for restaurants, Mattel, Inc. v. Securenet Information Services and 2857111 Canada, Inc., 2001 WL 521816, S.D.N.Y., 5/16/01. Plaintiff brought suit alleging that defendant diluted its BARBIE trademark, but the court granted defendant’s motion to dismiss for lack of personal jurisdiction.

BARBIESBEACHWEAR.COM and BARBIESCLOTHING.COM as Internet domain names of websites selling hosiery and other clothing items, Mattel, Inc. v. Adventure Apparel, 2001 WL
286728, S.D.N.Y., 3/22/01. The court denied defendant’s motion to dismiss for lack of personal jurisdiction, improper venue and improper service of process. The court, however, granted plaintiff’s cross-motion to amend complaint to add defendant and directed the parties to brief the issue whether transfer is appropriate.

BAUSCH & LOMB, B & L and interlocking “B” and “L” v. BAUSCH & LOMB, B & L and interlocking “B” and “L,” all for sunglasses and related goods, Bausch & Lomb Inc. v. Luxottica Group S.p.A., 2001 WL 314621, S.D.N.Y., 3/30/01. The court denied plaintiff’s motion for preliminary injunction because plaintiff failed to demonstrate a likelihood of success on the merits of license agreement and infringement claims (court did not need to reach the dilution claim).

BECOMING for clothing, wigs and other products, including candles, lotion and shampoo for breast cancer patients v. BECOMING for various products, including beauty care services, candles, costume jewelry, vitamin and dietary supplements, beauty seminars and leather goods, Becoming, Inc. v. Avon Products, Inc., 2001 WL 930794, S.D.N.Y., 8/15/01. The court denied defendant’s motions to dismiss for lack of subject matter jurisdiction and for failure to state a claim and denied plaintiff’s motion for preliminary injunction based on unlikelihood of success on merits of infringement claim.

BUDWEISER for use with beer v. BUDWEISER used on postcards, Anheuser-Busch, Inc. v. City Merchandise, 2001 WL 1636328, E.D. Miss., 2001. Defendant made postcards with the plaintiff’s trademark on them. Defendant moved to dismiss the complaint for lack of personal jurisdiction. The court found that the defendant had made sufficient contacts with Missouri to exercise personal jurisdiction of the party.


Calvin Klein Trademark Trust v. Wachner, 129 F. Supp. 2d 254, S.D.N.Y., 1/18/01. The court granted defendants’ motion for summary judgment in so far as plaintiffs alleged dilution by blurring and in so far as plaintiffs alleged dilution by tarnishment based on defendants alleged unauthorized distribution practices. The court, however, denied defendant’s with regard to plaintiff’s allegation of dilution by tarnishment because defendants failed to comply with design or packaging requirements of license agreement.
Characters from children’s cable television programs v. unauthorized use of characters in children’s publications, Viacom Int’l, Inc. v. Fanzine Int’l, Inc., 2001 WL 930248, S.D.N.Y., 8/16/01. The court granted plaintiff’s motions for permanent injunction and statutory damages on copyright claim, for award of profits for unfair competition, for attorney’s fees and costs, for summary judgment on state common law unfair competition claim and for summary judgment on federal trademark infringement claim granted (dilution claim was not the subject of a motion before the court).


Cognigen for use by a marketer of telecommunications and technology products such as long distance services, calling cards and computers v. name for use in connection with business consulting for pharmaceutical and healthcare firms, electronic data storage and some forms of pharmaceutical research, Cognigen Networks, Inc. v. Cognigen Corp., 174 F. Supp. 2d 1134, W.D. Wash., 2001. Washington company brought trademark infringement and dilution claims against New York company. Defendants moved for lack of personal jurisdiction. Court found that neither plaintiff’s allegations that defendants gave false assurances nor its claim that the defendant committed intellectual property torts allows the Washington Court to assert specific jurisdiction over the defendants.

Daimler-Chrysler Corporation v. General Motors Corporation, 133 F. Supp. 2d 1041, N.D. Ohio, 3/5/01. On defendant’s motion to dismiss based on related declaratory judgment action filed in another forum, the court held that the court in which the first complaint was filed was appropriate court to decide the appropriate forum and issued stay of proceedings.


Design of medical head harness v. Design of medical head harness and display of plaintiff’s harness in sales catalogue, Ferraris
Medical, Inc., v. Azimuth Corp., 2001 WL 274817, D.N.H., 1/3/01. The court denied defendant’s motion for summary judgment because mark does not have to be validly registered and because there was a material dispute whether the mark was validly registered.


Dollhouse kits, Real Good Toys, Inc. v. XL Machine Ltd., 163 F. Supp. 2d 421, D. Vt., 2001. Court found it had personal jurisdiction over defendant who was selling allegedly infringing kits in state.

E-MACHINES for low-cost computers v. E-MACHINES.COM for Internet domain name of website selling, repairing and servicing computers and computer components, Emachines, Inc. v. Ready Access Memory, Inc., 2001 WL 456404, C.D. Cal., 3/5/01. The court denied defendant’s motion for partial summary judgment on counterclaim for related non-dilution causes of action (defendant’s state-law dilution cause of action was not a subject of motion before the court).

EUROPA PUBLICATIONS and WORLD OF LEARNING for books v. WORLD OF LEARNING.COM for Internet domain name of website selling books and alleged passing off of EUROPA PUBLICATIONS books on website, Taylor & Francis Group, PLC v. McCue, 145 F. Supp. 2d 627, E.D. Pa., 5/9/01. The court granted defendant’s motion to dismiss for improper venue.

FORD, JAGUAR, STANG, VOLVO, LINCOLN and MERCURY for automobiles v. use of these names as components of nine Internet domain names, Ford Motor Co. v. Great Domains, Inc., 141 F. Supp. 2d 763, E.D. Mich., 3/30/01. The court denied defendant’s motion to dismiss for lack of personal jurisdiction pending limited discovery on the issue.

GIA for non-profit corporation issuing diamond grading reports and credentialing jewelers v. GIA & CO. for clothing stores, Gemological Institute of Am., Inc. v. Thi-Dai Phan, 145 F. Supp. 2d 68, Dist. of Columbia, 6/29/01. The court granted defendant’s motion to transfer venue.

HALL OF FAME, BASEBALL HALL OF FAME, NATIONAL BASEBALL HALL OF FAME, and NATIONAL BASEBALL HALL OF FAME AND MUSEUM for educational institution and museum dedicated to baseball v. AMERICAN YOUTH BASEBALL HALL OF FAME for baseball facility that hosts youth tournaments and sells related merchandise, National Baseball
Hall of Fame and Museum, Inc. v. All Sports Promotions Group, Inc., 58 U.S.P.Q.2d 1114, S.D.N.Y., 2/20/01. The court denied defendant’s motion for partial summary judgment on plaintiff’s dilution claim because distinctiveness of “Hall of Fame” and “Baseball Hall of Fame” marks was a question of fact, because there was no evidence of blurring of “National Baseball Hall of Fame” and “National Baseball Hall of Fame and Museum” marks and there was a material dispute on tarnishment of those marks.

ITT Indus., Inc. v. Werner Pump Co., 2001 WL 1658220, S.D.N.Y., 2001. Manufacturer of pumps and pump parts brought suit against former authorized dealer alleging dealer illegally used Manufacturer’s trademarks, description and drawings of products after the parties terminated the distribution relationship. Defendant moved to compel arbitration. The court did not confront the trademark dilution issues because it compelled arbitration.


LOUIS KEMP for wild rice food products v. usage for surimi-based seafood products, Kemp v. Tyson Foods, Inc. and Bumble Bee Seafoods, Inc., 2001 WL 391552, D. Minn., 3/31/01. The court denied cross-motions for partial summary judgment to declare the parties’ contractual rights and restrictions to use of the mark (defendant’s cross-claim for dilution was not the subject of a motion pending before the court).

LOUIS KEMP in connection with the sale, marketing and distribution of wild rice products v. unknown use, Louis Kemp, Superior Seafoods, Inc. v. Tyson Foods, Inc., 2001 WL 1636512 (D. Minn. 2001). Plaintiffs filed declaratory judgment that their use of LOUIS KEMP is not tortious. Defendants brought counterclaims for trademark infringement and dilution among other claims. The decision addresses defendant’s motion to strike a jury demand after they dismissed all legal claims and only equitable claims remain. The court granted the motion striking the demand for jury because only equitable claims were left in the suit.

Many of Ford's trademarks used as domain names, Ford Motor Co. v. Greatdomains.com, Inc., 2001 WL 1661555, E.D. Mich., 2001. Ford sued Internet domain name registrants alleging trademark dilution, trademark infringement, false designation of origin and cyberpiracy. Defendants moved for reconsideration of motion to dismiss for lack of personal jurisdiction. The court granted defendants' motion. After further discovery, the defendants can reassert their motion.


MATTRESS WAREHOUSE for retail mattress stores, Westco Group, Inc. v. K.B. & Associates, Inc., 128 F. Supp. 2d 1082, N.D. Ohio, 1/24/01. The court granted plaintiff's motion for summary judgment on related claims (plaintiff's dilution claim was not subject of motion before the court). The court also denied defendant's motion for summary judgment on plaintiff's entire complaint (including dilution claim).


MOMENTUM, Momentum Luggage & Leisure Bags v. Jansport, Inc., 2001 WL 135702, S.D.N.Y., 2/16/01. The court granted defendant's motion to dismiss statutory damages claim because plaintiff did not allege mark was federally registered.

NATRATASTE v. NUTRASWEET both for aspartame-based artificial sweeteners, Cumberland Packing Corp. v. Monsanto Co., 140 F. Supp. 2d 241, E.D.N.Y., 3/27/01. The court dismissed plaintiff's dilution claim after the court denied a preliminary injunction.

NEWPORT and NEWPORTUS.COM for a variety of products, including measuring, testing and laboratory equipment, meters, and industrial and mechanical equipment v. NEWPORT and NEWPORT.COM for temperature and vibration control products and OEM services, Newport Elec., Inc. v. Newport Corp., 2001 WL 897156, D. Conn., 8/1/01. The court denied defendant's motion for
partial summary judgment on scope of relief (to preclude injunctive relief). The court also denied the parties cross-motions for summary judgment on related claims and counterclaims (dilution claim was not subject of motion before the court).

PERFECT 10 used in connection with adult materials v. website using the mark to promote its adult check services, Perfect 10, Inc. v. Cybernet Ventures, Inc., 167 F. Supp. 2d 1114, C.D. Ca., 2001. Court denied motion to dismiss claim that plaintiff's trademark was diluted by inclusion of website that was owned by a partner of the defendant.


SANTA'S BEST for Christmas products v. SANTA'S BEST, SANTA'S BEST COFFEE and SANTA'S BEST BLEND for coffee alone and in conjunction with Christmas collectible tins and ornaments, Santa's Best v. Seattle Coffee Co., 58 U.S.P.Q.2d 1855, N.D. Ill., 5/10/01. The court denied defendant's motion for partial summary judgment on dilution claim because of retroactive application of FTDA.

SCHOOL STUFF both for the sale of educational and school supplies, School Stuff, Inc. v. School Stuff, Inc., 2001 WL 558050, N.D. Ill., 5/21/01. The court denied defendant's motion to dismiss for lack of personal jurisdiction.


SIMON for mall development, mall management and retail shopping services v. MYSIMON, MYSIMON.COM and cartoon character named “Simon” for Internet-based comparison shopping services, Simon Property Group, L.P. v., mySimon, Inc., 2001 WL 66408, S.D. Ind., 1/24/01. The court did not address plaintiff's motion for permanent injunction on dilution claims because relief would be available only if plaintiff ultimately prevailed on related federal infringement claims. Accordingly, the court entered a permanent
injunction on infringement claims, but stated the injunction would be stayed upon defendant’s filing of notice of appeal.

SLINKY for fabrics used in the manufacture of clothing and household products, specifically a fabric made up of a combination of acetate and spandex v. usage to describe stretchy, fluid or sinuous-looking fabric normally made of acetate and spandex, Horizon Mills Corp., v. QVC, Inc., 2001 WL 363033, S.D.N.Y., 3/30/01. The court denied defendant’s motion for summary judgment because genericness is question of fact.

SOON CHANG CHAPSSAL GOCHUJANG and DOLGAK MI YUK (both a series of Korean Characters) used in connection with Asian food products, Rhee Bros., Inc. v. Han Ah Reum Corp., 2001 WL 1669251, D. Md., 2001. Seller of Asian food products sued competitors for infringing and diluting its marks. Defendants moved to dismiss for failure to state a claim for trademark dilution. The court rejected the motion and found sufficient facts to support the claim.

STEELCLOUD for network applications, appliances and services v. LOUDCLOUD and various Internet domain names incorporating “cloud” for website infrastructuring services and related goods, Dunn Computer Corporation d/b/a Steelcloud v. Loudcloud, Inc., 133 F. Supp. 2d 823, E.D. Va., 1/10/01. The court granted defendant’s motion to dismiss because defendant’s “cease and desist” letter did not create a “case or controversy” required under the Declaratory Judgment Act.


SWEETSUCCESS.COM used as an Internet domain name, Nutrisystems.com, Inc. v. Easthaven, Ltd., 2001 WL 484068, E.D. Pa., 3/30/01. The court denied plaintiff’s motion for adjudication of contempt, charging violation of preliminary injunction enjoining defendants from taking any action to prevent the transfer of the Internet domain name from defendant to plaintiff.

The color blue for UV-resistant painters’ masking tape, Minnesota Mining & Manufacturing Company v. Shurtape Technologies, Inc. and Manco, Inc., 2001 WL 530551, D. Minn., 5/17/01; defendant’s motion for summary judgment denied because genuine fact issues exist as to whether the color blue mark is famous.

The colors green and yellow for lawn and garden equipment, including tractors, mowers and snow-blowers, Deere & Co. v. MTD Products,
The court denied defendant’s motion to dismiss because likelihood of confusion was not an appropriate inquiry on a motion to dismiss.


The name “Smithers” for sponsorship/approval of R. Brinkley Smithers and his approach to alcoholism treatment v. SMITHERS ADDICTION TREATMENT AND TRAINING CENTER for addiction treatment center, The Christopher D. Smithers Foundation, Inc. v. St. Lukes-Roosevelt Hospital Center, 2001 WL 761076, S.D.N.Y., 7/6/01. The court granted defendant’s motion to dismiss because plaintiffs did not plead they own a famous mark.


Trademark for water coolers and related items v. display of plaintiff’s marks on Internet “gripe site,” Oasis Corp. v. Judd, 132 F. Supp. 2d 612, S.D. Ohio, 2/21/01. The court granted defendant’s motion to vacate default judgment and dismissed the case for lack of personal jurisdiction.

TRINITY HEALTH v. TRINITY HEALTH both for health care services, Iowa Health System v. Trinity Health Corp., 2001 WL 1644618, N.D. Iowa, 2001. After acquiring rights in federally registered trademark TRINITY HEALTH, the defendant in this action asserted its own trademark infringement claims. Plaintiffs filed counterclaims in addition to their original claims of trademark infringement. Defendant moved to dismiss those counterclaims. The court found that (a) the counterclaims needed amendment because they were ambiguous and confusing, (b) fraud counterclaims were not alleged with the requisite particularity, and (c) the pleading was sufficient to allege claims of abandonment, improper tacking, unclean hands and unfair competition.

Use of coupons for L.L Bean that come from plaintiff’s website, Gator.com Corp. v. L.L. Bean, Inc., 2001 WL 1528393, N.D. Cal., 2001. Plaintiff filed declaratory judgment that it does not infringe or dilute defendant’s trademark. Defendant moved for lack of personal jurisdiction. The court granted the motion reasoning that...
defendant did not purposefully avail itself to the jurisdiction by
sending cease and desist letters to plaintiff’s California office.

VERSACE for clothing and shoes v. A.V. BY VERSACE for clothing
and athletic shoes, A.V. by Versace, Inc. v. Gianni Versace, S.P.A.,
disqualification of counsel not warranted and proposed pleading
amendment would not be allowed.

Virgin Enterprises Limited v. American Longevity, 2001 WL 237379,
S.D.N.Y., 3/8/01. The court sustained plaintiff’s objection to order
of magistrate denying motion for a protective order precluding
taking of pretrial deposition and entered a protective order
precluding taking of deposition.

VIRTUAL CAR for automobile rental, leasing and reservation
services v. VIRTUALCAR.COM as Internet domain name for
website facilitating buying and selling of antique and classic cars,
Enterprise Rent-A-Car Co. v. Stowell, 137 F. Supp. 2d 1151, E.D.
Missouri, 4/5/01. The court denied defendant’s motion to dismiss
for lack of personal jurisdiction, but the court found that transfer
of venue was appropriate.

WESTLAW and WESTLAW.COM for legal publications and
information services, including computerized legal research
services v. EASTLAW and EASTLAWONLINE.COM for
computerized legal case law research services and Internet
domain name, West Licensing Corp. v. Eastlaw, L.L.C., 2001 WL
501200, D. Minn., 5/9/01. The court granted defendant’s motion to
dismiss for insufficient service of process.

WIDEBODY for use with pens, Goodkind Pen Co, Inc. v. BIC Corp.,
defendant’s counsel was enough to invoke real case or controversy.

WINSTON, SALEM and CAMEL for cigarettes v. domestic sale of
cigarettes manufactured by plaintiff for sale outside the U.S., R.J.
Reynolds Tobacco Company and GMB, Inc. v. Premium Tobacco
in part and denied in part plaintiff’s motion to strike defendant’s
affirmative defenses.

WWF for entertainment company and WWF SMACKDOWN! for
professional wrestling television program v. allegedly defamatory
statements made about the company and its programming, World
2d 514, S.D.N.Y., 5/24/01. The court denied defendants’ motion to
dismiss.
APPELLATE COURTS

INTELLIGENCE EVERYWHERE for communication software v. INTELLIGENCE EVERYWHERE and INTELLIGENCE-EVERYWHERE.COM for electronic hardware and related products and services, Microstrategy Inc. v. Motorola, Inc., 245 F.3d 335, 4th Cir., 3/28/01. The court affirmed district court’s denial of plaintiff’s motion for preliminary injunction based on unlikelihood of success on the merits on infringement claim.


Lounge chair and ottoman, Herman Miller, Inc. v. Palazzetti Imports and Exports, Inc., 270 F.3d 298, 6th Cir., 2001. Plaintiff sued producer of imitations of a lounge chair and ottoman which had been designed by Charles Eames. The plaintiff appealed the trial court’s dismissal of plaintiff’s trade dress claims. The court found that genuine issues of material fact exist as to whether lounge chair and ottoman had acquired secondary meaning which precluded a finding of summary judgment of plaintiff’s trade dress claim.

NORTHERN LIGHT and NORTHERNLIGHT.COM for Internet search engine v. NORTHERNLIGHTS.COM for Internet domain name of email service website, Northern Light Tech., Inc. v. Northern Lights Club, 236 F.3d 57, 1st Cir., 1/8/01. The court affirmed district court’s grant of preliminary injunction on ACPA (plaintiff abandoned its dilution claims in amended complaint).

Several Ford trademarks used for automobiles v. the same trademarks used on floor mats, Ford Motor Co. v. Lloyd Design Corp., 2001 WL 1356137, 6th Cir., 2001. Defendant used several of Ford’s trademarks on its floor mats with questionable disclaimers. Plaintiff appealed the denial of its motion for preliminary injunction to stop distribution of the allegedly infringing and diluting floor mats. The court remanded to decision back to the trial court to make more definite findings to support its decision.