

2020-2021 Saul Lefkowitz Moot Court Competition

Please note:

A. The Facts in this Opinion are fictional. The parties' names, their businesses, and their trademarks and registrations are not intended, and should not be understood, to refer to or reference any individual (living or dead) or any institution, extant or defunct. Any resemblance to any real person, organization, product or situation is purely coincidental.

The Opinion below of the U.S. District Court for the Eastern District of Utopia is imaginary. Conclusions of law within the Opinion do not represent the opinion of the International Trademark Association ("INTA") or any of its members. No inference should be drawn about any actual person, organization, product or situation on the basis of any facts or conclusions of law in this Opinion. The Opinion was drafted without knowledge of any person's claims with respect to any trademarks or other claims of rights that are the same as or similar to those mentioned in the Opinion, and INTA takes no position with respect to any person's ownership of, or rights to, such trademarks or other claims of rights.

B. Frequently, issues in a case that conceivably could be appealed are not. This Circuit, like most, will not entertain arguments that are not fairly comprehended within the formal "Issues on Appeal," which in this case are:

ISSUE NO. 1:

Did the District Court err in finding the Defendant's trademark THE NEW NORM for exercise classes to be likely to cause consumer confusion with the Plaintiff's trademark NORMM for pet food?

ISSUE NO. 2:

Did the District Court err in finding that the Defendant willfully infringed the Plaintiff's trademark NORMM, when the Defendant knew about the Plaintiff's mark at the time that the Defendant adopted and used the trademark THE NEW NORM to identify the source of the Defendant's exercise classes?

ISSUE NO. 3:

Did the District Court err in its awarding the Defendant's profits to the Plaintiff as an equitable remedy for the Defendant's infringement of the Plaintiff's trademark?

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF UTOPIA

NATURAL AND ORGANIC REAL MEAT
MEALS, LLC

Plaintiff,

vs.

NORMAN HERMAN III ENTERPRISES,
LLC d/b/a “THE NEW NORM”

Defendant.

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Civ. Dkt. 20-1252

ORDER GRANTING MOTION FOR SUMMARY JUDGMENT

Vaughan, R.

Plaintiff NATURAL and ORGANIC REAL MEAT MEALS, LLC (“Plaintiff” or “NORMM”) filed suit against defendant NORMAN HERMAN III ENTERPRISES, LLC d/b/a “THE NEW NORM” (“Defendant” or “The New Norm”) for trademark infringement under Sections 32 and 43(a) of the Lanham Act, claiming Defendant’s use of THE NEW NORM is likely to be confused with Plaintiff’s federally registered NORMM mark.

Plaintiff now moves for summary judgment. In doing so, Plaintiff argues that it owns NORMM as a trademark in connection with pet food and that Defendant’s adoption and use of THE NEW NORM in connection with fitness services rendered to people with pets is likely to confuse, and has in fact confused, consumers. Plaintiff argues that Defendant’s infringement is knowing and willful, and seeks an award of the Defendant’s profits attributable to its use of THE NEW NORM trademark. Defendant opposes the motion, arguing that the parties’ respective marks

are not likely to be confused, there has not been any actual confusion, and that its adoption of THE NEW NORM was innocent.

In the District of Utopia, a court may grant summary judgment only if it concludes that the moving party has demonstrated that there is no genuine issue of material fact and that, based on the undisputed facts, the moving party is entitled to judgment as a matter of law. All evidence must be viewed in the light most favorable to the non-moving party. For the reasons set forth hereafter, the Court grants Plaintiff's motion and awards Plaintiff \$3 million.

FINDINGS OF FACT

1. Plaintiff NATURAL AND ORGANIC REAL MEAT MEALS, LLC is organized in the State of Utopia, with a principal place of business in Paradise, Utopia.

2. Defendant NORMAN HERMAN III ENTERPRISES, LLC is organized in the State of Utopia, with a principal place of business in Smithtown, Utopia.

PLAINTIFF - NATURAL AND ORGANIC REAL MEAT MEALS, LLC a/k/a NORMM

3. Plaintiff was founded in 2014 by its current CEO, Shell Agatha Ye, nicknamed "Shaggy" by her colleagues as a shorthand version of her name and because of her "trademark" long bangs that she is always pushing out of her eyes. Shaggy graduated in 2010 at the top of her class at the University of Utopia, where she double majored in veterinary medicine and nutrition. Right after graduation, Shaggy opened a small veterinary clinic, catering mostly to university staff and students with pets. In just a few short months, she became known as the "pet whisperer" due to her amazing bedside manner with all types of animals and her seemingly innate ability to help overweight and malnourished pets, in particular.

4. While Shaggy's double major in nutrition was primarily focused on human nutrition, she researched Utopia's pet food industry while writing her thesis titled Grains,

Biotechnology, and Malnutrition: How Utopian's Bad Eating Habits Affect Our Pets. She concluded that a lot of popular pet food on the market was unhealthy, as they were filled with by-products, soy, GMOs, and fillers, yet flying off Utopian supermarket shelves due to high-priced marketing campaigns and celebrity chef endorsements. For example, having tested one such popular pet food brand named WOLFGANG, endorsed by none other than the famous chef and restaurateur Wolfgang Pook, Shaggy concluded that it was chock full of fillers and carbohydrates that would slow any dog down.

5. As Shaggy's reputation as a pet miracle worker grew, so did her clinic. She hired two of her best friends from the university who also majored in veterinary medicine, and together they opened an animal hospital and a pet "bed and breakfast" in 2012 that they named PET PALACE—where pets would stay, be fed and pampered while their owners were away—in Paradise, Utopia. Shaggy ensured that the bed and breakfast services were top notch—the beds were of the highest quality memory foam; the dog shampoo was made from natural oils, buttermilk, and fragrance-free vegetarian soap; and the food was always certified organic, non-GMO, high in protein instead of carbs, corn and soy, and made with real meat and no animal by-products.

6. During her time at the bed and breakfast, Shaggy noticed that many of the animals, especially the older ones, seem tired when they checked in and more vibrant when they checked out. She started to wonder why. With the permission of pet owners, Shaggy conducted a 14-month study on pets checking into the bed and breakfast and ultimately concluded that the change to their diet while staying there was the reason for their higher energy levels and better health. This prompted Shaggy to consider making a new line of pet food, one that she would make herself to ensure that it included all of the vitamins and minerals animals need. Working day and night in

a commercial kitchen she rented, Shaggy came up with a recipe consisting mostly of carrots, celery, kale, squash, sweet potato, and brown rice that she mixed with low-sodium chicken stock and Grade A chicken, or low-sodium beef stock and steak from grass-fed cows. Using these ingredients and others, she whipped up a variety of patties, stews, potpies, and freeze-dried meals, all of which were 100% natural and certified organic and began offering them for sale to her customers in 2014. As Shaggy’s meals became more and more popular with pet parents, she could not keep up with demand. She decided to leave the clinic and the vet hospital in the hands of her trusty friends to focus on starting up a new pet food company. She thought of the perfect name because it aptly described what she had made: NATURAL and ORGANIC REAL MEAT MEALS. She called it NORMM for short. She designed her own labels for NORMM pet food and sold it in the clinic and at the PET PALACE bed and breakfast.

7. As an owner of a new startup company with little funding, Shaggy did not have the budget for a lawyer, so she filed a trademark application herself with the U.S. Patent and Trademark Office (“USPTO”) for her company’s NORMM mark, which resulted in the following federal trademark registration:

Mark:	NORMM
Owner:	Natural and Organic Real Meat Meals, LLC
Goods:	Pet food
International Class:	31
Registration No.	6,234,567
Registration Date:	April 2, 2014
Application Date:	March 1, 2013
Filing basis:	Lanham Act § 1(a)
Date of First Use:	February 1, 2014
Date of First Use in Interstate Commerce:	February 1, 2014
Register:	Principal

8. Plaintiff properly maintained the above registration as required between the fifth and sixth year after the registration date under Section 8 of the Lanham Act, and also filed an Affidavit of Incontestability under Section 15 of the Act at that time, which was acknowledged and accepted by the USPTO.

9. As word of NORMMM pet food got out among her customers, Shaggy gained a small profit to devote to advertising. She ran advertisements on the FACEDIARY and PHOTOGRAM social media sites, from which she picked up thousands of online orders. In just a few years, NORMMM pet food was national.

DEFENDANT - NORMAN HERMAN III ENTERPRISES, LLC

10. Norman Herman III, son of Norman Herman II, grandson of Norman Herman and self-appointed President and CEO of Norman Herman III Enterprises, is a 27-year-old pizza delivery man turned fitness instructor.

11. Prior to forming Norman Herman III Enterprises, Norman, known to his family, friends and coworkers as Norm, had what he believed was his dream job: delivering pizza in his 15-year-old Nissan, with the tunes cranked up from the multi-disc CD player in the trunk equipped with single-voice-coil 4-ohm subwoofer, and no one acting as a back-seat driver. Since he had the evening shift, Norm did not need to get out of bed until 3pm, which was a dream come true. He often got home around 1 or 2 am and shared leftover pizza, loaded with his favorite toppings – sausage and anchovies, for dinner with his dog Bingo, a 4 year old mutt he had saved from the pound.

12. The years of sleeping all day, scarfing pizza and lounging on the couch with Bingo streaming Movieflix took its toll on Norm's body. During his annual physical in late August 2016, Norm's physician informed him that he was 25 pounds overweight. His blood pressure and

cholesterol level were also through the roof. The physician informed Norm that he needed to lose weight and improve his diet fast.

13. Upon arriving home after his doctor's visit, Norm sat on the couch pondering his health. He grabbed a slice of cold pizza from the fridge and, determining it to be his last encounter with junk food, designed an exercise regimen that would transform him into a fit and healthy individual. He looked at Bingo sitting at his feet and noticed that he could slim down as well, as years of eating Norm's pizza scraps had rendered him quite portly, so he decided to incorporate him into his new fitness program.

14. The next day, Norm began his new exercise regimen with gusto. The program consisted of jogging, with Bingo happily trotting along at his side, weight training and a healthy diet. Said diet included lots of grains, fruits and vegetables, and high quality dog food and pet treats for his best friend Bingo. One of Bingo's favorite dog foods was NORMM, which Norm had discovered during one of his marathon FACEDIARY browsing sessions. Bingo was so fond of NORMM pet food, that Norm had it auto-shipped to his home every month. Norm also liked the brand name NORMM since it was easy for him to remember given that his name was Norm. He also loved telling Bingo before every meal, "Bingo, here comes Norm with your NORMM!"

15. Norm was very proud of his fitness program and the mental and physical rewards that it provided him and Bingo. Indeed, just three months after beginning the program, Norm and Bingo had transformed themselves into healthy human and canine specimens, respectively. Norm was confident that he had created a winning fitness regimen and, tired of carting pizzas around in his jalopy, decided that he would harness some entrepreneurial spirit and start his own fitness business. It was then, on December 1, 2016, that Norman Herman III Enterprises was born.

16. Norm realized that his fitness program needed a catchy name. He did not want to use Norman Herman III Enterprises, since it was wordy and sounded boring. Given that he had reinvented himself, he decided to call the program THE NEW NORM. He adopted this name without conferring with a trademark lawyer although, after running a quick Internet search to see if anyone was using THE NEW NORM with a fitness regime, he did ask some of his friends what they thought and got numerous “thumbs up” emojis in response. It was settled then. After all, his name was “Norm” and his program had transformed him into a “new” person. He was, literally, the new Norm. Norm also thought this was a great name for another reason. A new virus epidemic had recently struck Utopia and many had become ill. In order to reduce the spread of the virus, Utopia had imposed several social distancing requirements upon its residents, often informing everyone that this way of life was “The New Normal”. In light of this, Norm believed that THE NEW NORM was the perfect double entendre – it referred to his recent physical transformation while also playing on “The New Normal” phrase to which everyone in Utopia had grown accustomed.

17. Norm decided that the best way to promote his program was through the Internet. On January 2, 2017, to coincide with “Dry January” and the resounding number of Utopian residents’ New Year’s resolutions, which were often committed to exercise and weight loss, THE NEW NORM website, located at <www.thenewnormfitness.com>, launched. For a \$100 sign-up fee, users had access to Norm’s fitness program, specifically tailored to individuals who owned dogs. After all, Bingo was by Norm’s side throughout the program and he considered the affable canine to be a key to his motivation. The program also enhanced Bingo’s health so Norm believed that his program was beneficial to both humans and their canine companions. In conjunction with THE NEW NORM program, the website also featured a blog listing many healthy food recipes for

both humans and dogs alike. In one of these blog posts, Norm expressed his and Bingo's fondness for NORMM dog food, extolling its canine health benefits and how awesome it was that his dog's favorite food was also the name of his owner. Norm also ran advertisements for THE NEW NORM exercise routine on the FACEDIARY and PHOTOGRAM social media sites.

18. Defendant's website was an almost overnight success, garnering thousands of customers in the first six months. People were inspired by Norm's story and drawn to Norm's unique exercise routine that included the family pet. The timing of launching on January 2, 2017, also helped. With his cash infusion, Norm decided to open a brick and mortar location, which happened to be a few blocks away from Shaggy's pet clinic and bed and breakfast, placing a large sign with THE NEW NORM on the facade. According to Defendant, while he knew about Shaggy's NORMM pet food, he did not know that she worked in the same neighborhood (or down the street no less). At Norm's location, individuals could attend live fitness classes with their dogs hosted by none other than Norm himself. Since the virus epidemic limited how many individuals could attend, Norm also live-streamed these classes through Defendant's website, as well as on its FACEDIARY and PHOTOGRAM social media accounts, so customers could complete their workout at home. On their way out of class, customers were free to take printouts of healthy food recipes, for people and pets alike, that Norm had created. By December, 2019, three years after launching his business, Norm's average yearly profits were \$1 million.

19. With the success of his business, Norm would often hear from customers who wanted to thank him and praise his fitness program. Occasionally, customers would ask Norm why he was not also promoting and selling his NORMM dog food in conjunction with his program. Norm responded to these queries by indicating that he was not affiliated with the NORMM brand. Norm did not worry about these inquiries. After all, he was not sure why anyone would confuse

pet food products with his fitness program. He also thought that NORMMM, with its unique spelling, was quite different when compared to THE NEW NORM. Finally, he thought, NORMMM differed in meaning than THE NEW NORM, with the former being an acronym for Shaggy's company name, which seemed only to merely describe her pet food anyway, and the latter being a play on Norm's name, recent physical transformation and the phrase commonly heard by Utopian residents since the beginning of the epidemic.

20. One day, while Shaggy was using her Sunday free time to visit pets in the clinic, she overheard several pet parents talking about a new fitness routine that they do with their dogs. Intrigued, and excited by what sounded like an awesome idea, Shaggy asked where she could check it out herself. She was told to visit the website <www.thenewnormfitness.com>. Upon reviewing the website, Shaggy became concerned that consumers would confuse Norm's fitness routine for dogs with her NORMM pet food. In addition, while she did not appear to have lost any sales of her NORMM pet food as a result of Norm's use of THE NEW NORM, it was clear to her that pet owners were actually confused as to whether there was an affiliation between NORMMM and THE NEW NORM, as some of her customers had come into the clinic telling her how much they loved THE NEW NORM fitness program that she was sponsoring down the street, using that very funny new veterinarian intern she had hired to lead the exercise classes. (In reality, Shaggy *had* hired a new intern, who happened to be funny, but his name was Newman, not Norm, and he was not a personal trainer.) Concerned that Norm was purposefully trading off the goodwill of NORMMM to drive people to his website and fitness studio, Shaggy retained trademark counsel who sent a cease and desist letter to Defendant explaining that the use of THE NEW NORM amounted to willful infringement that resulted in consumer confusion and demanding that all use of THE NEW NORM cease immediately.

21. Norman received the letter and was immediately confused and angered by it. While he had been asked by his customers about whether he knew of or had any affiliation with NORMMM pet food—to which he said yes and no, respectively—he just did not see how anyone could think that his THE NEW NORM program could be confused with NORMMM pet food. Of course, he knew about NORMMM pet food when he adopted THE NEW NORM, and perhaps he got a few additional clients along the way because they liked NORMMM pet food, but Shaggy’s letter just did not make sense to him (or to Bingo for that matter), particularly since THE NEW NORM was such a popular saying in Utopia in light of the epidemic. Refusing to waste his time and energy on negativity, he ignored the letter and continued to offer THE NEW NORM exercise classes.

PROCEDURAL HISTORY

22. Plaintiff filed a complaint in the United States District Court for the Southern District of Utopia alleging trademark infringement and unfair competition under Sections 32 and 43(a) the Lanham Act. Plaintiff seeks Defendant’s profits and reimbursement of its attorneys’ fees. Defendant filed an Answer denying all claims.

23. The parties engaged in discovery and, thereafter, Plaintiff moved for summary judgment on its trademark infringement claim. Defendant opposed the motion, arguing that there was no actual confusion, no likelihood of confusion, and, to the extent the Court finds infringement, any such infringement was not willful, but innocent. Defendant also vehemently denied that an award of its profits, or of any monetary award, was proper.

CONCLUSIONS OF LAW

Jurisdiction and Venue

A. This action is brought pursuant to 15 U.S.C. §§ 1114 and 1125(a). Jurisdiction arises under 28 U.S.C. §§ 1331 and 1338(a). Venue is appropriate under 28 U.S.C. § 1391(b)(1).

Likelihood of Confusion

B. The legal test for whether a trademark is infringed is whether Defendant has used or is using in commerce any word, term, name, symbol, or device, or any combination thereof in connection with goods or services that is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association with another's mark. 15 U.S.C. §§ 1114 and 1125(a).

C. The pertinent factors in evaluating whether there is a likelihood of confusion, in descending order of importance, are: (i) the similarity of the marks in terms of sight, sound, and meaning; (ii) the relationship between the goods or services of the parties; (iii) the relationship between the parties' trade channels; (iv) the strength, both inherent and acquired, of the Plaintiff's mark; (v) any evidence of actual confusion, or valid surveys indicative of such confusion; (vi) an intent by the newcomer to derive benefit from the original mark's success; and (vii) any other factor recognized by this, or any other Utopian court, as probative of likelihood of confusion. The Court discusses each of these factors in order.

(i) *The similarity of the marks:* The Court finds that the marks are similar in appearance. In particular, Plaintiff's mark NORMM is wholly incorporated into Defendant's THE NEW NORM mark except for one letter. However, the additional words, i.e., "THE NEW" in Defendant's mark, while not necessarily distinctive, do serve to distinguish the marks overall. As such, this factor appears neutral.

(ii) *The relationship between the goods or services of the parties:* The Court finds that the goods and services, i.e., pet food and exercise classes for people – who happen to have pets – are not so similar as to suggest a relationship between them. Accordingly, this factor favors Defendant.

- (iii) *The relationship between the parties' trade channels:* While the parties' goods and services appear dissimilar, the parties advertise in the same channels of trade (social media) and appear to have overlapping consumers. Therefore, this factor favors Plaintiff.
- (iv) *The strength, both inherent and acquired, of the Plaintiff's mark:* Plaintiff's mark is distinctive and strong, as reflected by its incontestable federal trademark registration. This factor therefore favors Plaintiff.
- (v) *Any evidence of actual confusion, or valid surveys indicative of such confusion:* Both parties have introduced evidence that at least some consumers were actually confused between the parties' trademarks and their respective goods and services sold under the marks. As such, this factor favors Plaintiff.
- (vi) *An intent by the newcomer to derive benefit from the original mark's success:* For this factor, we look at whether the defendant chose its mark to intentionally confuse consumers. Evidence of intentional, willful and admitted adoption of a mark closely similar to the Plaintiff's mark weighs strongly in favor of finding a likelihood of confusion. As part of this inquiry, the Court must consider the adequacy and care with which Defendant investigated and evaluated its proposed mark, and its knowledge of similar marks or allegations of potential confusion. Plaintiff argues that Defendant acted in bad faith because it continued to use its mark after Plaintiff demanded that it cease doing so. The Court does not think this is evidence of bad faith. However, it is clear that Defendant did not carefully investigate the extent to which THE NEW NORM was available for its use, and it is undisputed that Defendant knew of Plaintiff's NORMM mark when it adopted THE NEW NORM.

Defendant's President and CEO also fielded consumer inquiries about a possible relationship between the parties. As such, the Court finds that Defendant intended to derive benefit from the commercial success and popularity of NORMM pet food. This factor favors Plaintiff.

(vii) *Any other factor recognized by this, or any other Utopian court, as probative of likelihood of confusion:* Defendant argues that THE NEW NORM is in common parlance given the epidemic that its use can therefore not be attributed to a single source, and therefore the public cannot be confused that it identifies Plaintiff as the source. While this argument is an interesting one, the Court does not find that it sways the balance of the Court's analysis to Defendant's favor.

D. After a review of all of the likelihood of confusion factors, the Court finds that confusion between NORMM and THE NEW NORMM is not only likely, but has in fact already occurred.

Willfulness

E. For the reasons discussed above in point (vi), the Court finds that Defendant's infringement was willful. In order to prove willful infringement, a plaintiff must show that (1) the defendant was actually aware of the infringing activity, or (2) the defendant's actions were the result of reckless disregard or willful blindness. Here, the Defendant knew of NORMM pet food when it adopted THE NEW NORM. Moreover, the Defendant fielded questions from its customers about NORMM pet food at his exercise studio. While Defendant claimed that it had a good faith belief that there is no conflict between the marks, the Defendant's President and CEO, Mr. Norman Herman, made pet food recipes freely available on his website and at his studio.

While these recipes were free, this activity appears to have been designed to create an affiliation with, and/or to trade off the goodwill of Plaintiff's NORMM trademark.

Infringer's Profits

F. In evaluating whether to award an infringer's profits to a plaintiff, the Court typically looks to whether there is conduct showing a deliberate intent to deceive; conduct that shows an intention of causing confusion or deception; an intent to benefit from the goodwill or reputation of the plaintiff trademark holder; conduct that constitutes reckless disregard or willful blindness; or conduct indicating a conscious awareness of wrongdoing or at least conduct deemed objectively reckless measured against standards of reasonable behavior. Here, Defendant should have consulted with trademark counsel both when it adopted THE NEW NORM and when receiving the cease and desist letter from Plaintiff. While some of Defendant's conduct may not show a deliberate intent to deceive, certain of Defendant's actions indicate an intent to benefit from Plaintiff's goodwill. An award of profits is an equitable remedy that is normally available when a defendant is unjustly enriched, if the plaintiff sustained damages from the infringement, or if the accounting is necessary to deter a willful infringer from doing so again. Although a finding of willfulness is not required for a court to award infringer's profits, it is a factor to be considered. This Court finds that an award of Defendant's profits is equitable. Based on the discovery in this case that Defendant's profits have averaged \$1 million a year over the last three years, the Court awards Plaintiff \$3 million in infringer's profits.

WHEREFORE, this Court hereby grants Plaintiff's motion for summary judgment and an award of infringer's profits in their entirety.

SO ORDERED.

Exhibits:

