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The Seventy-Eighth Year of
Administration of the Lanham Act of 1946

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The Trademark Reporter®

UNITED STATES ANNUAL REVIEW

THE SEVENTY-EIGHTH YEAR OF ADMINISTRATION OF THE LANHAM ACT OF 1946*

INTRODUCTION

*By Theodore H. Davis Jr.***

The twelve months between the seventy-seventh and seventy-eighth anniversaries of the Lanham Act's effective date were notable for a burst of reported opinions addressing the possible (or actual) genericness of claimed marks. Not all claimants to allegedly generic marks went home empty-handed,¹ for the Federal Circuit required the counterclaim petitioner in a cancellation action to demonstrate the genericness of its adversary's mark either at the time of registration or sometime afterwards, suggesting that, at least in the registration context, a claimed mark that was generic prior to its

* The Annual Review continues the work originated in 1948 by Walter J. Derenberg and written by him through The Twenty-Fifth Year in 1972. For the Twenty-Sixth and Twenty-Seventh Years, a committee of members of the Editorial Board of *The Trademark Reporter* wrote the Review, with contributions and edits from Dr. Derenberg. Following Dr. Derenberg's death in 1975, the Annual Review continued with new authors. Theodore H. Davis Jr. has coauthored the Annual Review from the Fifty-Second Year in 2000 to date; John L. Welch has coauthored the Annual Review with Mr. Davis from the Sixty-Fourth Year in 2012 to date.

This Review primarily covers reported opinions reported between July 1, 2024, and June 30, 2025, as well as certain ones falling outside that twelve-month period.

** Author of the Introduction to, and Part III of, this Review; Partner, Kilpatrick Townsend & Stockton LLP; member, Georgia, New York, and District of Columbia bars; Adjunct Professor, Emory University School of Law.

In the interest of full disclosure, the author notes his participation, or that of his law firm, in the following cases referenced by this Review: *adidas Am., Inc. v. Thom Browne, Inc.*, 742 F. Supp. 3d 352 (S.D.N.Y. 2024) (counsel for plaintiff); *Rolex Watch U.S.A., Inc. v. Jewelry Unlimited, Inc.*, 757 F. Supp. 3d 1342 (N.D. Ga. 2024) (counsel for plaintiff); *Hangzhou Mengku Tech. Co. v. Shanghai Zhenglang Tech. Co.*, 2024 U.S.P.Q.2d 2220 (T.T.A.B. 2024) (counsel for applicant). He also gratefully acknowledges the cite-checking assistance of Cynthia W. Baldwin and technical help of Janie Wilkins in preparing his contributions to this Review for publication.

¹ See, e.g., *Snap Inc. v. Vidal*, 750 F. Supp. 3d 1120 (C.D. Cal. 2024) (finding applied-for SPECTACLES mark for various goods related to augmented reality products, including eyewear); *Crye Precision LLC v. Concealed Carrier, LLC*, 749 F. Supp. 3d 308 (E.D.N.Y. 2024) (finding MULTICAM mark protectable for printed camouflage patterns).

owner beginning the registration process can be recovered from the public domain.² Nevertheless, other opinions proved more receptive to allegations of genericness,³ including the Fourth Circuit, which confirmed that adverse putative owners of the same claimed unregistered mark must independently demonstrate the mark's validity; in other words, they cannot stipulate to the claimed mark's nongenericness.⁴ And the Federal Circuit affirmed findings by the Trademark Trial and Appeal Board that the French word “vetements” was generic for clothing when translated into English⁵ and that the color green was generic when used in connection with surgical gloves.⁶

Judicial hostility toward claimed color marks did not stop there, for the Federal Circuit affirmed the functionality-based cancellation of two registrations on the Supplemental Register covering the color pink and used in connection with components of artificial hip implants based in large part on the Trademark Trial and Appeal Board's finding that pink was the natural color of the chromium oxide used to manufacture them.⁷ An Iowa federal district court likewise reached a finding of functionality as a matter of law for the color chartreuse, which the plaintiff used and had registered on the Principal Register and Supplemental Register for hoses.⁸ Outside of the context of color marks, the common-law prerequisite of nonfunctionality also tripped up one claimant to the configuration of a watch⁹ and (at least in the short term) a second claimant asserting protectable rights to the appearance of “hookless” shower curtains with integrated coplanar rings.¹⁰

The third common-law prerequisite for protectability—that of use in commerce—played a significant role in reported opinions as

² See *Bullshine Distillery LLC v. Sazerac Brands, LLC*, 130 F.4th 1025, 1029 (Fed. Cir. 2025) (“[The counterclaim petitioner] argues if a term is generic at any time prior to registration, regardless of how it is understood at the time of registration, it remains generic for all time and cannot be registered. [The counterclaim respondent] argues the correct time period to assess if a mark was generic is at the time of registration. We agree with [the counterclaim respondent].”).

³ See *Fantasia Distrib., Inc. v. Myle Vape, Inc.*, 766 F. Supp. 3d 373 (E.D.N.Y. 2024) (finding claimed “ice” mark generic as a matter of law for tobacco and for liquid flavorings used in electronic hookahs and their cartridges).

⁴ See *Moke Am. LLC v. Moke Int'l Ltd.*, 126 F.4th 263 (4th Cir. 2025) (affirming district court's rejection of parties' agreement that “moke” was not generic for a type of electric vehicle).

⁵ See *In re Vetements Grp. AG*, 137 F.4th 1317 (Fed. Cir. 2025), *cert. denied*, No. 25-215, 2026 WL 79820 (U.S. Jan. 12, 2026).

⁶ See *In re PT Medisafe Techs.*, 134 F.4th 1368 (Fed. Cir. 2025).

⁷ See *CeramTec GmbH v. Coorstek Bioceramics LLC*, 124 F.4th 1358 (Fed. Cir.), *cert. denied*, 146 S. Ct. 202 (2025).

⁸ See *Weems Indus. v. Teknor Apex Co.*, 757 F. Supp. 3d 854, 871, 873 (N.D. Iowa 2024).

⁹ See *In re Audemars Piguet Holding SA*, 2025 U.S.P.Q.2d 18 (T.T.A.B. 2025).

¹⁰ See *Focus Prods. Grp. Int'l, LLC v. Kartri Sales Co.*, 156 F.4th 1259 (Fed. Cir. 2025).

well. Some of those confirmed that the “creation” of a mark by a putative senior user will not support a claim of rights superior to those of another party actually using the mark first.¹¹ Addressing a different issue, the Fourth Circuit held that a plaintiff’s use of its mark need not be continuous so long as any breaks in use do not rise to the level of abandonment.¹² And, following the lead of the Second Circuit,¹³ the same court took aim at the venerable *Dawn Donut Doctrine*¹⁴ by suggesting that, in the digital age, a lack of geographic proximity between uses by the parties to an infringement dispute may not dispose of claims of likely confusion in and of itself.¹⁵

On another issue related to liability for infringement, two federal appellate courts addressed the Supreme Court’s circa-2023 holding in *Jack Daniel’s Properties, Inc. v. VIP Products LLC*¹⁶ that the pro-defendant *Rogers v. Grimaldi*¹⁷ test applicable in challenges to the titles or content of expressive works is unavailable if the challenged uses are as indicators of the source of defendants’ goods and services. The Sixth Circuit invoked *Jack Daniel’s* to dispose of a claim that the First Amendment permits the use of confusingly similar marks as marks by political parties,¹⁸ while the Ninth Circuit similarly held that *Rogers* does not protect trademark uses by defendants even if those uses are putatively intended to criticize plaintiffs;¹⁹ in contrast, however, a separate opinion from the latter tribunal confirmed that *Rogers* survives outside of *Jack Daniel’s* scenarios.²⁰

Unfortunately, although Ninth Circuit law therefore became clearer on the relationship between *Rogers* and *Jack Daniel’s*, it continued its slide toward incoherence where the nominative fair use doctrine is concerned. Ninth Circuit jurisprudence has for decades reflected confusion over whether nominative fair use is something a plaintiff must overcome as part of its prima facie case for liability or, alternatively, whether it is a classic affirmative defense as to which the defendant bears the burden of proof, but not until 2025 did different panels of the court take competing

¹¹ See *Colors+ v. Colors+ Counseling, LLC*, 782 F. Supp. 3d 579 (N.D. Ohio 2025), *opinion clarified*, No. 1:25-cv-00078-PAB, 2025 WL 2322784 (N.D. Ohio Aug. 12, 2025); *In re 96 Wythe Acquisition, LLC*, 669 B.R. 238 (Bankr. S.D.N.Y. 2025).

¹² See *Simply Wireless, Inc. v. T-Mobile US, Inc.*, 115 F.4th 266 (4th Cir. 2024), *cert. denied*, 145 S. Ct. 1898 (2025).

¹³ See *Guthrie Healthcare Sys. v. ContextMedia*, 826 F.3d 27 (2d Cir. 2016).

¹⁴ See *Dawn Donut Co. v. Hart’s Food Stores, Inc.*, 267 F.2d 358 (2d Cir. 1959).

¹⁵ See *Westmont Living, Inc. v. Ret. Unlimited, Inc.*, 132 F.4th 288 (4th Cir. 2025).

¹⁶ 599 U.S. 140 (2023).

¹⁷ 875 F.2d 994 (2d Cir. 1989).

¹⁸ See *Libertarian Nat’l Comm., Inc. v. Saliba*, 116 F.4th 530 (6th Cir. 2024).

¹⁹ See *Yuga Labs, Inc. v. Ripps*, 144 F.4th 1137 (9th Cir. 2025).

²⁰ See *Hara v. Netflix, Inc.*, 146 F.4th 872 (9th Cir. 2025).

approaches in reported opinions issued less than two months apart and with no apparent recognition of the inconsistency between them.²¹ Likewise, although the court has at times suggested that its three-factor *New Kids on the Block* test for likely confusion²² should supplant the traditional multifactored standard when a defendant plays the nominative fair use card,²³ it departed from that authority to hold both tests properly applicable in a single case.²⁴ The Ninth Circuit obviously is not unique in adopting inconsistent approaches to claims of nominative fair use,²⁵ but that inconsistency nevertheless suggests that petitions for rehearing en banc in that jurisdiction or even those for writs of certiorari could find the doctrine fertile ground.

Finally, the twelve months covered by this Review produced myriad opinions covering potentially significant procedural issues. For example, the Second Circuit confirmed that judicial immunity protected the judge and clerk of a New York state court judge from an accusation of infringement grounded in the appearance of the plaintiff's personal name in judicial orders and on a docket sheet.²⁶ A Louisiana federal district court approved a defendant's creative establishment of federal diversity jurisdiction through expert witness testimony estimating the value of the attorneys' fees sought by the plaintiff.²⁷ The Eleventh Circuit leaned heavily on a defendant's registration of allegedly infringing marks in the USPTO to hold an exercise of specific personal jurisdiction over that defendant appropriate under Rule 4(k)(2) of the Federal Rules of Civil Procedure.²⁸ A judge on the United States District Court for the Northern District of Illinois signaled that that court's patience with the tsunami of "Schedule A" cases filed with it may be waning.²⁹ And, among other things, the Board's precedential opinions held that an applicant challenging the ex parte refusal of its application cannot satisfy its briefing obligations by purporting

²¹ Compare *Joe's Co. v. Trader Joe's United*, 150 F.4th 1040 (9th Cir. 2025) (characterizing doctrine as affirmative defense) with *Yuga Labs*, 144 F.4th 1137 (requiring plaintiff to overcome doctrine).

²² See *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992).

²³ See *Playboy Enters. v. Welles*, 279 F.3d 796 (9th Cir. 2002).

²⁴ See *Yuga Labs, Inc. v. Ripps*, 144 F.4th 1137 (9th Cir. 2025).

²⁵ Compare *Int'l Info. Sys. Sec. Certification Consortium, Inc. v. Sec. Univ., LLC*, 823 F.3d 153 (2d Cir. 2016) (allocating burden of proof to plaintiff) with *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211 (3d Cir. 2005) (treating doctrine as affirmative defense).

²⁶ See *Dieujuste v. Sin*, 125 F.4th 397 (2d Cir.), *cert. denied*, 146 S. Ct. 119 (2025).

²⁷ See *S. Marsh Collection, LLC v. S. Proper Co.*, 771 F. Supp. 3d 852 (M.D. La. 2025).

²⁸ See *Jekyll Island-State Park Auth. v. Polygroup Macau Ltd.*, 140 F.4th 1304 (11th Cir. 2025).

²⁹ See *Eicher Motors Ltd. v. P'ships & Unincorporated Ass'ns Identified on Schedule "A,"* 794 F. Supp. 3d 543 (N.D. Ill. 2025).

to recapitulate its submissions to the examining attorney,³⁰ ratified the USPTO's ability to retract an erroneously issued registration,³¹ disparaged a law school clinic's proffer of an overly argumentative amicus brief,³² and confirmed that a reckless disregard of the truth in the procurement of a registration is equivalent to an intent to deceive the USPTO.³³

Nevertheless, perhaps the most significant procedural issue to arise in the case law remained unresolved as of the publication of this Review, namely, the standing—and the concept formerly known as standing, that is, entitlement to a statutory cause of action—of consumers to challenge the registrability of marks in inter partes proceedings before the Board.³⁴ That issue arose after the consumer in question, a law professor, opposed an application to register the RAPUNZEL mark for dolls on the theory that she and “other consumers will be denied access to healthy marketplace competition” for “products that represent” Rapunzel if private companies can “trademark [sic] the name of a famous fairy tale character in the public domain.”³⁵ Affirming the Board's dismissal of the opposition, the Federal Circuit held in other cases that *Lexmark International, Inc. v. Static Control Components, Inc.*³⁶ provided the proper framework for evaluating the opposer's eligibility to challenge the application. It then applied *Lexmark*'s two-part test to the opposer's disadvantage by determining that: (1) the interests protected by her claimed causes of action were commercial, rather than personal, in nature;³⁷ and (2) her claimed injuries were all derivative of harms potentially suffered by the applicant's commercial competitors because of the disputed mark's registration.³⁸

So far, so good: After all, *Lexmark* itself unambiguously holds that the Lanham Act does not recognize consumer standing, even if that consumer is a business.³⁹ That lack of ambiguity, however, has

³⁰ See *In re Princeton Equity Grp.*, 2025 U.S.P.Q.2d 829 (T.T.A.B. 2025).

³¹ *In re Nursecon, LLC*, 2024 U.S.P.Q.2d 2217 (T.T.A.B. 2024).

³² See *Monster Energy Co. v. Jones*, 2024 U.S.P.Q.2d 1697 (T.T.A.B. 2024).

³³ See *Look Cycle Int'l v. Kunshan Qiyue Outdoor Sports Goods Co.*, 2024 U.S.P.Q.2d 1424 (T.T.A.B. 2024).

³⁴ See *Curtin v. United Trademark Holdings, Inc.*, 2023 U.S.P.Q.2d 535 (T.T.A.B. 2023), *aff'd*, 137 F.4th 1359 (Fed. Cir. 2023), *petition for cert. filed*, No. 25-435 (U.S. Oct. 3, 2025).

³⁵ *Id.* at *1.

³⁶ 572 U.S. 118 (2014).

³⁷ 137 F.4th at 1368–70.

³⁸ *Id.* at 1370–71.

³⁹ See 572 U.S. at 132 (“[T]o come within the zone of interests in a suit for false advertising under [15 U.S.C.] § 1125(a), a plaintiff must allege an injury to a commercial interest in reputation or sales. A consumer who is hoodwinked into purchasing a disappointing

precluded neither a petition for a writ of certiorari nor an order from the Supreme Court requesting a response to the petition from the applicant. And the question presented by the petition perhaps demonstrates why, because, rather than focusing on principles of trademark law or the applicability of past opinions disapproving of interventions in inter partes proceedings by mere intermeddlers,⁴⁰ it queries “[w]hether a party desiring to participate in an administrative agency proceeding, including a trademark opposition proceeding at the United States Patent and Trademark Office, must satisfy the zone-of-interests and proximate-causation tests set forth in [*Lexmark*], for causes of action in federal court.”⁴¹ Thus, just as the registrability dispute in *Elster v. Vidal*⁴² may have opened the door for a reevaluation of the Court’s past free-speech jurisprudence through the lens of history and tradition,⁴³ so too could another such dispute ostensibly turning on the obscure issue of consumer standing to bring opposition actions before the Board clear the way for broad-based challenges to federal agency actions generally.

product may well have an injury-in-fact cognizable under Article III, but he cannot invoke the protection of the Lanham Act”)

⁴⁰ See, e.g., *Lipton Indus. v. Ralston Purina Co.*, 670 F.2d 1024, 1029–30 (C.C.P.A. 1982).

⁴¹ Pet. for Cert. at i, *Curtin v. United Trademark Holdings, Inc.*, No. 25-435 (U.S. Oct. 3, 2025).

⁴² 602 U.S. 286 (2024).

⁴³ See generally Theodore H. Davis Jr. & John L. Welch, *The Seventy-Eighth Year of Administration of the U.S. Trademark (Lanham) Act of 1946*, 115 Trademark Rep. 1, 3–4 (2025) (“*Elster* marks the first time the Court has clearly adopted [a history-and-tradition] analysis to the exclusion of all others in a challenge to a government action under the Free-Speech Clause; indeed, in light of its novelty in that context, the parties did not even brief the framework ultimately adopted and applied by the Court.” (footnotes omitted)).

PART I. EX PARTE CASES

*By John L. Welch**

A. United States Court of Appeals for the Federal Circuit

1. Section 2(a) False Suggestion of a Connection

In re Thomas D. Foster, APC

The U.S. Court of Appeals for the Federal Circuit (“CAFC”) upheld the Trademark Trial and Appeal Board’s (“TTAB”) decision affirming a Section 2(a) refusal to register the proposed mark US SPACE FORCE for a variety of goods in ten classes, including license plate frames, umbrellas, pillows, and toy spacecraft. The Board found that the mark falsely suggests a connection with the U.S. Space Force, a branch of the U.S. Armed Forces and a U.S. governmental institution. The CAFC ruled that the mark falsely suggested a connection with the United States (not just the Space Force), since the U.S. Space Force is an instrumentality of the United States.¹

Section 2(a) of the Lanham Act,² in pertinent part, bars registration of a mark that may “falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols.” The Act defines “person” as including “the United States [and] any agency or instrumentality thereof.”³

Applicant Foster filed its application to register on March 19, 2018, just seven days after President Trump announced the creation of the U.S. Space Force. Foster argued that (1) the Board improperly considered facts that post-dated the filing of the application and (2) the Board’s findings of fact under the first two parts of the four-part false connection test were not supported by substantial evidence. The CAFC disagreed.

Timeliness of the Evidence: In what appears to be an issue of first impression, the court held that “[t]he false connection inquiry can . . . include evidence that comes into existence during the examination process.”⁴ It concluded that the examination process continued through the Board’s December 12, 2022, denial of Foster’s request for reconsideration of the Board’s decision of September 19,

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¹ *In re Thomas D. Foster, APC*, 2025 U.S.P.Q.2d 727 (Fed. Cir. 2025), *cert. denied*, 2025 WL 2824153 (Oct. 8, 2025).

² 15 U.S.C. § 1052(a).

³ Section 45 of the Lanham Act, 15 U.S.C. § 1127.

⁴ *Foster*, at *2.

2022.⁵ Foster failed to show that the Board relied on evidence that post-dated the decision on reconsideration, and so the court concluded that the Board did not err in its assessment of the evidence.

False Connection: To establish that a proposed mark falsely suggests a connection with a person or an institution under Section 2(a), it must be shown that:

- (1) the mark is the same as, or a close approximation of, the name or identity previously used by another person or institution;
- (2) the mark would be recognized as such, in that it points uniquely and unmistakably to that person or institution;
- (3) the person or institution named by the mark is not connected with the activities performed by the applicant under the mark; and
- (4) the fame or reputation of the person or institution is such that, when the mark is used with the applicant's goods or services, a connection with the person or institution would be presumed.⁶

The Board found that all four elements of the test were satisfied, but Foster contended that the Board's findings as to the first two were not supported by substantial evidence. The CAFC noted:

As an initial matter, the mark need not be identical to the name or identity. It would suffice if the US SPACE FORCE mark falsely suggests a connection to the United States, even if the U.S. Space Force entity had not come into existence. The issue is whether the US SPACE FORCE mark falsely suggests a connection to the U.S., which undeniably has been used [*sic!*]. In this case, however, the United States was using the entirety of the mark, U.S. Space Force, during the relevant time.⁷

The CAFC concluded that substantial evidence—including President Trump's announcement of the creation of the U.S. Space Force in March 2018 and its establishment in September 2019 amidst continuing news coverage—supported the Board's finding that Foster's mark "is the same as or a close approximation" of a name or identity of the United States.⁸

⁵ Were the Board's decision and its denial of reconsideration really part of the "examination process?" Examination by the USPTO examining attorney ended on January 28, 2022. Perhaps the CAFC picked the wrong date for the cut-off of evidence. However, it seemingly didn't make any difference anyway.

⁶ *Foster*, at *3, citing *Univ. of Notre Dame Du Lac v. J.C. Gourmet Food Imps. Co.*, 703 F.2d 1372 (Fed. Cir. 1983).

⁷ *Id.* at *3-4.

⁸ *Id.*

Likewise, substantial evidence supported the Board finding that Foster’s mark “points uniquely and unmistakably to the United States, particularly a military branch called the U.S. Space Force.”⁹ The court again pointed to President Trump’s announcement and subsequent coverage in major news publications. In fact, the court noted, the mark and name are identical.

2. Genericness

In re PT Medisafe Technologies

For the first time facing the issue of genericness in the context of a color mark, the CAFC gave a thumbs-up to the TTAB’s decision affirming a refusal to register a particular shade of green as a trademark for “chloroprene medical examination gloves.” The appellate court concluded that the Board applied the correct test for determining genericness of a color mark, and ruled that substantial evidence supported the Board’s factual finding that Applicant Medisafe’s proposed mark is generic.¹⁰



The Genericness Test: The Board had applied the two-part test set out in its *Milwaukee Electric Tool* decision,¹¹ a modification of the CAFC’s *Marvin Ginn* test,¹² which had not concerned color marks. The CAFC agreed that the *Milwaukee* test is appropriate for color marks and expressly adopted it.

Whereas *Marvin Ginn* asks whether “the *term* sought to be registered or retained on the register [is] understood by the relevant public primarily to refer to [a] genus of goods or services,” 782 F.2d at 990 (emphasis added), *Milwaukee* asks

⁹ *Id.* at *4.

¹⁰ *In re PT Medisafe Techs.*, 2025 U.S.P.Q.2d 684 (Fed. Cir. 2025), *cert. denied* (November 24, 2025).

¹¹ *Milwaukee Elec. Tool Corp. v. Freud Am., Inc.*, 2019 WL 6522400, 2019 U.S.P.Q.2d 460354 (T.T.A.B. 2019).

¹² *H. Marvin Ginn Corp. v. Int’l Ass’n of Fire Chiefs, Inc.*, 782 F.2d 987, 990 (Fed. Cir. 1986).

“whether the *color* sought to be registered . . . is understood by the relevant public primarily as a category or type of trade dress for [a] genus of goods or services,” 2019 WL 6522400, at *9 (emphasis added).¹³

Medisafe argued that the *Milwaukee* test improperly ignores language in the Lanham Act that allows for cancellation of a registration for genericness only when the mark is a “generic name.”¹⁴ The CAFC pointed out that it rejected “essentially this same contention” in *Sunrise Jewelry Manufacturing Corp. v. Fred S.A.*,¹⁵ where it held that the statutory language “must be read expansively to encompass anything that has the potential but fails to serve as an indicator of source, such as . . . trade dress.”¹⁶ The court here reiterated that “‘trade dress,’ including a color mark, ‘that cannot serve as an indicator of source is generic and unprotectable.’”¹⁷

The Genericness Finding: The Board properly deemed the genus at issue to be “chloroprene medical examination gloves,” and it did not err in rejecting Medisafe’s additional verbiage “sold only to authorized resellers.” “The Board is not compelled to accept an applicant’s proposed definition of the applicable genus, and it was right not to ‘limit the universe of chloroprene medical examination gloves under evidentiary consideration to [Medisafe’s] own products.’”¹⁸

The CAFC concluded that substantial evidence—including screenshots of websites offering third-party chloroprene/neoprene medical examination gloves in the same or nearly the same dark green color—supported the Board’s finding that the color of the proposed mark “is so common in the chloroprene medical examination glove industry that it cannot identify a single source” and is, therefore, generic.¹⁹

¹³ *Medisafe*, at *4.

¹⁴ *Id.* See Section 14(3) of the Lanham Act, 15 U.S.C. § 1064(3), which provides, in relevant part, that a registered mark may be cancelled “[a]t any time if the registered mark becomes the *generic name* for the goods or services, or a portion thereof, for which it is registered.” (emphasis added).

¹⁵ 175 F.3d 1322, 1325-26 (Fed. Cir. 1999) (involving a mark comprising a metallic nautical rope design for clocks, watches, and jewelry).

¹⁶ *Medisafe*, at *5.

¹⁷ *Id.*, quoting *Sunrise Jewelry*, 175 F.3d at 1326.

¹⁸ *Id.*, citing *In re i.am.symbolic, llc*, 866 F.3d 1315, 1324 (Fed. Cir. 2017) (finding no error in the Board’s refusal to limit the applicant’s identification of goods to products “associated with” singer will.i.am).

¹⁹ *Id.*

3. Doctrine of Foreign Equivalents

In re Vetements Group AG

In a significant ruling regarding the often puzzling doctrine of foreign equivalents, the CAFC held that a party opposing translation of a term under that doctrine has the burden to show that it is unlikely that the ordinary American purchaser would stop and translate the word into its English equivalent. The CAFC upheld the Board’s affirmance of the United States Patent and Trademark Office’s (“USPTO”) refusals to register the term “VETEMENTS” (in standard character and slightly stylized form) for various clothing items and for related retail store services, on the ground of genericness. There was no dispute that the English translation of the French word “vetements” is “clothing,” and the court ruled that substantial evidence supported the Board’s finding that the ordinary American purchaser would stop and translate the mark.²⁰

VETEMENTS

Whether the Board applied the proper test for genericness is a question of law, reviewed *de novo*, but whether a particular mark is generic is a question of fact reviewed for substantial evidence.²¹

The CAFC recounted the history of the doctrine of foreign equivalents as applied in various contexts. In *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondée en 1772*,²² the court considered an appeal from a likelihood-of-confusion refusal of the non-English mark VEUVE ROYALE for sparkling wine. It held that “[t]he doctrine should be applied only when it is likely that the ordinary American purchaser would ‘stop and translate [the word] into its English equivalent.’”²³ In *In re Spirits Int’l, N.V.*,²⁴ involving a geographically deceptive misdescriptiveness refusal of the mark MOSKOVSKAYA for vodka, the court observed that “[t]he ‘ordinary

²⁰ *In re Vetements Grp. AG*, 2025 U.S.P.Q.2d 775 (Fed. Cir. 2025), *cert. denied*, 2026 WL ____ (Jan. 27, 2026).

²¹ *Id.* at *2. *See, e.g., In re La. Fish Fry Prods., Ltd.*, 797 F.3d 1332, 1335 (Fed. Cir. 2015) (“Whether the Board applied the proper test in assessing whether a mark is generic is a question of law, but ‘whether a particular mark is generic under the applicable standard is a question of fact, which we review for substantial evidence.’”), quoting *In re Cordua Rests., Inc.*, 823 F.3d 594, 599 (Fed. Cir.).

²² 396 F.3d 1369 (Fed. Cir. 2005) (The CAFC reversed the Board’s conclusion that the mark VEUVE ROYALE was likely to cause confusion with the mark THE WIDOW for sparkling wine).

²³ *Id.* at 1377.

²⁴ 563 F.3d 1347 (Fed. Cir. 2009).

American purchaser’ is not limited to only those consumers unfamiliar with non-English languages; rather, the term includes all American purchasers, including those proficient in a non-English language who would ordinarily be expected to translate words into English.”²⁵

The appellant relied on *Palm Bay* in arguing against translation, but the CAFC pointed out that, unlike here, *Palm Bay* “involved two circumstances that weighed against translation.”²⁶ First, “an ‘appreciable’ number of Americans are capable of translating the term VETEMENTS from French into English.”²⁷

[T]he word in question is a simple and common word—the word for clothing. On the other hand, “widow” requires a more advanced vocabulary. This, therefore, distinguishes this case from the aspect of *Palm Bay* that was premised on “an appreciable number of purchasers [being] unlikely to be aware that VEUVE means ‘widow’” in French, and therefore “unlikely to translate the marks into English.” *Palm Bay*, 396 F.3d at 1377 (emphasis omitted).²⁸

Second, the word “vetements” is “closely associated with clothing because it is the French word for clothing,” whereas the term “veuve” has no association with the sparkling wine of *Palm Bay*.²⁹

The appellant disputed the Board’s finding that the ordinary American purchaser would stop and translate the marks because there was no showing that a *majority* of Americans are capable of translating the word. The CAFC was unmoved.

Adopting Appellant’s headcount rule would render the doctrine of foreign equivalents inapplicable for all words in non-English languages that are not understood by most Americans. The doctrine of foreign equivalents would be a nullity under Appellant’s 50% rule. It is enough to demonstrate that an “appreciable” number of Americans are capable of translating the term VETEMENTS from French into English.³⁰

The CAFC deemed it “prudent to further distill the core principles relevant to analyzing the ‘threshold limitation on the application of the doctrine of foreign equivalents’ of whether the

²⁵ *Id.* at 1352.

²⁶ *Vetements*, at *6.

²⁷ *Id.* at *7, noting the evidence that, as of 2010, French (including all French dialects) was the fourth most common language spoken in the United States and 2.1 million Americans over the age of five spoke French at home. French was taught to “14% of all students enrolled in foreign languages” in elementary grades through high school, and to “12.4%” of all American university foreign-language students.

²⁸ *Id.* at *7.

²⁹ *Id.* at *10.

³⁰ *Id.* at *7-8.

ordinary American purchaser would stop and translate the mark into English.”³¹ It observed that “[t]he guiding principles we identify here are non-exclusive and do not preclude the application of other principles where demanded by the particular circumstances of future cases.”³²

- First, the burden is on the party opposing translation to show that it is unlikely the ordinary American purchaser would stop and translate the word into its English equivalent.
- Second, . . . [a]s long as an appreciable number of Americans, from the U.S. population as a whole, are capable of translating the word, the word likely will be translated.
- Third, we consider whether in context, the mark would ordinarily be translated by a purchaser (from the U.S. population as a whole) with *ordinary sensibilities*. This follows from cases that have articulated sometimes even a native speaker would not perform a literal translation because it would be irrelevant in the context of the specific goods, services, or market. *Spirits*, 563 F.3d at 1352; *Palm Bay*, 396 F.3d at 1377; *Tia Maria*, 188 U.S.P.Q.³³

The CAFC concluded that the appellant did not meet its burden to show that the marks are unlikely to be translated; therefore, the doctrine of foreign equivalents applied. The court then ruled that substantial evidence supported the Board’s finding that, as translated to “clothing,” the term “VETEMENTS” is generic for the involved goods and services.³⁴

B. Trademark Trial and Appeal Board

1. Section 2(d) Likelihood of Confusion

In re Samsung Display Co.

Rejecting Applicant Samsung’s invocation of the “something more” doctrine, the Board upheld a Section 2(d) refusal to register

³¹ *Id.* at *11, quoting *Spirits*, 563 F.3d at 1351-52 (quoting *Palm Bay*, 396 F.3d at 1377).

³² *Id.*

³³ *Id.* at *12-23. (emphasis in original). In *In re Tia Maria, Inc.*, 188 U.S.P.Q. 524 (T.T.A.B. 1975), the Board deemed it unlikely that a person dining at the “TIA MARIA” restaurant with a Mexican decor and surrounded by a menu of Mexican delicacies, would translate “TIA MARIA” into “AUNT MARY.”

³⁴ It may prove to be a challenging task to prove that it is unlikely that the ordinary American purchaser (including those proficient in a non-English language who would ordinarily be expected to translate words into English) would *not* stop and translate the word into its English equivalent.

the mark UPC for, inter alia, display panels as components of computers and smart phones, finding confusion likely with the identical mark registered for charging cables and power connectors. Samsung argued that “something more” is required to show relatedness of the goods than the mere fact that some third-party manufacturers sell both types of goods. The Board was not impressed.³⁵

Since the marks are identical, the first *DuPont* factor weighed “heavily” in favor of likelihood of confusion.³⁶ Moreover, when the involved marks are identical, a lesser degree of similarity between the goods is needed to support such a conclusion.³⁷

Turning to the second *DuPont* factor—the similarity and nature of the goods—the examining attorney maintained that the goods are related because they are “sold together as part of the same finished product,” with the goods often “highlighted or called-out in advertising as being a prominent feature of finished products,” especially the display panels and power cables of computer monitors.³⁸ Many third-party websites highlighted the display panel or screen as an important feature and a selling point. Other websites specify many of the individual components in a laptop computer, including the display and power cables.

The Board therefore found that “the goods are related because they are each incorporated and used in the same finished electronic products.”³⁹

Citing *Coors Brewing*⁴⁰ and *St. Helena Hospital*,⁴¹ Samsung argued: “the fact that some monitors and television manufacturers also sell power cables does not alone imply that consumers will assume that all monitors and televisions have the same source of origin as the power cables. Therefore, ‘something more’ is required

³⁵ *In re Samsung Display Co.*, 2024 U.S.P.Q.2d 1279 (T.T.A.B. 2024).

³⁶ *Id.* at *2. See, e.g., *i.am.symbolic*, 123 U.S.P.Q.2d 1744, 1748 (Fed. Cir. 2017) (citing *In re Majestic Distilling Co.*, 315 F.3d 1311, 65 U.S.P.Q.2d 1201, 1204 (Fed. Cir. 2003) (“when word marks are identical but neither suggestive nor descriptive of the goods associated with them, the first *DuPont* factor weighs heavily against the applicant.”)).

³⁷ *Id.* at *3. See, e.g., *In re Country Oven, Inc.*, 2019 U.S.P.Q.2d 443903, at *5 (T.T.A.B. 2019).

³⁸ *Id.* at *4.

³⁹ *Id.* at *5. See, e.g., *GAF Corp. v. Polychrome Corp.*, 198 U.S.P.Q. 637, 639 (T.T.A.B. 1978) (synthetic resins and ultraviolet light absorbers deemed related because “both are purchased by the same customers who incorporate them into a finished product”); *In re Globe-Union Inc.*, 189 U.S.P.Q. 158, 159 (T.T.A.B. 1975) (“Applicant’s resistor-capacitors and registrant’s ceramic condensers are closely related electronic components that obviously would be sold . . . for incorporation in the same piece of electronic equipment or apparatus.”).

⁴⁰ *In re Coors Brewing Co.*, 343 F.3d 1340, 68 U.S.P.Q.2d 1059 (Fed. Cir. 2003).

⁴¹ *In re St. Helena Hosp.*, 774 F.3d 747, 113 U.S.P.Q.2d 1082 (Fed. Cir. 2014).

to show relatedness between monitors or televisions and power cables.”⁴²

The Board, however, pointed out that Samsung’s reliance on the “something more” theory was “misplaced.”⁴³ The two cases it cited involved the relatedness of *goods and services*, “limiting the requirement for ‘something more’ to circumstances where goods are used in the rendering of services and the relatedness of the goods and services is not evident, well known, or generally recognized.”⁴⁴

As to the third and fourth *DuPont* factors—the “similarity or dissimilarity of established, likely-to-continue trade channels,” and “conditions under which and buyers to whom sales are made, i.e. ‘impulse’ v. careful, sophisticated purchasing”—Samsung argued that its goods, as components, are sold exclusively to manufacturers of finished products, whereas the registrant’s goods are finished products themselves and may be purchased separately by retail consumers. The Board noted, however, that Samsung’s identification of goods contains no such limitation, and, in fact, its components may be available to end users and hobbyists who wish to build, repair, or customize their own electronic products. Similarly, the registrant’s identification of goods is not limited to sales to consumers. “[W]e cannot read into the application the limitation as to classes of consumers and channels of trade which Applicant contends are implicit because no explicit restrictions are included in the identification.”⁴⁵ And because there was no evidence that ordinary consumers would exercise more than ordinary care in their purchasing decisions, the Board deemed this fourth *DuPont* factor to be neutral.

2. Expungement

In re Locus Link USA

Expungement proceedings, created by the Trademark Modernization Act of 2020 (“TMA”),⁴⁶ are *ex parte* proceedings in

⁴² *Samsung Display*, 2024 U.S.P.Q.2d 1279, at *5.

⁴³ *Id.*

⁴⁴ *Id.* See *St. Helena*, 113 U.S.P.Q.2d at 1087. *Coors Brewing* involved beer and restaurant services, while *St. Helena Hospital* concerned hospital-based lifestyle programs and printed materials dealing with fitness. See also *In re Halo Leather Ltd.*, 735 F. App’x 722, 727-28 (Fed. Cir. 2018) (rejecting the argument that “something more” is required in a case involving only goods).

⁴⁵ *Id.* at *6. See, e.g., *In re FCA US LLC*, 126 U.S.P.Q.2d 1214, 1217 (T.T.A.B. 2018) (“[W]here an application contains no such restrictions, examining attorneys and the Board must read the application to cover all goods of the type identified, to be marketed through all normal trade channels, and to be offered to all normal customers therefor.”).

⁴⁶ Pub. L. No. 116-260 (2020). The TMA also introduced reexamination proceedings, which concern registered marks that were not in use *as of a specific date*: namely, the filing date of a use-based application, or the filing of an amendment to allege use, or the

which the USPTO may cancel a registration, in whole or in part, if the registered mark has *never been used* in commerce in connection with some or all of the goods/services identified in the registration.⁴⁷

In this appeal arising out of a pair of expungement proceedings, the Board affirmed the USPTO Director’s decision to cancel registrations for the mark SMARTLOCK, in standard character and design form, for “components for air conditioning and cooling systems, namely, evaporative air coolers.” The Board found that Registrant Locus Link USA never used the mark in connection with “evaporative air coolers,” rejecting Locus Link’s interpretation of the identification of goods.⁴⁸



“Boiled down to its essence,” the examining attorney argued that the registrations cover only the specific goods following the term “namely” in the identification: i.e., evaporative air coolers.⁴⁹

Locus Links’s CEO explained that its goods are “refrigerant fittings” for use with HVAC units and agreed that Locus Link did not use the marks with “evaporative air coolers.” However, Locus Link insisted on a different interpretation of the identifications: ignoring the phrase “namely, evaporative air coolers,” it contended that the identified goods are components for evaporative air coolers.

The Board observed that “use of the word ‘namely’ in the identification of goods or services is acceptable only if the words that follow it define and fall within the scope of the introductory wording that precedes ‘namely’ (e.g., ‘clothing, namely, shirts’).”⁵⁰ Furthermore, according to Section 1402.05(a) of the Trademark Manual of Examining Procedure (“TMEP”):

When a mark is used to identify only a component or ingredient of a product, and not the entire product, the identification must (1) precisely set forth the common name of the component or ingredient, (2) indicate that the

deadline for filing a statement of use. *See* Sections 16A and 16B of the Lanham Act, 15 U.S.C. §§ 1066(a) and 1066(b), respectively.

⁴⁷ Section 16A of the Lanham Act, 15 U.S.C. § 1066a, states that “Notwithstanding sections 1057(b) and 1072 of this title, and subsections (a) and (b) of section 1115 of this title, any person may file a petition to expunge a registration of a mark on the basis that the mark has never been used in commerce on or in connection with some or all of the goods or services recited in the registration.”

⁴⁸ *In re Locus Link USA*, 2024 U.S.P.Q.2d 1181 (T.T.A.B. 2024).

⁴⁹ *Id.* at *3.

⁵⁰ *Id.* at *4.

component or ingredient is sold as a component or ingredient of another finished product, and (3) set forth the common name of the finished product of which the identified component or ingredient forms a part The identification should leave no doubt that the mark refers only to the component or ingredient and not to the entire product.

The Board agreed with the examining attorney that “evaporative air coolers” modifies the otherwise indefinite wording “components for air conditioning and cooling systems.” “In other words, the identification of goods, as set forth in the ’466 and ’467 Registrations, covers evaporative air coolers that *are* components of air cooling systems. It does not identify or encompass component parts *for* evaporative air coolers, such as Registrant’s connectors.”⁵¹

Finally, the Board rejected Locus Link’s reliance on the examining attorney’s acceptance of the specimen of use as validation of its interpretation of the identification of goods. As the Board has often pointed out, it is not bound by prior decisions of examining attorneys in other cases.⁵²

[T]he acceptance of specimens by the Examining Attorney does not control the ultimate question of use. *Cf. Century 21 Real Estate Corp. v. Century Life of Am.*, Opp. No. 91075090, 1989 TTAB LEXIS 6, at *3 (TTAB 1989) (“[T]he mere acceptance of specimens by the Examining Attorney does not mandate a finding by us that service mark usage was made.”)⁵³

The Board therefore affirmed the Director’s decisions to cancel the two subject registrations.

3. USPTO Cancellation of Issued Registration

In re Nursecon, LLC

The Board ironed out a wrinkle in what should have been a rather straightforward affirmation of a Section 2(e)(1) mere descriptiveness refusal of the mark NURSECON for “Arranging and conducting special events for social entertainment purposes.”⁵⁴ The USPTO issued the registration, but then backtracked: it cancelled the registration and restored the underlying application to pending status. Applicant Nursecon argued that the USPTO “exceeded its authority by unilaterally cancelling an issued registration to re-

⁵¹ *Id.* (emphasis by the Board).

⁵² *Id.* at *5. *See, e.g., In re Nett Designs Inc.*, 236 F.3d 1339, 1342 (Fed. Cir. 2001) (“The Board must decide each case on its own merits.”).

⁵³ *Id.*

⁵⁴ Section 2(e)(1) of the Lanham Act, 15 U.S.C. § 1052(e)(1), in pertinent part, bars registration of a mark that “when used on or in connection with the goods of the applicant is merely descriptive . . . of them.”

open examination of the Application,” but the Board was unmoved:⁵⁵ “[T]he cancellation of the registration number as inadvertently issued was an appropriate exercise of the USPTO’s inherent authority to correct its errors.”⁵⁶

Before the registration issued, but after the application was published for opposition, the examining attorney added the following note to the application file:

It has come to the examining attorney’s attention that a refusal of registration must issue. Due to processing limitations, the USPTO is unable [to] stop the registration from issuing. Therefore, on the registration date, the registration will be cancelled as inadvertently issued and the application restored to pendency in order for a refusal to be issued.⁵⁷

The re-examination of the application resulted in a final refusal under Section 2(e)(1), and this appeal ensued. As noted, Nursecon argued that the USPTO exceeded its authority in re-opening examination, and further that the proposed mark is not merely descriptive.

Nursecon asserted that the USPTO’s jurisdiction over a trademark application ends with the issuance of the registration and that, absent some change in fact or law or some other exigent circumstances, the USPTO lacks the authority to cancel a previously issued registration. Not so, said the Board.

The USPTO has a duty to issue valid registrations in compliance with the Trademark Act and “to examine all trademark applications for compliance with each and every eligibility requirement.” *In re Cordua Rests., Inc.*, 823 F.3d 594, 600 (Fed. Cir. 2016). The USPTO, like all administrative agencies, possesses inherent authority to reconsider its decisions. *See GTNX, Inc. v. INTTRA, Inc.*, 789 F.3d 1309, 1313 (Fed. Cir. 2015) (“[A]dministrative agencies possess inherent authority to reconsider their decisions, subject to certain limitations, regardless of whether they possess explicit statutory authority to do so.”) (quoting *Tokyo Kikai Seisakusho, Ltd. v. U.S.*, 529 F.3d 1352, 1360 (Fed. Cir. 2008)); *Macktal v. Chao*, 286 F.3d 822, 825 (5th Cir. 2002). The USPTO also has “broad authority to correct [its] errors.” *The Last Best Beef, LLC v. Dudas*, 506 F.3d 333, 340 (4th Cir. 2007) (holding that the USPTO acted within its inherent

⁵⁵ *In re Nursecon, LLC*, 2024 U.S.P.Q.2d 2217, at *1 (T.T.A.B. 2024). The applicant subsequently abandoned the application.

⁵⁶ *Id.* at *4.

⁵⁷ *Id.* at *1.

authority to correct its own unlawful action by canceling the issuance of two registrations).⁵⁸

Although the TMEP states that an examining attorney must correct a “clear error,” “[c]lear error” is “merely an administrative guideline . . . [that does not] impose a higher standard of proof on the examining attorney than is otherwise required to establish a prima face case for the refusal or requirement.”⁵⁹

Here, the Examining Attorney discovered that registration of NURSECON on the Principal Register would be in violation of Section 2(e)(1) of the Trademark Act, but due to technical limitations of the USPTO system, the Examining Attorney was unable to prevent the system from automatically issuing the registration. Under such circumstances, the Examining Attorney identified the issue in a note to the file that also stated that the registration would be considered an inadvertently issued registration, and therefore “would be cancelled.” *Cf. Schering-Plough Animal Health Corp. v. Aqua Gen As*, Opp. No. 91176641, 2009 TTAB LEXIS 71, at *2 (T.T.A.B. 2009) (where application subject to opposition was “inadvertently forwarded for issuance of a registration . . . the Director [] cancelled the registration and restored the application to pending status.”).⁶⁰

And even though the examining attorney did not explicitly state that there was a “clear error” in failing to issue a descriptiveness refusal, “the determination that a refusal should have issued under Trademark Act Section 2(e)(1) was nevertheless a finding of clear error.”⁶¹ In any event, “the USPTO possesses inherent authority to correct its errors That authority does not derive from the TMEP. Rather, the TMEP provides guidance for procedure. *See* Foreword to TMEP.”⁶² “Thus, the cancellation of the registration

⁵⁸ *Id.* at *3.

⁵⁹ *Id.*, citing *In re Driven Innovations, Inc.*, Ser. No. 77073701, 2015 TTAB LEXIS 179, at *5 (T.T.A.B. 2015), *rev'd and remanded on other grounds*, 674 Fed. Appx. 996 (Fed. Cir. 2017); TMEP § 706.01 (Nov. 2024).

⁶⁰ *Id.*

⁶¹ *Id.* citing *In re Jump Designs LLC*, Ser. No. 76393986, 2006 TTAB LEXIS 209, at *9-10 (T.T.A.B. 2006) (it was not necessary for the Examining Attorney to explicitly state that the substantive refusal was made under the “clear error” standard).

⁶² *Id.* at *4. The Forward to the May 2025 issue of the TMEP states: “The Manual contains guidelines for Examining Attorneys and materials in the nature of information and interpretation, and outlines the procedures which Examining Attorneys are required or authorized to follow in the examination of trademark applications. * * * The guidelines set forth in this Manual do not have the force and effect of law.”

number as inadvertently issued was an appropriate exercise of the USPTO’s inherent authority to correct its errors.”⁶³

Turning to the substantive issue, the examining attorney maintained that the proposed mark is merely descriptive because “NURSE” describes the target consumers of the applicant’s services, “CON” is a shortened version of “conference” or “convention,” and the combination of the two words does not alter the descriptive meaning of the proposed mark. The Board agreed, finding that “NURSECON” “describes a significant feature of Applicant’s recited services, namely, that they may be and are provided at nursing conferences.”⁶⁴ Furthermore, conferences and conventions themselves may constitute “special events for social entertainment purposes.”

The applicant pointed out that it coined the term “NURSECON,” but the Board observed once again that “the fact that Applicant may be the first or only user of a term does not render the term distinctive if, as here, it has been shown to be merely descriptive of the [services] in the application.”⁶⁵

The Board had no doubt that “NURSECON” is merely descriptive of the applicant’s services, and so it affirmed the refusal to register.

4. Specimen of Use

In re Weiss

Social media influencer Gail Weiss failed to influence the Board to overturn a refusal to register the mark GABBYS TABLE for “computerized on-line retail store services in the field of food, cooking utensils, cookware, culinary arts cookbooks, magazines and videos, and lifestyle books, magazines and videos.” The Board found that the specimen of use showed that Weiss “provides referrals of products for sale by third parties on their websites” and not the services recited in the application.⁶⁶

Section 1(a)(1) of the Lanham Act states that a use-based application must include “such number of specimens or facsimiles of the mark as used as may be required by the Director.”⁶⁷ Trademark

⁶³ *Id.*, citing *GTNX, Inc. v. INTTRA, Inc.*, 789 F.3d 1309, 1313 (Fed. Cir. 2015); *The Last Best Beef, LLC v. Dudas*, 506 F.3d 333, 340 (4th Cir. 2007) (holding that the USPTO acted within its inherent authority to correct its own unlawful action by canceling the issuance of two registrations).

⁶⁴ *Id.* at *8.

⁶⁵ *Id.* at *10, citing *In re Zuma Array Ltd.*, 2022 U.S.P.Q.2d 736, at *16 (T.T.A.B. 2022); see, e.g., *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 122 (2004) (trademark law does not countenance someone obtaining “a complete monopoly on use of a descriptive term simply by grabbing it first.”).

⁶⁶ *In re Weiss*, 2024 U.S.P.Q.2d 1376 (T.T.A.B. 2024).

⁶⁷ 15 U.S.C. § 1051(a)(1).

Rule 2.56(a) requires that the specimen of use display the proposed mark “as actually used in commerce on or in connection with the goods or services identified.”⁶⁸

Weiss’s specimen comprised a webpage displaying a list of items that “Gabby’s Table Recommends” for purchase. A picture of each item is displayed, along with a product description and a “buy now” button that redirects the consumer to a third-party website where the item may be purchased (e.g., Amazon). The recommended items cannot be purchased directly via Weiss’s website: “Applicant’s specimen does not display, for instance, a virtual ‘shopping cart,’ pricing, shipping information, or any other indicia of online retail store services. Rather, Applicant’s own evidence indicates that Applicant provides referrals and recommendations of cooking and food-related products offered for sale by third parties.”⁶⁹

In determining whether a mark is used in connection with the services recited in an application, “a key consideration is the perception of the user.”⁷⁰ Here, the evidence demonstrated that “any sales of the products referred by Applicant take place on third-party websites, and that it is the third parties who are providing the online retail store services.”⁷¹

Applicant has submitted no evidence to support her contention that consumers clicking the “BUY NOW” buttons on her website, upon being re-directed to a product description on a third-party vendor website where they may then purchase the product from that vendor, will perceive that Applicant herself is providing online retail store services. The evidence of record demonstrates that consumers may not consummate a purchase of goods recommended by Applicant from her own website.⁷²

5. Drawing Requirements

In re Audemars Piguet Holding SA

In a rare decision involving trademark application drawing requirements, the Board affirmed the USPTO’s refusals to register the product configuration marks shown below for wristwatches on the ground that the drawings were unacceptable for two reasons: (1) they include functional elements, and (2) they include elements that have not acquired distinctiveness. In other words, certain of the

⁶⁸ Rule 2.56(a) of the Trademark Rules of Practice, 37 C.F.R. § 2.56(a).

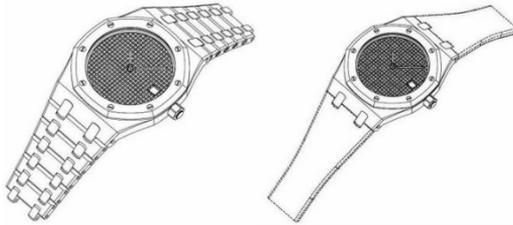
⁶⁹ *Weiss*, 2024 U.S.P.Q.2d 1376, at *5.

⁷⁰ *Id.* at *7, quoting *In re JobDiva, Inc.*, 121 U.S.P.Q.2d 1122, 1126 (Fed. Cir. 2016).

⁷¹ *Id.* at *6.

⁷² *Id.* at *7.

elements shown in solid lines should have been depicted in dotted or broken lines because they lack trademark significance.⁷³



Applicant Audemars Piguet described the marks as consisting of twelve specific elements⁷⁴ as to the first design, but only nine of the twelve as to the second design.⁷⁵ The Board noted that “[n]either refusal is based on lack of acquired distinctiveness of the entire designs or on the functionality of the entire designs.”⁷⁶ Instead, they were based on Audemars’ refusal to comply with the examining attorney’s requirement that the drawings be revised.

Audemars argued that requiring the application drawing “to depict less than the entirety of a design in dotted lines is legally unworkable.”⁷⁷ The Board disagreed. Rule 2.52(b)(4),⁷⁸ for

⁷³ *In re Audemars Piguet Holding SA*, 2025 U.S.P.Q.2d 18 (T.T.A.B. 2025).

⁷⁴ According to the application, the first mark consists of a “three-dimensional configuration design” of a watch: [1] the watch face is round and [2] surrounded by an octagonal-shaped unitary bezel [3] which features eight hexagonal-shaped screw heads positioned parallel to the curve of the bezel at each corner of the octagon; [4] the watch case is a unitary piece below the bezel and extending beyond the four corner sides (i.e., NE, SE, SW, and NW) of the bezel; [5] at the north and south ends of the bezel, the width of the case narrows slightly and slopes downwardly at both ends, giving the appearance of a plate extending across the width of the case and [6] including two indentations on each end into which are inserted attachment studs which connect the case to a bracelet; [7] the attachment studs are rectangular with rounded ends; [8] the bracelet consists of connecting links which are trapezoid-shaped, having parallel sides on top and bottom and sloping sides that narrow the width of the bracelet as one moves away from the watch case; [9] the links have a pair of indentations on each parallel side into which are inserted [10] small connecting studs which match the shape of the attachment studs and such indentations are aligned and arranged that all the small connecting studs together with the attachment studs form two lines of rectangular shaped plates; [11] the watch face is adorned with a Grande Tapisserie decorative pattern constituted by regularly spaced raised points covering the entire face; [12] the winding crown is a faceted hexagon. The dotted outline of the watch hands and the date window are not part of the mark but are merely intended to indicate the position of the mark.

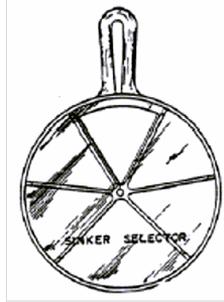
⁷⁵ The description of the second mark omits elements [8]–[10] above because the drawing does not include a bracelet or watchband, which are depicted in dotted lines in the drawing of the first mark.

⁷⁶ *Audemars Piguet*, at *5.

⁷⁷ *Id.* at *7.

⁷⁸ Rule 2.52(b)(4) of the Trademark Rule of Practice, 37 C.F.R. § 2.52(b)(4), states:

example, specifically provides for use of dotted or broken lines in a drawing to depict any matter that is not claimed as part of a mark. In *Water Gremlin*,⁷⁹ the U.S. Court of Customs and Patent Appeals (“CCPA”)⁸⁰ affirmed a requirement that the functional elements of the proposed mark (the depiction of a compartmentalized container) be shown in dotted lines:



The functionality-based drawing requirement: The examining attorney maintained that all of the elements except the octagonal bezel with eight hexagonal screwheads and the pattern covering the back of the watch face were functional. The Board agreed only as to the functionality of the circular watch face element: “[w]here . . . the evidence overwhelmingly demonstrates widespread use of a design feature an applicant claims is a part of its trade dress, that feature is functional.”⁸¹ As to the other elements, although each may have a function, the proof of *de jure* functionality was insufficient.

Broken lines to show placement. If necessary to adequately depict the commercial impression of the mark, the applicant may be required to submit a drawing that shows the placement of the mark by surrounding the mark with a proportionately accurate broken-line representation of the particular goods, packaging, or advertising on which the mark appears. The applicant must also use broken lines to show any other matter not claimed as part of the mark. For any drawing using broken lines to indicate placement of the mark, or matter not claimed as part of the mark, the applicant must describe the mark and explain the purpose of the broken lines.

⁷⁹ *In re Water Gremlin Co.*, 635 F.2d 841, 844 (C.C.P.A. 1980) (“[a]n application which includes a claim to rights in unregistrable subject matter must be rejected.”). The mark in *Water Gremlin* consisted of a design of a compartmented container with a handle and the words “SINKER SELECTOR” depicted on a transparent lid. The CCPA agreed with the USPTO that the non-literal elements of the container—the handle, circular shape, wedge-shaped compartments, and lid—were functional, and thus “required the representation of the container either to be deleted from the drawing or shown in dotted lines.” *Id.* at 843.

⁸⁰ In 1982, the CCPA was abolished and its jurisdiction, docket, and judges were transferred to the United States Court of Appeals for the Federal Circuit.

⁸¹ *Audemars*, at *10, citing *In re Honeywell, Inc.*, 532 F.2d 180, 182 (C.C.P.A. 1976) (refusal to register the design of a round thermostat with a circular-shaped transparent face through which the thermostat temperature indicator could be seen.)

In short, as to these other features, the evidence fails to show that the particular shape or design in the applications before us works better because of their configuration. *E.g.*, *In re R.M. Smith, Inc.*, 734 F.2d 1482, 1484 (Fed. Cir. 1984) (that a design element performs a function does not mean that the element is legally functional unless the degree of utility is such that the public needs to be able to use that element to compete effectively); *see also In re Deister Concentrator Co.*, 289 F.2d 496, 502 (C.C.P.A. 1961) (“A feature dictated solely by ‘functional’ (utilitarian) considerations may not be protected as a trademark; but mere possession of a function (utility) is not sufficient reason to deny protection.”).⁸²

The acquired distinctiveness-based drawing requirement: Although the drawing requirement in *Water Gremlin* was based on functionality, the Board saw no reason why it “would not apply to a finding that a feature was incapable of functioning as a trademark due to lack of distinctiveness and for that reason unregistrable.”⁸³

The USPTO may register only marks that satisfy the statutory criteria, not marks that partially do and partially don’t satisfy them. And one criterion for registration on the Principal Register is that the proposed mark is distinctive. Drawing requirements plainly advance that obligation by providing a means to exclude unregistrable matter from a mark or design that combines matter that is registrable with matter that is not.⁸⁴

Audemars did not provide sales figures but pointed to its extensive advertising and promotional efforts. However, the advertisements depicted many different combinations of elements, and there was no “look for” advertising that directed consumers to the specific elements claimed in the drawings. Importantly, most of the watches also displayed one of Audemars’s word marks (e.g., AUDEMARS PIGUET and/or AP) on the watch faces, which “detracts from the potential for Applicant’s advertising to educate consumers to look to the design elements alone to identify source.”⁸⁵

The common thread among the watches depicted in these ads appears to be the octagonal bezel and eight evenly-spaced screwheads within the bezel. Indeed, Applicant’s website has

⁸² *Id.* at *11.

⁸³ *Id.* at *17.

⁸⁴ *Id.*

⁸⁵ *Id.* at *14. *See, e.g., In re McIlhenny Co.*, 278 F.2d 953, 956-57 (C.C.P.A. 1960) (the evidence showed that the applicant’s bottles bore its registered word mark and its company name; the CCPA observed that “this evidence does not convince us that the general public has accepted applicant’s unlabeled bottles per se as identifying appellant’s product so as to warrant registration of the bottle on the Principal Register . . . under section 2(f)”).

expressly touted that “[t]he octagonal bezel with its 8 hexagonal screws have become the collection’s trademark.”⁸⁶

The Board concluded that Audemars proved acquired distinctiveness only as to the octagonal-shaped bezel and the eight hexagonal screw heads. The Board found the other claimed elements to be nondistinctive and incapable of indicating source, necessitating the drawing requirement that they appear in dotted lines.

6. Incorporation of Argument by Reference

In re Princeton Equity Group LLC

The Board wasted little time in affirming a Section 2(e)(2)⁸⁷ refusal to register the mark PRINCETON EQUITY GROUP, agreeing with the USPTO that the mark is primarily geographically descriptive of the applicant’s financial services. The Board was more concerned about the applicant’s arguments on appeal, or lack thereof, and particularly with its attempt to incorporate its prosecution arguments by reference.⁸⁸

In its appeal brief, Applicant Princeton’s only remark specifically directed to the refusal was its statement that it “repeats and restates the arguments and evidence set forth” during prosecution of the application. The Board was not happy: “this is an insufficient presentation of whatever arguments Applicant may have contemplated.”⁸⁹

[T]he Court in *SmithKline Beecham Corp. v. Apotex Corp.*, 439 F.3d 1312 (Fed. Cir. 2006) approvingly quoted *Tolbert v. Queens Coll.*, 242 F.3d 58, 75 (2d Cir. 2001), for the proposition that arguments “adverted to in a perfunctory manner, unaccompanied by some effort at developed argumentation, are deemed waived.” 439 F.3d at 1320. More recently, in *In re Killian*, 45 F.4th 1373 (Fed. Cir. 2022), the court said that “failing to present anything more than a conclusory, skeletal argument” on an issue of patentability will result in forfeiture. *Id.* at 1385-86.⁹⁰

Here, Princeton failed to present even “a ‘conclusory, skeletal’ substantive argument, nor does it advert to any particular issue ‘in a perfunctory manner,’ let alone display ‘some effort at developed

⁸⁶ *Id.* at *13.

⁸⁷ Section 2(e)(2) of the Lanham Act, 15 U.S.C. § 1052(e)(2), in pertinent part, bars registration of a mark that “when used on or in connection with the goods of the applicant is primarily geographically descriptive of them.”

⁸⁸ *In re Princeton Equity Grp. LLC*, 2025 U.S.P.Q.2d 829 (T.T.A.B. 2025).

⁸⁹ *Id.* at *2.

⁹⁰ *Id.*

argumentation.”⁹¹ Its statement left it to the Board to ferret out what the applicant’s argument might be, and acceptance of such an incorporation-by-reference might encourage circumvention of the 25-page limit on appeal briefs.

The Board noted that it could rule that Princeton had forfeited any objection to the refusal. But because the Board had not previously held, in a precedential decision, that incorporation-by-reference statements are inadequate to present an applicant’s argument, the Board made an attempt to identify what arguments Princeton had in mind. But the Board made it clear that, in the future:

Parties whose briefs purport to incorporate by reference arguments made during prosecution will be held to have failed thereby to present whatever arguments the incorporation statement purports to cover to the Board and will be deemed to have forfeited them.⁹²

Reviewing the prosecution history of the subject application, the Board did not find anything that “even purports to challenge that the proposed mark is primarily geographically descriptive.”⁹³ Princeton did assert, as it did in its appeal brief, that it is “common” for the USPTO to allow businesses in the financial field “to use geographic terms” in their marks, citing three registrations for marks containing the word “ASPEN.”⁹⁴ The Board observed once again that each case must be decided on its own record, and that “[p]ointing to a few other registrations does nothing to show that the Section 2(e)(2) refusal in this case was improper.”⁹⁵

⁹¹ *Id.*

⁹² *Id.* at *3.

⁹³ *Id.*

⁹⁴ *Id.* at *4.

⁹⁵ *Id.* at *2, citing *In re Nett Designs, Inc.*, 236 F.3d 1339, 1342 (Fed. Cir. 2001); see also *In re Boulevard Ent., Inc.*, 334 F.3d 1336, 1343 (Fed. Cir. 2003) (“The fact that, whether because of administrative error or otherwise, some marks have been registered even though they may be in violation of the governing statutory standard does not mean that the agency must forgo applying that standard in all other cases.”).

PART II. INTER PARTES CASES

A. United States Court of Appeals for the Federal Circuit

1. Section 2(d) Likelihood of Confusion

Bullshine Distillery LLC v. Sazerac Brands, LLC

The CAFC, in rather routine fashion, affirmed the TTAB's decision dismissing Sazerac Brand's Section 2(d) opposition to registration of the mark BULLSHINE FIREBALL for "alcoholic beverages except beers." The Board found Sazerac's registered mark FIREBALL (for whisky and liqueurs) to be commercially strong but conceptually weak, and it concluded that confusion is unlikely due to the differences in the marks.⁹⁶

Sazerac contended that the Board erred in its assessment of the fifth *DuPont* factor—the fame of the FIREBALL mark—when it found the mark to be conceptually weak, and in not appropriately considering the lack of similar marks in use on similar goods under the sixth *DuPont* factor.⁹⁷

The Board found Sazerac's FIREBALL mark to be "highly suggestive," pointing out that Sazerac "twice admitted, once to the United States Patent and Trademark Office and once in federal court," that FIREBALL is not inherently distinctive.⁹⁸ Sazerac acknowledged that its product and ATOMIC FIREBALL candy have the same cinnamon flavoring, and that "fireball" has been widely used by third parties to denote the flavor in popcorn, ice cream, beef jerky, and liquid flavorings to be added to food and beverages.

The CAFC observed that most of Sazerac's fame evidence related to shots, which constitute only a subset of the genus of goods (namely, whisky). With respect to the finding of weakness, Sazerac mainly argued that the Board should not have considered dissimilar goods like popcorn and beef jerky, but Sazerac failed to explain why it was error to discuss use of the term "fireball" to denote the same cinnamon flavor in dissimilar goods. In any event, other substantial evidence supported the Board's finding, including Sazerac's own admissions and prior statements.

The Board found the mark FIREBALL to be commercially strong, but its "conceptual weakness essentially 'cancels out' the mark's commercial strength," and so the mark was entitled to no

⁹⁶ *Bullshine Distillery LLC v. Sazerac Brands LLC*, 130 F.4th 1025, 2025 U.S.P.Q.2d 433 (Fed. Cir. 2025). The denial of Bullshine's counterclaim seeking to invalidate Sazerac's pleaded registrations on the ground of genericness, is discussed in Part I.A.5, below.

⁹⁷ *In re E.I. DuPont de Nemours & Co.*, 476 F.2d 1357, 177 U.S.P.Q. 563 (C.C.P.A. 1973). *DuPont* sets forth thirteen nonexclusive factors to be considered in determining whether a likelihood of confusion exists. The fifth factor concerns the fame of the claimant's mark. The sixth factor concerns the number and nature of similar marks in use on similar goods.

⁹⁸ *Bullshine Distillery*, 2025 U.S.P.Q.2d 433, at *5-6.

more than a normal scope of protection.⁹⁹ The Board then concluded that the marks FIREBALL and BULLSHINE FIREBULL are “too different in appearance and sound, and especially meaning and commercial impression, for confusion to occur.”¹⁰⁰

Sazerac does not dispute that substantial evidence supports the Board’s findings with respect to the similarity of the marks, and we affirm the Board’s finding with respect to the mark’s conceptual weakness. On this record, we affirm the Board’s determination of no likelihood of confusion.¹⁰¹

2. Section 2(d) Zone of Natural Expansion

Dollar Financial Group, Inc. v. Brittex Financial, Inc.

The CAFC upheld the Board’s latest decision (on remand)¹⁰² in this long-running dispute over Dollar Financial Group’s [“DFG”] registrations for the mark MONEY MART, in standard character and design form, for, inter alia, loan financing and check cashing services. The appellate court ruled that the Board “correctly determined that DFG may not rely on the zone of natural expansion doctrine to establish priority and that there was a likelihood of confusion with respect to DFG’s recited pawn brokerage and pawn shop services.”¹⁰³ Therefore, the Board properly ordered that “pawn brokerage and pawn shops” be deleted from DFG’s registrations.



The Board found that cancellation petitioner Brittex had priority because it was “clearly the first to offer pawn brokerage and

⁹⁹ Sazerac Brands, LLC v. Bullshine Distillery LLC, Opposition No. 91227653, 2023 TTAB LEXIS 94, 2023 WL 2423356, at *26 (T.T.A.B. March 6, 2023).

¹⁰⁰ *Id.* at *30. See *Kellogg Co. v. Pack'em Enters. Inc.*, 951 F.2d 330, 21 U.S.P.Q.2d 1142, 1145 (Fed. Cir. 1991) (“We know of no reason why, in a particular case, a single *DuPont* factor may not be dispositive.”).

¹⁰¹ *Bullshine Distillery*, 2025 U.S.P.Q.2d 433, at *6.

¹⁰² The CAFC had reversed the Board’s initial decision because the Board incorrectly analyzed the issue of priority. *Brittex Fin., Inc. v. Dollar Fin. Grp., Inc.*, 2021 WL 5504880 (Fed. Cir. 2021).

¹⁰³ *Dollar Fin. Grp., Inc. v. Brittex Fin., Inc.*, 2025 WL 850653, 2025 U.S.P.Q.2d 480 (Fed. Cir. 2025).

pawn shop services under [its] mark[.].”¹⁰⁴ Brittex had used the marks MONEY MART PAWN or MONEY MART PAWN & JEWELRY for pawn shop services since 1993, while DFG had used the MONEY MART mark in connection with pawn brokerage and pawn store services only since 2012. DFG argued that it had priority because pawn shop services were within the natural zone of expansion of its loan financing and check cashing businesses that it operated since the 1980s. The Board, however, held that DFG could not rely on the zone of natural expansion doctrine to claim priority because the doctrine is purely defensive.

The Board then found that the *DuPont* factors heavily favored a finding of likelihood of confusion because the marks are “highly similar”¹⁰⁵ and the parties’ pawn services overlap and are offered through the same normal trade channels to the same classes of consumers. And so, the Board partially granted Brittex’s petition for cancellation, requiring (as an alternative remedy requested by Brittex) that “[p]awn brokerage and pawn shops” be deleted from DFG’s registrations.

The CAFC observed that under the doctrine of natural expansion:

the first user of a mark in connection with particular goods or services possesses superior rights in the mark as against subsequent users of the same or similar mark for any goods or services which purchasers might reasonably expect to emanate from it in the normal expansion of its business under the mark. *Orange Bang, Inc. v. Ole Mexican Foods, Inc.*, 116 U.S.P.Q.2d 1102, 2015 WL 5675641, at *19 (T.T.A.B. Sept. 10, 2015).¹⁰⁶

The CAFC’s predecessor court considered the applicability of the doctrine in *Jacks-Evans Manufacturing Co. v. Jaybee Manufacturing Corp.*, holding that “the ‘expansion of business’ doctrine is purely a defensive doctrine.”¹⁰⁷ “Defensive use of the doctrine would allow the senior user to prevent the junior user’s registration of a similar mark on logically related goods.”¹⁰⁸ But the doctrine does not give the senior user the right to “offensive use,” i.e., the “right to register [a] mark on an expanded line of goods

¹⁰⁴ Brittex Financial, Inc. v. Dollar Fin. Grp., Inc., Cancellation No. 92060888 (T.T.A.B. Nov. 4, 2022) (slip op. at 13).

¹⁰⁵ *Id.* at *2.

¹⁰⁶ *Dollar Fin. Grp.*, at *3.

¹⁰⁷ 481 F.2d 1342, 1345 (C.C.P.A. 1973).

¹⁰⁸ *Dollar Fin. Grp.*, at *4.

where the use of the mark covered by such registration would lead to a likelihood of confusion, mistake or deception.”¹⁰⁹

DFG could have properly invoked the zone of natural expansion in a defensive manner had Brittex attempted to register its MONEY MART mark in connection with pawn services in the 1990s and DFG opposed that registration. In that scenario, DFG could assert the doctrine defensively to protect its right to expand into pawn services and prevent consumers from assuming that Brittex’s pawn services were associated with any of DFG’s existing services, if subsequent analysis supported finding that pawn services are a natural expansion of business for loan financing. But the doctrine may not be used offensively to establish priority in the manner DFG suggests because that would essentially grant DFG the right to register its mark on a line of expanded goods, even though it would likely cause confusion with Brittex’s established common law rights.¹¹⁰

The CAFC then considered the Board’s Section 2(d) analysis, finding that the Board properly assessed the strength of Brittex’s marks, that substantial evidence supported the finding that DFG’s marks “are highly similar to Brittex’s marks in appearance, sound, connotation, and commercial impression,”¹¹¹ and that the remaining applicable *DuPont* factors were neutral.

Concluding that the Board did not err with respect to its priority analysis and that substantial evidence supported the Board’s determinations for each disputed *DuPont* factor, the CAFC affirmed.

3. Section 2(e)(5) Functionality

CeramTec GmbH v. Coorstek Bioceramics LLC

Sometimes the owner of an expired utility patent will try to extend the life of its right to exclusivity by seeking potentially perpetual protection of a product by way of a trademark

¹⁰⁹ *Id.* Does this make any sense? The senior user can prevent the junior user’s registration but can’t register the mark itself? Why couldn’t DFG simply rely on the relatedness of the services under the second *DuPont* factor, without resort to the doctrine of natural expansion?

¹¹⁰ *Id.* at *4-5. One may wonder why DFG’s filing an opposition to Brittex’s application would be considered “defensive” use of the zone of natural expansion doctrine when it seems to put DFG on offense and Brittex on defense. For a criticism of the very existence of the “zone of natural expansion” doctrine, see J. Thomas McCarthy, *What is the ‘Zone of Natural Expansion’ Doctrine?*, TTABlog (April 17, 2025), <https://thettablog.blogspot.com/2025/04/professor-j-thomas-mccarthy-what-is.html>.

¹¹¹ *Id.* at *7.

registration. Section 2(e)(5) of the Lanham Act stands in the way.¹¹² Here, the CAFC upheld the TTAB's decision granting petitions for cancellation of two registrations on the Supplemental Register¹¹³ for the color pink applied to the entire surface of hip joint implants, on the ground of Section 2(e)(5) functionality.¹¹⁴



Appellant CeramTec raised two principal arguments on appeal: (1) that the Board's finding of functionality was infected by legal error and unsupported by substantial evidence, and (2) that the Board erred by categorically precluding the defense of unclean hands in cancellation proceedings involving functionality.

Functionality: The CAFC concluded that, in finding the color pink to be *de jure* functional for ceramic hip implant components, the Board correctly applied the *Morton-Norwich* factors:

- (1) the existence of a utility patent disclosing the utilitarian advantages of the design;
- (2) advertising materials in which the originator of the design touts the design's utilitarian advantages;
- (3) the availability to competitors of functionally equivalent designs; and
- (4) facts indicating that the design results in a comparatively simple or cheap method of manufacturing the product.¹¹⁵

¹¹² Section 2(e)(5) of the Lanham Act, 15 U.S.C. § 1052(e)(5), bars registration of “any matter that, as a whole, is functional.”

¹¹³ The Supplemental Register provides for the registration of marks “capable of distinguishing applicant’s goods or services and not registrable on the principal register” and not barred from registration “under subsections (a), (b), (c), (d), and (e)(3) of section 1052.” Section 23 of the Lanham Act, 15 U.S.C. § 1091(a). For a discussion and critique of the Supplemental Register, see Anne Gilson LaLonde and Jerome Gilson, *The United States Supplemental Register: Solace, Substance, or Just Extinct?*, 103 Trademark Rep. 828 (2013).

¹¹⁴ *CeramTec GmbH v. Coorstek Bioceramics LLC*, 2025 U.S.P.Q.2d 28 (Fed. Cir. 2025), *cert. denied*, 2025 WL 2824201 (Oct. 6, 2025).

¹¹⁵ *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1340-41 (C.C.P.A. 1982). The CAFC never mentioned the Supreme Court’s *Inwood* test for functionality: “a product feature is functional” for purposes of Section 2(e)(5), and thus 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

The CAFC observed that CeramTec's expired utility patent, as well others of its patents, disclose the utilitarian advantages of adding Cr³⁺ ions (chromia) to ZTA ceramic hip replacement component materials in order to increase levels of hardness. CeramTec conceded that the addition of chromia causes a ZTA ceramic to become pink, and that it practices at least one claim of its patent.¹¹⁶

Under the first *Morton-Norwich* factor, the Board followed the Supreme Court's directive in *TrafFix Devices, Inc. v. Marketing Displays, Inc.*¹¹⁷ that "utility patents can be 'strong evidence' that the features therein claimed are functional, thus precluding trademark protection."¹¹⁸

The Board's finding under the second *Morton-Norwich* factor was unchallenged: that CeramTec's advertising touted the utilitarian advantages of adding chromium oxide to ZTA ceramic compounds. This evidence also constituted "strong evidence of functionality."¹¹⁹ The Board correctly deemed the third factor—the availability of functionally equivalent designs—to be neutral due to the lack of evidence of actual or potential alternative designs. The fourth factor—whether the designs result in a comparatively simple or cheap method of manufacture—was also correctly deemed neutral due to conflicting evidence.

Because substantial evidence supported the Board's factual findings, the CAFC affirmed the Board's conclusion that CeramTec's proposed trademarks are functional under Section 2(e)(5).

Unclean Hands: The CAFC agreed with CeramTec that the Board was incorrect in stating that the defense of unclean hands is unavailable in Board functionality proceedings. CeramTec had contended that Respondent Coorstek should be precluded from asserting that the proposed trademarks are functional because Coorstek had long maintained that the addition of chromia provides no material benefits for ZTA ceramics.

The CAFC pointed out that Rule 2.114(b)(2) expressly provides that the defendant in a cancellation proceeding may "includ[e] the

article." *Inwood Labs., Inc. v. Ives Labs., Inc.*, 214 U.S.P.Q. 1, 4 n.10 (1982). To this writer, the *Inwood* test seems a better fit here than *Morton-Norwich*.

¹¹⁶ *CeramTec*, 2025 U.S.P.Q.2d 28, at *5. Interestingly, the color pink itself was not functional in a utilitarian sense. However, one could not practice the invention of the expired patent without the pink color resulting as a natural byproduct. Thus, a trademark registration would effectively extend the life of the expired patent, which cannot be allowed.

¹¹⁷ 532 U.S. 23 (2001).

¹¹⁸ *CeramTec*, at *5, quoting *TrafFix*, 523 U.S. at 30.

¹¹⁹ *Id.*

affirmative defense[] of unclean hands.”¹²⁰ However, any error by the Board in its broad pronouncement was harmless “because the Board adequately considered whether the unclean hands defense was available in this case, as illustrated by its statement that it was ‘exercis[ing its] discretion’ in view of the ‘strong public policy interest in’ cancelling ineligible marks.”¹²¹

4. Section 2(f) Acquired Distinctiveness

Heritage Alliance v. The American Policy Roundtable

In a less than scintillating, yet precedential, ruling, the CAFC affirmed the TTAB’s dismissal of an opposition to registration of the marks IVOTERS and IVOTERS.COM for a website providing information on political issues, on the ground that Opposer Heritage Alliance failed to prove acquired distinctiveness of its pleaded marks IVOTERGUIDE and IVOTERGUIDE.COM for voters guides prior to Applicant APR’s constructive use date, and thus failed to prove priority.¹²²

Heritage began using its marks well before APR’s constructive first use date, i.e., the filing date of its application on January 22, 2019. The Board, however, ruled that Heritage’s marks “could not support its challenge because the marks were not themselves protectable as trademarks (before APR’s first use date), so they lacked cognizable priority.”¹²³

In assessing the distinctiveness of Heritage’s marks, the Board proceeded in two steps: first it found that the marks were not just descriptive but “highly descriptive” because the marks “clearly described the entire service offered: providing a voter guide on the Internet.”¹²⁴ Second, it found that Heritage’s evidence failed to establish acquired distinctiveness.

Heritage argued that the Board relied on insufficient evidence in the analysis of the prefix “i” and erred in focusing on the individual components of the asserted marks instead of the marks as a whole. The CAFC disagreed.

The court concluded that substantial evidence supported the Board’s finding that Heritage’s marks are not just descriptive but

¹²⁰ Rule 2.114(b)(2) of the Trademark Rules of Practice, 37 C.F.R. § 2.114(b)(2), provides, in pertinent part: “An answer may contain any defense, including the affirmative defenses of unclean hands, laches, estoppel, acquiescence, fraud, mistake, prior judgment, or any other matter constituting an avoidance or affirmative defense.”

¹²¹ *CeramTec*, 2025 U.S.P.Q.2d 28, at *9. See *Loglan Inst., Inc. v. Logical Language Grp., Inc.*, 962 F.2d 1038, 1042 (Fed. Cir. 1992) (“The Board did not err in declining to apply [equitable] defenses [in a cancellation proceeding], as the public interest . . . to rid the register of [an ineligible mark] transcends them.”).

¹²² *Heritage All. v. Am. Policy Roundtable*, 2025 U.S.P.Q.2d 613 (Fed. Cir. 2025).

¹²³ *Id.* at *2.

¹²⁴ *Id.*

highly descriptive. Likewise, as to the components of the marks, the Board cited substantial evidence to support its determination that the prefix “i” generally refers to something Internet-based. Heritage did not challenge the “facially reasonable findings” that “VoterGuide” and “.com” were not distinctive.¹²⁵ Moreover, the Board did consider the marks as a whole in its descriptiveness analysis.

The Board determined that the proposed marks “on their face refer to online voter guides” and no evidence demonstrated that the combination of the individual components of the asserted marks conveyed “any distinctive source identifying impression contrary to the descriptiveness of the individual parts.”¹²⁶

The CAFC saw “no reason to disturb the Board’s finding that the iVoterGuide marks are highly descriptive.”¹²⁷

Beyond conveying a characteristic of the product or service, the “iVoterGuide” marks are such that the whole of the marks directly and immediately conveys the whole of the product—provision of a voter guide on the Internet. That property suffices for the marks to be highly descriptive.¹²⁸

With respect to its claim of acquired distinctiveness, Heritage pointed to two aspects of the record: (a) the undisputed evidence that it continuously used the iVoterGuide marks for more than five years before APR’s first use date, and (b) declarations from three of Heritage’s panelists (i.e., volunteers who helped make Heritage’s voter guides) that they associated the marks with Heritage. The CAFC was unmoved.

Heritage argued that the Board should have accepted its five-plus years of prior continuous use as *prima facie* evidence that the marks had acquired distinctiveness under Section 2(f) of the Lanham Act.¹²⁹ The court pointed out that Section 2(f) says that the USPTO “*may accept*” such proof “as *prima facie* evidence that the mark has become distinctive.”¹³⁰

¹²⁵ *Id.* at *4.

¹²⁶ *Id.*, quoting *In re Fat Boy Water Sports LLC*, 2016 WL 3915986, at *6 (T.T.A.B. 2016).

¹²⁷ *Id.* at *5.

¹²⁸ *Id.*

¹²⁹ Section 2(f) of the Lanham Act, 15 U.S.C. § 1052(f), provides, in pertinent part:

Except as expressly excluded in subsections (a), (b), (c), (d), (e)(3), and (e)(5) of this section, nothing herein shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant’s goods in commerce. The Director may accept as *prima facie* evidence that the mark has become distinctive, as used on or in connection with the applicant’s goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made.

¹³⁰ *Heritage Alliance* at *5-6 (emphasis by the court).

That language indicates that the Board has discretion not to accept such evidence as prima facie evidence, much less as ultimately persuasive evidence, on a case-by-case basis. Our case law similarly recognizes the Board's discretion to weigh the evidence, especially for a highly descriptive mark. See *Yamaha International Corp. v. Hoshino Gakki Co., Ltd.*, 840 F.2d 1572, 1581 (Fed. Cir. 1988) (explaining that the “exact kind and amount of evidence” needed to show distinctiveness “necessarily depends on the circumstances of the particular case” (citations omitted)); *In re Louisiana Fish Fry Products*, 797 F.3d at 1337 (holding that for a highly descriptive mark, the Board was “within its discretion not to accept . . . alleged five years of substantially exclusive and continuous use as prima facie evidence of acquired distinctiveness”). In the circumstances of this case, we see no unreasonableness in the Board's declining to rely on Heritage's five-year-prior-use evidence given the highly descriptive nature of Heritage's marks and the limited additional evidence of acquired distinctiveness.¹³¹

As to Heritage's three panelist declarations, the court saw “no error in the Board's giving little weight to that evidence.”¹³² The declarations were identical in form and came from individuals who were not random customers, but were “volunteers used by [Heritage] to ‘help evaluate candidates so they could be graded regarding their positions on the issues.’”¹³³ And the declarations did not explain the basis for their asserted belief that the marks were distinctive. Finally, as the Board noted, there was no evidence regarding “the size and nature of the customer base that would allow an inference that the declarations ‘meaningfully reflect consumer perception of [Heritage's] purported marks in the marketplace.’”¹³⁴

In sum, the Board's rejection of Heritage's Section 2(f) claim was supported by substantial evidence.

The CAFC observed that the Board's decision and the court's affirmance “raise an obvious issue: Do those rulings provide a reason for the USPTO now to reconsider whether it should refuse registration to APR's iVoters marks—as to which the Board found APR ‘effectively concede[d] likelihood of confusion’ with Heritage's marks?”¹³⁵

¹³¹ *Id.* at *6.

¹³² *Id.*

¹³³ *Id.*

¹³⁴ *Id.*

¹³⁵ *Id.* at *7.

The opposition provision of the Lanham Act says that registration generally follows when an opposition, if any, fails, but the stated precondition is that the mark at issue be a “mark entitled to registration,” 15 U.S.C. § 1063(b), which might allow the PTO, after an opposition fails, to reconsider the examiner’s pre-opposition allowance. Also, if a person believes it “will be damaged . . . by the registration of a mark,” it may seek cancellation of the registration. 15 U.S.C. § 1064. Neither a PTO reconsideration nor a cancellation is before us, so we do not decide any issues concerning such processes.¹³⁶

5. Genericness

Bullshine Distillery LLC v. Sazerac Brands, LLC

In this opposition to registration of the mark BULLSHINE FIREBULL for “alcoholic beverages except beers,” the Board denied Appellant Bullshine’s counterclaims seeking cancellation of Appellee Sazerac’s registrations for the mark FIREBALL mark (for whisky and liqueurs) on the ground of genericness. The CAFC ruled that substantial evidence supported the Board’s denial.¹³⁷

Bullshine argued that the Board applied an incorrect legal standard, that “fireball” was generic prior to registration by Sazerac, and that the Board therefore erred in considering evidence of acquired distinctiveness “to rescue the term from genericness.”¹³⁸

The CAFC observed that the appropriate time period for assessing whether a term is generic is a question of first impression. Bullshine dubiously argued that a term that is generic at any time prior to registration, regardless of how it is perceived at the time of registration, remains generic forever. Sazerac maintained that the time of registration is the appropriate focus. The CAFC agreed with Sazerac.

We first look to the language of Section 2(e) of the Lanham Act (the Act). *Robinson v. Shell Oil Co.*, 519 U.S. 337, 340, 117 S. Ct. 843, 136 L. Ed. 2d 808 (1997). A mark cannot be

¹³⁶ *Id.* Heritage would presumably be barred by claim preclusion from seeking to cancel APR’s registration once it issues. Mere descriptiveness is an issue that Heritage could have raised (in the alternative) in the opposition, and so it could not be raised in a new proceeding. Could the USPTO, on its own volition, cancel the registration and return the underlying application to the examining attorney for re-examination? The Board’s NURSECON decision (Part I.B.3, above) suggests that the answer is yes: “[T]he USPTO possesses inherent authority to correct its errors.” *In re Nursecon, LLC*, 2024 U.S.P.Q.2d 2217, at *4 (T.T.A.B. 2024).

¹³⁷ *Bullshine Distillery LLC v. Sazerac Brands LLC*, 130 F.4th 1025, 2025 U.S.P.Q.2d 433 (Fed. Cir. 2025). The CAFC’s affirmation of the Board’s dismissal of Sazerac’s Section 2(d) claim is discussed in Part II.A.1, above.

¹³⁸ *Id.* at *2.

registered which “when used on or in connection with the goods of the applicant is merely descriptive or deceptively misdescriptive of them.” U.S.C. § 1052(e). The term “descriptive” encompasses generic terms because a generic term is the “ultimate in descriptiveness,” *Royal Crown Co., Inc. v. The Coca-Cola Co.*, 892 F.3d 1358, 1366 (Fed. Cir. 2018), and is “ineligible for federal trademark registration,” *United States PTO v. Booking.com B.V.*, 591 U.S. 549, 551, 140 S. Ct. 2298, 207 L. Ed. 2d 738 (2020). *** This inquiry necessarily looks to what consumers would think at the time of registration.¹³⁹

Moreover, Section 14(3) of the Lanham Act permits cancellation of a registration “[a]t any time” if the mark becomes generic,¹⁴⁰ even if the mark had attained incontestable status.¹⁴¹ “This demonstrates Congress’ understanding that whether a term is generic is an inquiry that changes over time, and therefore Bullshine’s argument that once generic always generic, no matter how far removed from the time-period of genericness, is inconsistent with the statute.”¹⁴²

The court ruled that the Board applied the correct legal standard: it first identified the genus of goods at issue and the relevant public and then considered “what the relevant consumers thought of the term ‘fireball’ at the times of registration for the respective marks.”¹⁴³

As to the Board’s factual finding that FIREBALL was not generic, the court concluded that substantial evidence supported the Board’s determination.

6. Certification Mark Analysis

Bureau National Interprofessionel du Cognac v. Cologne & Cognac Entertainment

The CAFC vacated and remanded the TTAB’s error-filled decision dismissing an opposition to registration of the mark shown below, for musical recordings and production services. The opposers claimed likelihood of confusion with, and likely dilution of, the COGNAC common law certification mark, but a divided Board panel found that the relevant *DuPont* factors either favored the applicant or were neutral. The CAFC, however, ruled that the Board applied

¹³⁹ *Id.*

¹⁴⁰ Section 14(3) of the Lanham Act, 15 U.S.C. § 1064(3).

¹⁴¹ Section 15(4) of the Lanham Act, 15 U.S.C. § 1065(4), states “no incontestable right shall be acquired in a mark which is the generic name for the goods or services or a portion thereof, for which it is registered.”

¹⁴² *Bullshine Distillery*, at *2.

¹⁴³ *Id.* at *3. See *H. Marvin Ginn Corp. v. Int’l Ass’n of Fire Chiefs, Inc.*, 782 F.2d 987, 990 (Fed. Cir. 1986).

an incorrect legal standard for fame and erred in analyzing the similarity of the marks and the relatedness of the goods/services. The Board also erred in dismissing the dilution claim as inadequately pled.¹⁴⁴



Opposer Bureau National Interprofessionnel du Cognac is the interprofessional union of all growers, producers, and merchants of COGNAC spirits and Opposer Institut National des Appellations d'Origine is an administrative agency within the French government (collectively, “opposers”). The opposers are responsible for controlling and protecting the common law certification mark COGNAC for brandy manufactured in the Cognac region of France according to certain standards.¹⁴⁵ The United States Alcohol and Tobacco Tax and Trade Bureau (“TTB”), the federal agency charged with regulating the labeling and advertising of spirits products in the United States, prohibits use of the term “COGNAC” on spirits products except for “[g]rape brandy distilled exclusively in the Cognac region of France, which is entitled to be so designated by the laws and regulations of the French Government.”¹⁴⁶

Although the opposers’ COGNAC mark is not registered with the PTO, it was undisputed that COGNAC is a common law certification mark.¹⁴⁷ A common law certification mark is “entitled to the same

¹⁴⁴ Bureau National Interprofessionnel du Cognac v. Cologne & Cognac Ent., 2024 U.S.P.Q.2d 1421 (Fed. Cir. 2024). On remand, the Board, closely guided by the CAFC’s decision, found the involved marks to be “overall similar . . . in terms of sound, appearance, connotation and commercial impression,” the goods and services sold “in similar trade channels to an appreciable number of overlapping consumers,” and the COGNAC certification mark of sufficient strength to be entitled to a wider than normal scope of protection. And so, the Board sustained the Section 2(d) likelihood of confusion claim and declined to reach the dilution-by-blurring claim. Bureau National Interprofessionnel du Cognac v. Cologne & Cognac Ent., Opposition No. 91250532 (T.T.A.B. July 28, 2025).

¹⁴⁵ *Id.* at *2.

¹⁴⁶ *Id.*, quoting 27 C.F.R. § 5.145(c)(2).

¹⁴⁷ *Id.* See Institut Nat’l des Appellations d’Origine v. Brown-Forman Corp., 47 U.S.P.Q.2d 1875, 1885 (T.T.A.B. 1998) (“COGNAC is not a generic term, but rather a valid common law regional certification mark.”)

level of protection against likelihood of confusion and dilution as a registered mark.”¹⁴⁸

The Board found that the COGNAC mark is neither strong nor famous; that the applicant’s mark has a different connotation from that of COGNAC and thus is dissimilar; and that the relevant goods, services, trade channels, and purchasers do not overlap.¹⁴⁹ It also found the *DuPont* factors concerning consumer sophistication, actual confusion, and bad faith to be neutral, and it did not address the other factors (explaining that it considered only the *DuPont* factors “for which there is evidence and argument of record”).¹⁵⁰ The panel majority concluded that, on balance, confusion was unlikely.

With respect to the opposers’ dilution-by-blurring claim under Section 43(c) of the Lanham Act, the Board ruled that the opposers had failed to prove that the COGNAC mark had the requisite fame.

The opposers argued that the Board applied the incorrect legal standard for fame and that the finding that the COGNAC mark is not famous was not supported by substantial evidence, that the Board legally erred in analyzing the similarity of the parties’ marks and its allegedly inconsistent findings show that its conclusion on similarity was not supported by substantial evidence, and that the Board applied the wrong legal standard in evaluating the relatedness of the goods, trade channels, and consumers.¹⁵¹ The CAFC agreed.

Fame: The Board incorrectly required the opposers to show that COGNAC is famous for its “certification status” rather than its geographical significance or other characteristics (e.g., quality). The appellate court agreed with the opposers that the question was whether COGNAC is famous as a designator of regional origin: “Not only is there no statutory requirement that consumers be aware of the ‘certification status’ of the mark, but such a requirement could be impractical and inconsistent with ordinary purchasing behaviors.”¹⁵²

The Board also erred in requiring “unequivocal” evidence that the volume of sales “was driven by the COGNAC mark to rebut the presumption that it applied that the commercial evidence was attributable to the [accompanying] house mark alone.”¹⁵³ The Board

¹⁴⁸ *Id.* See 15 U.S.C. §§ 1052(d), 1125(c) (referring to “marks” without specifying that they be “registered”).

¹⁴⁹ Bureau Nat’l Interprofessionnel du Cognac v. Cologne & Cognac Ent., 2022 WL 3755301, at *6-15 (T.T.A.B. Aug. 25, 2022).

¹⁵⁰ *Id.* at *14-15.

¹⁵¹ *Cognac*, 2024 U.S.P.Q.2d 1421, at *5.

¹⁵² *Id.* at *6. In *Brown-Forman*, the Board found that “the issue is not whether the public is expressly aware of the certification function of the mark or the certification process underlying use of the mark, but rather is whether the public understands that goods bearing the mark come only from the region named in the mark.”

¹⁵³ *Id.* at *7.

noted that the COGNAC mark is often used “inconspicuously” on the products on which it appears,¹⁵⁴ but, the court observed, “that is frequently the case for certification marks. Indeed, as the PTO has recognized, certification marks, by their nature, ‘may appear in an inconspicuous fashion.’ TMEP § 1306.05(b)(iii). Their prominence, or lack thereof, should therefore not be determinative of fame.”¹⁵⁵

Moreover, the Board’s factual findings regarding fame were inconsistent:

In one breath, it concluded that “the evidence of record shows that Cognac . . . is a popular spirit in the United States, with impressive sales in terms of both the number of products sold and overall dollar value of those sales,” the record “reflect[s] the renown of the brandy from France,” COGNAC “is particularly popular within the hip hop music industry,” and it has “success as a spirit.” Yet despite those factual findings, the Board puzzlingly concluded that the mark is not famous at all and merely “distinctive and entitled to a normal scope of protection.”¹⁵⁶

The CAFC directed the Board to determine the extent of the fame of the COGNAC mark under the correct legal standard. “Because fame is the ‘dominant’ factor in a likelihood of confusion analysis and affects the overall strength and level of protection of the mark, on remand the Board should reconsider all of the *DuPont* factors for which there is argument and evidence of record.”¹⁵⁷

Similarity of the Marks: The Board erred in concluding that the marks at issue have different connotations because COGNAC “informs consumers that the brandy being sold by the certified users comes from the Cognac region of France” whereas the applicant’s mark “projects an image of sophistication and elegance.”¹⁵⁸ This conclusion was contradicted by the evidence “and by the Board’s own findings that COGNAC is associated with affluent and upper class consumers.”¹⁵⁹

DuPont factors two and three: The Board improperly discounted the evidence that “COGNAC certified product has an intimate and legendary history with music, particularly rap music and hip-hop music, in the United States,” including “use of authorized COGNAC products in song titles and song lyrics, and in partnerships between

¹⁵⁴ Bureau Nat’l Interprofessionnel du Cognac v. Cologne & Cognac Ent., 2022 WL 3755301, at *9.

¹⁵⁵ *Cognac*, 2024 U.S.P.Q.2d 1421, at *7.

¹⁵⁶ *Id.* at *8. (citations to the Board’s decision omitted).

¹⁵⁷ *Id.* at *8-9, citing *Recot, Inc. v. Becton*, 214 F.3d 1322-28 (Fed. Cir. 2000).

¹⁵⁸ Bureau Nat’l Interprofessionnel du Cognac v. Cologne & Cognac Ent., 2022 WL 3755301, at *11.

¹⁵⁹ *Cognac*, 2024 U.S.P.Q.2d 1421, at *10.

hip-hop artists and certified COGNAC brands.”¹⁶⁰ This error apparently stemmed from the Board’s improper comparison of the opposer’s certification services with the applicant’s goods rather than with the product certified. “[T]he proper comparison is between the goods, services, and trade channels of *certified users* of the COGNAC mark (e.g., HENNESSEY) to *Applicant’s* goods, services, and trade channels.”¹⁶¹

Dilution: The Board dismissed the dilution-by-blurring claim as being improperly pled because the opposers did not specify a date when the COGNAC mark became famous. The CAFC, however, found that the allegations in the notice of opposition gave sufficient notice “that the mark was famous at some point prior to the junior mark’s constructive use date.”¹⁶²

Although not a model of clarity, when read in a light most favorable to Opposers, [the allegations] could be reasonably interpreted to mean that COGNAC has been famous for many years—necessarily before Applicant’s constructive use date only a few months prior. Opposers need not have specified a particular date by which their mark became famous; such is not necessary to prove a claim of dilution.¹⁶³

7. Entitlement to a Statutory Cause of Action

Curtin v. United Trademark Holdings, Inc.

Although one purpose of the Lanham Act is to protect consumers, whether a particular consumer is entitled to oppose an application or petition to cancel a registration depends on the specific basis under the Lanham Act that he or she invokes. Here, the CAFC upheld the Board’s dismissal of mere consumer Rebecca Curtin’s opposition to registration of the mark RAPUNZEL for dolls and toy figures on the ground of lack of entitlement to a statutory cause of action.¹⁶⁴ The court ruled that “[t]he Board’s holding that only commercial actors affected by the mark’s registration fall within the zone of interests to oppose the registration as generic, descriptive, or functional [*sic*] under § 1063 is not inconsistent with the Lanham Act’s purpose of protecting consumers.”¹⁶⁵

The Board applied the framework set out by the Supreme Court in *Lexmark v. Static Control Components, Inc.*¹⁶⁶ and applied to a

¹⁶⁰ *Id.* at *11.

¹⁶¹ *Id.* (emphasis by the Board).

¹⁶² *Id.* at *14.

¹⁶³ *Id.* at *13-14.

¹⁶⁴ *Curtin v. United Trademark Holdings, Inc.*, 2025 U.S.P.Q.2d 784 (Fed. Cir. 2025).

¹⁶⁵ *Id.* at *10-11. The CAFC mistakenly said “functional,” but actually the issue was failure-to-function.

¹⁶⁶ 572 U.S. 118, 125-26, 109 U.S.P.Q.2d 2061 (2014).

TTAB proceeding by the CAFC in *Corcamore, LLC v. SFM, LLC*,¹⁶⁷ in ruling that “[a] plaintiff may oppose registration of a mark when doing so is within the zone of interests protected by the statute and she has a reasonable belief in damage that would be proximately caused by registration of the mark.”¹⁶⁸ The Board observed that “mere consumers such as [Ms. Curtin] are generally not statutorily entitled to oppose registration under 15 U.S.C. § 1063.”¹⁶⁹

The Board found that the claims made by Curtin did not fall within the zone of interests protected by the Lanham Act, and that Curtin’s evidence of damage was “limited” and her injury “too remote” to establish proximate causation.¹⁷⁰ The CAFC agreed.

Curtin argued that *Corcamore* involved a cancellation proceeding, not an opposition, but the CAFC saw no reason why the same test for statutory standing should not apply to each.¹⁷¹

Indeed, in our court’s most recent case addressing which parties are authorized to commence administrative proceedings challenging a trademark under the Lanham Act, *Luca McDermott Catena Gift Trust v. Fructuoso-Hobbs SL*, we noted that “[t]he statutory requirements to cancel registration of a mark under § 1064 are *substantively equivalent* to those required to oppose registration under § 1063.”¹⁷²

Curtin pointed to the CAFC’s *Ritchie v. Simpson* decision,¹⁷³ in which the court ruled that Mr. Ritchie had standing to oppose O.J. Simpson’s applications to register the marks O.J. SIMPSON, O.J., and THE JUICE under the immoral or scandalous provision of Section 2(a)¹⁷⁴ because Ritchie had a “real interest” in the outcome of the opposition and his “belief of damage” (disparagement of his values as a “family man”) had a “reasonable basis in fact.”¹⁷⁵

¹⁶⁷ 978 F.3d 1298, 2020 U.S.P.Q.2d 11277, at * 6-7 (Fed. Cir. 2020), *cert. denied*, 141 S. Ct. 2671 (2021).

¹⁶⁸ Curtin v. United Trademark Holdings, Inc., 2023 U.S.P.Q.2d 535, at *2 (T.T.A.B. 2023). Sometimes referred to as “statutory standing.”

¹⁶⁹ *Id.* at *3.

¹⁷⁰ *Id.* at *5.

¹⁷¹ *Curtin*, 2025 U.S.P.Q.2d 784, at *7-8.

¹⁷² *Id.* at *7, quoting *Luca McDermott*, 102 F.4th 1314, 1321 n.1 (Fed. Cir. 2024) (emphasis by the CAFC).

¹⁷³ 170 F.3d 1092, 1098, 50 U.S.P.Q.2d 1023, 1028 (Fed. Cir. 1999).

¹⁷⁴ Note that in *Iancu v. Brunetti*, 588 U.S. 388, 139 S. Ct. 2294, 204 L. Ed. 2d 714 (2019), the Supreme Court deemed unconstitutional the Section 2(a) bar on registration of ‘immoral’ or ‘scandalous’ matter.

¹⁷⁵ *Ritchie*, 50 U.S.P.Q.2d 1023, 1028-9 The CAFC ruled that Mr. Ritchie was “more than a mere intermeddler and that the fact that his concerns are shared by a large number of people, perhaps even the vast majority of the American public, is in no sense a disqualification of his right to oppose the registration.” *Id.* at 1027.

The CAFC, however, pointed out that Ms. Curtin did not invoke the same provisions of the Lanham Act as did Mr. Ritchie. The provisions she relied upon require a commercial interest protected by the statute.

The interest protected by a particular provision of the Lanham Act should not be subject to a blanket rule that always assumes the intended protected interest is commercial. Instead, the protected interest should be evaluated based on the particular ground for the challenge, since there are clearly grounds against registration of a mark in the Lanham Act that are not intended to protect commercial interests. In the context of challenges to a trademark under the Lanham Act, both in the form of an opposition proceeding under § 1063 or a cancellation proceeding under § 1064, the zone-of-interests test should be tailored based on the specific bases cited for opposing registration or seeking cancellation of the registration for a mark.¹⁷⁶

The CAFC noted that Curtin did not contend that the mark RAPUNZEL was misleading or deceptive, and so the court need not consider “whether these provisions also protect commercial interests.”¹⁷⁷

Turning to the proximate cause prong of *Lexmark*, Curtin alleged that, as a doll collector and mother of a young daughter, she is “a consumer who participates amongst other consumers in the marketplace for dolls and toy figures of fairytale characters, including Rapunzel.”¹⁷⁸ She maintained that injury would result from the registration of the RAPUNZEL mark because “[she] and other consumers will be denied access to healthy marketplace competition for products that represent” Rapunzel if private companies are allowed “to trademark the name of a famous fairy tale character in the public domain.”¹⁷⁹

The CAFC pointed out that Curtin did not provide “any arguments refuting the Board’s findings that her reliance on general economic theories without any case-specific data fails to establish a reasonable belief of proximate causation of injury.”¹⁸⁰ Curtin’s alleged harms were insufficient to establish proximate causation because they were “at best downstream effects of harms

¹⁷⁶ *Curtin*, 2025 U.S.P.Q.2d 784, at *9-10.

¹⁷⁷ *Id.* at *10. The court did not explain what provision it was referring to, but perhaps it had in mind Section 2(a) deceptiveness, Section 2(e)(1) deceptive misdescriptiveness, and/or Section 2(e)(3) geographically deceptive misdescriptiveness.

¹⁷⁸ *Id.* at *3.

¹⁷⁹ *Id.*

¹⁸⁰ *Id.* at *12.

to commercial actors and were too remote to support a reasonable belief in injury.”¹⁸¹

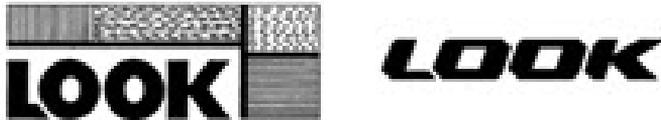
B. Trademark Trial and Appeal Board

1. Section 2(d) Likelihood of Confusion

*Look Cycle International v.
Kunshan Qiyue Outdoor Sports Goods Co.*

Twisting Respondent Kunshan’s mark like a proverbial “nose of wax,”¹⁸² the Board granted a petition for cancellation of a registration for the mark BLOOKE (in standard characters) for bicycles, parts, and accessories, concluding that confusion is likely with Opposer Look Cycle’s registered mark LOOK for bicycles and bicycle parts.¹⁸³

The Board focused on Look Cycle’s registered mark shown below left for “cycles and structural parts therefor” and its common law mark shown below right, for bicycles and bicycle parts.



Because the goods in the parties’ respective registrations are identical in part, they presumably travel in the same trade channels to the same classes of consumers.¹⁸⁴ As to Look Cycle’s common law mark, the actual trade channels overlapped with the presumed trade channels for Kunshan’s goods. Moreover, the products include inexpensive parts that do not involve a high degree of purchaser care.

The Board found Look Cycle’s marks to be inherently distinctive. As to commercial strength, the evidence showed that these marks enjoy a “somewhat heightened level of strength among serious bicycle consumers,” but they fell short of the “higher end of the fame or commercial strength spectrum.”¹⁸⁵ The Board accorded the marks

¹⁸¹ *Id.*

¹⁸² See *White v. Dunbar*, 119 U.S. 47, 52 (1886) (“Some persons seem to suppose that a claim in a patent is like a nose of wax, which may be turned and twisted in any direction, by merely referring to the specification, so as to make it include something more than, or something different from, what its words express.”)

¹⁸³ *Look Cycle International v. Kunshan Qiyue Outdoor Sports Goods Co.*, 2024 U.S.P.Q.2d 1424 (T.T.A.B. 2024). The opposer’s fraud and nonuse claims are discussed in Part II.B.5, below.

¹⁸⁴ See *In re Viterra Inc.*, 671 F.3d 1358, 1362 (Fed. Cir. 2012); *Hewlett-Packard Co. v. Packard Press Inc.*, 281 F.3d 1261, 1268 (Fed. Cir. 2002).

¹⁸⁵ *Look Cycle*, at *6.

a “slightly broad scope of protection” in view of the marks’ strength among bicycle enthusiasts.¹⁸⁶

The key issue, then, was the similarity of the marks. The Board noted for the umpteenth time that when the involved goods are identical, a lesser degree of similarity between the marks is necessary to support a finding of likely confusion.¹⁸⁷ Not surprisingly, the Board found the word “LOOK” to be the dominant element of Look Cycle’s marks. Surprisingly, the Board found the parties’ marks to be similar in appearance, questionably observing that “the word LOOK is apparent in the [respondent’s] mark in particular when appearing on the product as shown below.”¹⁸⁸



Moreover, the Board opined that since Kunshan’s mark is registered in standard characters, the Board must consider “possible displays that emphasize the common element LOOK such as bLOOke or BLOOKE.”¹⁸⁹

As to pronunciation, the challenged mark could be pronounced “in a manner that rhymes with the petitioner’s LOOK marks,” the letter “E” at the end of “BLOOKE” being silent, as in surnames such as “Cooke,” “Hooke,” and “BROOKE.”¹⁹⁰ As to connotation, BLOOKE “could invoke the word LOOK when that word is perceived by consumers as embedded within BLOOKE.”¹⁹¹

By that dubious path, the Board found the involved marks confusingly similar and concluded that confusion is likely.

¹⁸⁶ *Id.*

¹⁸⁷ *See, e.g.,* Coach Servs. Inc. v. Triumph Learning LLC, 668 F.3d 1356, 1368 (Fed. Cir. 2012); Century 21 Real Estate Corp. v. Century Life of Am., 970 F.2d 874, 877 (Fed. Cir. 1992).

¹⁸⁸ *Look Cycle*, at *7.

¹⁸⁹ *Id.*

¹⁹⁰ *Id.* at *7-8.

¹⁹¹ *Id.* at *8.

State Permits, Inc. v. Fieldvine, Inc.

In a “somewhat unusual” Section 2(d) cancellation proceeding targeting a Supplemental Register registration and involving “dueling claims of acquired distinctiveness,” the Board granted a petition for cancellation of Fieldvine Inc.’s registration for the mark PERMITS.COM for construction permit services.¹⁹² Although Petitioner State Permits, Inc. could not prove acquired distinctiveness for its mark PERMIT.COM, it did prove first use for identical services, and that was enough.

Under *Otto Roth Co. v. Universal Foods Corp.*,¹⁹³ a plaintiff must prove it has proprietary rights in a mark in order to succeed on a likelihood of confusion claim when challenging a registration on the Principal Register. However, the holding of *Otto Roth* was limited by the CAFC’s decision in *Books on Tape, Inc. v. Booktape Corp.*:¹⁹⁴ if the challenged registration resides on the Supplemental Register and covers a descriptive term that lacks acquired distinctiveness, a prior user of a confusingly similar term may succeed in cancelling that registration even without establishing acquired distinctiveness for its own mark.

Here, both parties asserted rights in their respective marks based on acquired distinctiveness. Whichever party successfully demonstrated that it was first to acquire distinctiveness would prevail. If neither did, then the prior user would prevail.

Each party acknowledged in its brief that the word “PERMIT” or “PERMITS,” combined with the top-level domain .COM, “constitutes, at the very least, a descriptive and non-inherently distinctive term in connection with their services.”¹⁹⁵ Fieldvine’s registration on the Supplemental Register itself constituted an admission that as of the registration date (February 18, 2020), PERMITS.COM was merely descriptive.¹⁹⁶ Similarly, State Permits’ invocation of Section 2(f) of the Lanham Act in seeking to register its PERMIT.COM was a concession that its mark is not inherently distinctive.¹⁹⁷

The Board first found that both marks are “highly descriptive” of the parties’ services: “the term PERMIT, in each mark, describes

¹⁹² *State Permits, Inc. v. Fieldvine, Inc.*, 2024 U.S.P.Q.2d 1458, at *8 (T.T.A.B. 2024).

¹⁹³ 640 F.2d 1317, 209 U.S.P.Q. 40, 43 (C.C.P.A. 1981).

¹⁹⁴ 836 F.2d 519, 5 U.S.P.Q.2d 1301 (Fed. Cir. 1987).

¹⁹⁵ *State Permits*, at *10.

¹⁹⁶ *Id. See In re Future Ads LLC*, 103 U.S.P.Q.2d 1571, 1574 (T.T.A.B. 2012) (registration on the Supplemental Register constitutes an admission that the mark is descriptive at the time of registration).

¹⁹⁷ *Id. See Cold War Museum, Inc. v. Cold War Air Museum, Inc.*, 586 F.3d 1352, 92 U.S.P.Q.2d 1626, 1629 (Fed. Cir. 2009) (“Where an applicant seeks registration on the basis of Section 2(f), the mark’s descriptiveness is a nonissue; an applicant’s reliance on Section 2(f) during prosecution presumes that the mark is descriptive.”).

the most important characteristic or end goal of the identified services, namely, assisting others in obtaining construction permits.”¹⁹⁸ The addition of .COM does not make the marks distinctive; “rather, it is a non-source-identifying generic top-level domain (gTLD) that merely indicates an Internet address for use by a commercial, for-profit organization.”¹⁹⁹ Consequently, “the commensurate burden of proving that it has acquired distinctiveness for either party is heavy.”²⁰⁰

In answering the question of acquired distinctiveness *vel non*, that Board applied the factors set out by the CAFC in *Converse, Inc. v. ITC*:²⁰¹

(1) association of the mark with a particular source by actual purchasers (typically measured by customer surveys); (2) length, degree, and exclusivity of use; (3) amount and manner of advertising; (4) amount of sales and number of customers; (5) intentional copying; and (6) unsolicited media coverage of the product embodying the mark.²⁰²

State Permits began using its mark in 2013, spent more than \$500,000 in promotional efforts, and garnered some \$49 million in total revenue while securing approximately 70,000 permits for its customers. It also submitted testimony declarations from knowledgeable customers and others in the construction industry in support of its Section 2(f) claim.

The Board, however, concluded that State Permits failed to meet its “difficult burden,” noting the lack of survey evidence, of evidence of media coverage, and evidence of intentional copying.²⁰³ Furthermore, State Permits’ sales and advertising figures were not placed in industry context. Nonetheless, the Board found that “[a]lthough Petitioner has not proven acquired distinctiveness, Petitioner has at least established that it began using PERMIT.COM in a manner consistent with service mark use as early as 2013.”²⁰⁴

Respondent Fieldvine claimed use of its mark since 2018, relying on the declaration of its CEO, but the sales and advertising figures he provided lacked industry context. Moreover, in light of State Permits’ use of PERMIT.COM since 2012, Fieldvine’s use of its

¹⁹⁸ *Id.* at *11.

¹⁹⁹ *Id.* See, e.g., *In re 1800Mattress.com IP LLC*, 586 F.3d 1359, 92 U.S.P.Q.2d 1682, 1685 (Fed. Cir. 2009); *In re Hotels.com, L.P.*, 573 F.3d 1300, 1304, 91 U.S.P.Q.2d 1532, 1533, 1535 (Fed. Cir. 2009); *In re Oppedahl & Larsen LLP*, 373 F.3d 1171, 71 U.S.P.Q.2d 1370, 1373-74 (Fed. Cir. 2004).

²⁰⁰ *Id.*

²⁰¹ 909 F.3d 1110, 128 U.S.P.Q.2d 1538, 1546 (Fed. Cir. 2018).

²⁰² *State Permits*, at *10.

²⁰³ *Id.* at *12.

²⁰⁴ *Id.*

mark “has not been exclusive.”²⁰⁵ And Fieldvine did not introduce any third-party testimony to support its Section 2(f) claim.

Indeed, as stated, the burden of proving that such a highly descriptive term has acquired distinctiveness is a particularly heavy one, and Respondent’s evidence falls woefully short.²⁰⁶

As in *Books on Tape* the Board found that “it would be an ‘anomalous result’ if, in view of our finding of a likelihood of confusion, Respondent is permitted to keep its Supplemental Register registration for PERMITS.COM, in the absence of a showing of acquired distinctiveness and in the face of Petitioner’s prior use of PERMIT.COM.”²⁰⁷

DowntownDC Business Improvement District v. Clarke

In a highly fact-dependent yet precedential decision, the Board sustained this Section 2(d) opposition to registration of the mark DISTRICT OF FASHION for fashion show exhibitions, finding that Opposer BID had priority of use of the mark DOWNTOWNDC DISTRICT OF FASHION for the same services, and that any use of the latter mark by Applicant Roquois Y. Clarke prior to her application filing date occurred as an employee of BID and therefore inured to BID’s benefit.²⁰⁸

Applicant Clarke was hired by BID as a “Digital Content and Design Assistant.” Because of her fashion industry experience, she was assigned to three fashion show events in 2018 and 2019, for which BID expended “significant resources.”²⁰⁹ In 2021, Clarke’s position was eliminated and she was let go. In May 2021, Clarke filed the subject intent-to-use application to register the mark DISTRICT OF FASHION.

Clarke admitted that she created the mark DISTRICT OF FASHION “during the temporal period she was employed by Opposer,” but claimed that she worked on the project during off-hours and created the DISTRICT OF FASHION “brand identity” in order to allow any entity to sponsor the fashion show.²¹⁰

Both parties relied on the same use of the mark DOWNTOWNDC DISTRICT OF FASHION as the basis for their priority claims. Clarke admitted that she never used that mark apart from BID’s use for the 2018 and 2019 fashion shows. However,

²⁰⁵ *Id.* at *13

²⁰⁶ *Id.*

²⁰⁷ *Id.* at *14, quoting *Books on Tape*, 5 U.S.P.Q.2d at 1302.

²⁰⁸ *DowntownDC Business Improvement District v. Clarke*, 2024 U.S.P.Q.2d 1778 (T.T.A.B. 2024).

²⁰⁹ *Id.* at *5.

²¹⁰ *Id.*

she argued that she created that mark outside the scope of her employment, that the mark was not assigned to BDI, and that any use by BDI was by implied license and inured to her benefit. In sum:

[R]esolution of the priority issue depends on what the record reveals as to whether the DOWNTOWNDC DISTRICT OF FASHION name and services were developed in the course of Applicant's employment, outside the scope of her employment, and/or whether there was an implied license between Applicant and Opposer with the benefit of Opposer's use of DOWNTOWNDC DISTRICT OF FASHION inuring to Applicant's benefit.²¹¹

The Board found that BDI assigned the fashion work to Clarke and had control over the work she performed. BDI regularly approved tasks and expenses for the events. There was "no question that Applicant's work on promoting and producing the fashion shows was as Opposer's employee."²¹² The Board declined to give "great weight to the fact that some of the fashion show work was performed after hours" since, inter alia, Clarke was "tasked as a dedicated staff member" and received bonuses for her efforts on the fashion shows.²¹³ The Board concluded that Clarke "performed the fashion show work within the scope of her employment."²¹⁴

Under such circumstances, there is a prima facie presumption that any use of DOWNTOWNDC DISTRICT OF FASHION "during this period . . . was done so [by Applicant] as a representative or an agent of opposer, on behalf of opposer, and in furtherance of opposer's business; and any goodwill created by such use inured to opposer's benefit."²¹⁵

It was then Clarke's burden to overcome this presumption "by presenting competent and convincing proof that Opposer's activities in regard to DOWNTOWNDC DISTRICT OF FASHION were instead as a licensee under Applicant's control and supervision."²¹⁶ The evidence showed that Clarke was BDI's representative and acted at the direction of BDI. "Opposer, not applicant, stood behind the services offered under the mark DOWNTOWNDC DISTRICT

²¹¹ *Id.* at *9.

²¹² *Id.* at *11.

²¹³ *Id.*

²¹⁴ *Id.* at *12.

²¹⁵ *Id.* quoting *Scranton Plastic Laminating, Inc. v. Mason*, Opp. No. 91053914, 1975 TTAB LEXIS 85, at *26-27 (T.T.A.B. 1975).

²¹⁶ *Id.* See *Am. Asbestos Prods. Co. v. Horne*, Opp. No. 91042764, 1965 TTAB LEXIS 88, at *9-10 (T.T.A.B. 1965); *Gen. Motors Corp. v. Aristide & Co.*, Opp. No. 91167007, 2008 TTAB LEXIS18, at *16 (T.T.A.B. 2008) ("A trademark owner can rely on the use of a licensee for its priority.").

OF FASHION.”²¹⁷ The Board concluded that “the parties’ objective intentions and expectations, as evidenced by Applicant’s and Opposer’s conduct, do not reflect an implied license but that Opposer owned the DOWNTOWNDC DISTRICT OF FASHION mark.”²¹⁸

Since the uses of the mark in 2018 and 2019 inured to the benefit of BID, and since Clarke could rely only on her 2021 filing date as her (constructive) first use date, Opposer BID had priority for the DOWNTOWNDC DISTRICT OF FASHION mark.

Turning to the issue of likelihood of confusion, the Board wasted no time in sustaining BDI’s Section 2(d) claim.

Because DISTRICT OF FASHION forms a significant portion of Opposer’s mark and DISTRICT OF FASHION is the entirety of Applicant’s mark, we find the marks as a whole are similar in appearance, sound, connotation and commercial impression. The additional wording DOWNTOWNDC in Opposer’s mark does not significantly alter the commercial impression, as purchasers will likely take DOWNTOWNDC as simply identifying the location of the services or their connection to the District of Columbia. Consumers thus are likely to view the two marks as variations of each other, but pointing to a single source.²¹⁹

In light of the overlap of the parties’ services, the second *DuPont* factor “weighs heavily” in favor of a finding of likelihood of confusion.²²⁰ Likewise, the channels of trade and classes of consumers overlap, and so the third factor also weighed in favor of finding a likelihood of confusion.²²¹

All of the *DuPont* factors for which there is evidence in the record—the similarity of the marks, the in-part identical nature of the services, the trade channels and classes of consumers—favor likelihood of confusion. *In re Charger Ventures LLC*, 64 F.4th 1375, 1381 (Fed. Cir. 2023). We therefore conclude that confusion is likely.²²²

²¹⁷ *Id.* at *14.

²¹⁸ *Id.*

²¹⁹ *Id.* at *16.

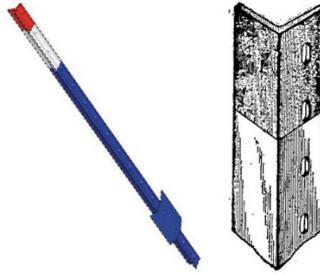
²²⁰ *Id.* at *17. See *New Era Cap Co. v. Pro Era, LLC*, Opp. No. 91216455, 2020 TTAB LEXIS 199, at *53 (T.T.A.B. 2020) (“the in-part identity of Applicant’s and Opposer’s goods and their overlapping channels of trade and classes of purchasers . . . weigh heavily in favor of a finding of likelihood of confusion”).

²²¹ *Id.*

²²² *Id.* at *17-18.

*Keystone Consolidated Industries, Inc. v.
The Franklin Investment Corp.*

Inter partes proceedings involving two color marks are as rare as a traffic cop in Boston. The Board denied this petition for cancellation of a supplemental registration for the color mark (red-white-and-blue) shown below left, for “metal fence posts,” finding confusion unlikely with the registered color mark (red top) shown below right for “metallic fence posts.” The Board found the first *DuPont* factor—the dissimilarity of the marks—to be dispositive.²²³



Priority: In a cancellation proceeding in which the petitioner owns a Principal Register registration and challenges a Supplemental Registration, “the Section 7(b) presumptions apply only to petitioner; therefore, a petitioner is entitled to rely on its pleaded Principal Register registration for purposes of priority without having to establish a prior use date either by relying on its application filing date or proving an earlier use date.”²²⁴

Goods/Channels/Consumers: Because the goods are identical, the Board presumed that the channels of trade and classes of consumers are the same.²²⁵ As to purchaser care, the Board found that buying metal fence posts, generally used for agricultural properties, would not be an impulse purchase. “However, because there is no specific testimony in the record about purchasing conditions, pricing, and all types of purchasers who would purchase such metallic or metal fence post products, we find the sophistication of purchasers neutral in the *DuPont* analysis.”²²⁶

²²³ *Keystone Consolidated Indus., Inc. v. The Franklin Inves. Corp.*, 2024 U.S.P.Q.2d 1425 (T.T.A.B. 2024).

²²⁴ *Id.* at *6, citing *King Candy Co. v. Eunice King’s Kitchen, Inc.*, 496 F.2d 1400, 1402 (C.C.P.A. 1974).

²²⁵ *Id.* at *6, citing *In re Optica Int’l*, 1977 TTAB LEXIS 119, at *6-7 (T.T.A.B 1977) (applying presumption of identical trade channels for identical goods in connection with an application seeking registration on the Principal Register when the cited registration issued on the Supplemental Register).

²²⁶ *Id.* at *9. *See, e.g.*, *Double Coin Holdings Ltd. v. Tru Dev.*, Can. No. 92063808, 2019 TTAB LEXIS 347, at *25-26 (T.T.A.B. 2019) (finding the fourth *DuPont* factor neutral because

Strength: Color marks applied to products or portions of products “are not generally distinctive, (and can never be inherently distinctive either under common law, under pre-Lanham Trademark Acts, or under the Lanham Act).”²²⁷ The Board therefore found Keystone’s red mark to be inherently and conceptually weak.

As to commercial strength, Keystone’s evidence of long use (since 1915) but without sales figures, and of advertising data combined with those for other products, was insufficient to support a finding of commercial strength:

Although we have over a hundred years of use of the Red Top Fence Post Mark, and wire fencing with a red topped color feature, we lack sufficient evidence of the extent of consumer exposure to or recognition of the Red Top Fence Post Mark or the red topped fencing product line. Long use is not sufficient by itself to prove fame or commercial strength.²²⁸

However, there was no evidence of third-party registration or third-party use of the color red for fence post tops, as a single-color mark, that would demonstrate weakness in the marketplace.

Given the Red Top Fence Post Mark’s conceptual weakness and lack of sufficient record evidence that the Red Top Fence Post Mark is commercially strong, we conclude that Petitioner’s mark is entitled to a narrow scope of protection. Nonetheless, such protection is broad enough to protect from registration of a confusingly similar mark for identical or related goods. *See King Candy Co.*, 496 F.2d at 1401 (likelihood of confusion is to be avoided as much between weak marks as between strong marks); *In re Colonial Stores, Inc.*, Ser. No. 209079, 1982 TTAB LEXIS 116, at *7-8 (T.T.A.B. 1982) (“likelihood of confusion, mistake or deception is to be avoided as much between weak marks as between strong marks”). We find the fifth and sixth *DuPont* factors are neutral.²²⁹

Marks: According to its registration, Respondent Franklin’s mark consists of “a metal fence post with a blue bottom, white middle, and red top.” Keystone stated that its mark “consists in coloring a short portion of the upper end of the post red.” Because

even if the parties’ goods are not subject to impulse buying, there was a lack of evidence in the record showing “consumers will exercise a higher than ordinary degree of purchasing care”).

²²⁷ *Id.*

²²⁸ *Id.* at *13. *Wet Seal Inc. v. FD Mgmt. Inc.*, Opp. No. 91157022, 2007 TTAB LEXIS 21, at *19 (T.T.A.B. 2007); *Genesco Inc. v. Martz*, Opp. No. 91121296, 2003 TTAB LEXIS 123, at *35 (T.T.A.B. 2003) (“mere length of time that a mark is in use does not by itself establish consumer awareness of the mark, such that the mark can be found to be famous.”)

²²⁹ *Id.* at *13-14.

the marks are color marks, the similarity of the marks must be decided “primarily on the basis of visual similarity, which has been described as a ‘subjective eyeball test.’”²³⁰ The Board noted once again that when the goods are identical, a lesser degree of similarity between the marks is needed to support a conclusion of likely confusion.²³¹

Keystone argued that the dominant feature of both marks is the red, top portion because consumers allegedly recognize the top color of fence posts as a source identifier. The Board was unconvinced: “we consider Respondent’s multi-color mark in its entirety in our comparison of the marks, and do not discount any colored portion.”²³²

The Board found that “[t]he commercial impression of Petitioner’s Red Top Fence Post Mark, is a ‘red top,’ and the color red.”²³³ On the other hand, consumers would perceive Respondent Franklin’s Red, White and Blue Fence Post Mark as referring to “the national colors of the United States of America, or the flag of the United States of America.”²³⁴

Critically, as to appearance, the Board found the marks dissimilar. Even if the color red in petitioner’s mark were considered to be the same color red as depicted in respondent’s registration, “consumers encountering the parties’ marks are not likely to perceive Petitioner’s Red Top Fence Post Mark and Respondent’s Red, White and Blue Fence Post Mark as the same or similar.”²³⁵ And so, the Board deemed the two color marks to be “distinct and dissimilar.”²³⁶

Reviewing the relevant *DuPont* factors, the Board found that the relatedness of the goods, channels of trade, and class of consumers weighed in favor of likelihood of confusion. The conditions of sale and the fifth, sixth, seventh, eighth, tenth, and thirteenth *DuPont* factors were neutral. But the dissimilarity of the marks weighed “heavily” against likelihood of confusion.²³⁷

²³⁰ *Id.* at *14. *In re Cook Med. Techs.*, Ser. No. 77882876, 2012 TTAB LEXIS 496, at *12-13 (T.T.A.B. 2012); *see also In re Medline Indus., Inc.*, Ser. No. 87680078, 2020 TTAB LEXIS 16, at *40 (T.T.A.B. 2020) (discussing comparison of color marks).

²³¹ *Id.*, citing *Century 21 Real Estate Corp. v. Century Life of Am.*, 970 F.2d 874, 877 (Fed. Cir. 1992).

²³² *Id.* at *17.

²³³ *Id.* at *18.

²³⁴ *Id.*

²³⁵ *Id.* at *19.

²³⁶ *Id.*

²³⁷ *Id.* at *22.

Concluding that “the dissimilarity of the marks is the most important and pivotal factor, outweighing the other *DuPont* factors,” the Board denied the petition for cancellation.²³⁸

Heil Co. v. Tripleye GmbH

In a rather straightforward yet precedential decision, the Board dismissed a Section 2(d) opposition to registration of the mark TRIPLEYE for optical monitoring software and equipment and related technical services, finding confusion unlikely with the registered mark 3RD EYE for vehicle surveillance and detection systems and related hardware, software, and software-based services. The Board found the differences in sound, appearance, connotation, and commercial impression between the marks to be the most important factor in reaching its conclusion.²³⁹

Evidentiary Rulings: Opposer Heil was knocked back on its heels by two evidentiary rulings. First, the Board tossed out its claim to a “family of marks” because Heil did not make that allegation in its notice of opposition and the issue was not tried by implied consent.²⁴⁰ Second, the Board upheld Applicant Tripleye’s objection to Heil’s last-minute attempt to change the sales figures that it provided during discovery. Tripleye was dealt a third blow when the Board refused to take judicial notice that “autonomous vehicles are (or will be when they reach the market) expensive purchases,” due to the vagueness of the statement and the lack of unquestionable evidence in support.²⁴¹

Motion to Amend: Tripleye, in an attempt to sidestep the Section 2(d) claim, had filed a Rule 2.133²⁴² motion to amend its application by limiting the goods and services to “Level 4 or Level 5 autonomous

²³⁸ *Id.* at *23, citing *Kellogg Co. v. Pack-Em Enters. Inc.*, 951 F.2d 330, 333 (Fed. Cir. 1991) (“We know of no reason why, in a particular case, a single *DuPont* factor may not be dispositive. . . . ‘each [of the thirteen elements] may from case to case play a dominant role.’”).

²³⁹ *Heil Co. v. Tripleye GmbH*, 2024 U.S.P.Q.2d 2010 (T.T.A.B. 2024).

²⁴⁰ *Id.* at *6. See *Productos Lacteos Tocumbo S.A. de C.V. v. Paeteria La Michoacana Inc.*, 98 U.S.P.Q.2d 1921, 1927 (TTAB 2011), *aff’d*, 188 F. Supp. 3d 22, (D.D.C. 2016), *aff’d*, 743 F. App’x 457, 128 U.S.P.Q.2d 1172 (D.C. Cir. 2018) (court refused to consider petitioner’s “family of marks” claim because it was raised for the first time in petitioner’s brief and was neither pleaded nor tried by the parties).

²⁴¹ *Id.* at *9. “The Board may take judicial notice of a fact that is not subject to reasonable dispute in that it is either (1) generally known within the territorial jurisdiction of the trial court or (2) capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned.” See Fed. R. Evid. 201(b); see also Trademark Board Manual of Procedure (“TBMP”) § 704.12(a).

²⁴² Rule 2.133(a) of the Trademark Rules of Practice, 37 C.F.R. § 2.133(a), provides that “An application subject to an opposition may not be amended in substance nor may a registration subject to a cancellation be amended or disclaimed in part, except with the consent of the other party or parties and the approval of the Trademark Trial and Appeal Board, or upon motion granted by the Board.”

vehicles.” The Board denied the motion because the proposed amendment “does not introduce a substantially different issue for trial,” since Heil’s registrations are broadly worded and cover the goods and services in Tripleye’s application even if so amended.²⁴³

Likelihood of Confusion: Turning to the substantive issue, likelihood of confusion, Heil argued that its mark is commercially strong, but its proofs were underwhelming. Although claiming use of the mark 3RD EYE since 2004, its sales figure were limited to the 2019–2022 time period and lacked industry context. It provided evidence of a few media articles, promotion at a single trade show, and an unimpressive media presence.

[W]e cannot place Opposer’s 3RD EYE mark on the high end of the fame/commercial strength spectrum amongst a “significant portion of the relevant U.S. consumers” in the vehicle surveillance and detection system industry. *** Perhaps on a more developed record we would find otherwise. As a result, the fifth *DuPont* factor is neutral.²⁴⁴

As to the sixth *DuPont* factor, the Board found—based on 26 third-party registrations—that the word “EYE” “is a common element of marks in connection with ‘cameras.’”²⁴⁵ Third-party use evidence likewise showed such use of the word “EYE,” but none of the marks were similar to Heil’s mark overall.

Under the sixth *DuPont* factor, the evidence of third-party marks reflects weakness of the word EYE but not of Opposer’s mark as a whole. However, consumers apparently distinguish among coexisting EYE-formative marks based on other elements, and EYE is the only shared component of Opposer’s and Applicant’s marks. The sixth *DuPont* factor thus weighs against likely confusion.²⁴⁶

Most significantly, the Board found the marks TRIPLEYE and 3RD EYE to be “different enough” in sound, appearance, connotation, and commercial impression to avoid a likelihood of confusion.²⁴⁷

[T]he marks TRIPLEYE and 3RD EYE convey different connotations and commercial impressions. TRIPLEYE has a meaning of “three eyes,” suggesting three cameras in this

²⁴³ *Heil*, at *13.

²⁴⁴ *Id.* at *18.

²⁴⁵ *Id.* at *23. See *Spireon, Inc. v. Flex Ltd.*, 71 F.4th 1355, 2023 U.S.P.Q.2d 737, at *4-5 (Fed. Cir. 2023) (“third-party registrations containing an element that is common to both the opposer’s and the applicant’s marks can show that that element has ‘a normally understood and well-recognized descriptive or suggestive meaning’”) (quoting *Jack Wolfskin Ausrüstung Fur Draussen GmbH & Co. KGAA v. New Millennium Sports, S.L.U.*, 797 F.3d 1363, 116 U.S.P.Q.2d 1129, 1136 (Fed. Cir. 2015)).

²⁴⁶ *Id.* at *24.

²⁴⁷ *Id.* at *31.

context, whereas 3RD EYE, as a phrase, has a specific understood meaning and connotation and will be viewed as a unitary mark, calling to mind an additional eye that provides extra-ordinary perception, including for example the “mind’s eye” or “inner eye.” Opposer asks us to take too far a leap by ignoring the understood meaning of the phrase “third eye.” These differing connotations and commercial impressions are consistent with distinctions between the parties’ goods, as indicated by the record.²⁴⁸

The goods in the opposed application and in Heil’s registrations are in-part identical (e.g., “cameras”), and the Board “must presume that the channels of trade and classes of purchasers are the same for such goods.”²⁴⁹

The recited services are closely related: “Applicant’s Class 42 services cover the design of software that performs the identical purpose or function of Opposer’s software (i.e., controlling and monitoring vehicles). Thus, consumers can seek out Applicant’s services, or purchase Opposer’s software, to accomplish the same purpose.”²⁵⁰ These services are offered to “many of the same industries as Opposer, such as ‘mining and construction,’ ‘logistics,’ and ‘marine and ports.’”²⁵¹ The Board acknowledged that, with regard to the involved services, consumers “will exercise a somewhat heightened degree of purchasing care.”²⁵²

In conclusion, the Board found that, as to Thirdeye’s goods, the dissimilarity of the marks, together with the weakness of the only shared element, the word “EYE,” outweighed the other *DuPont* factors. As to the services, those findings, along with “the elevated degree of care in making purchasing decisions under the fourth *DuPont* factor,” outweighed the other factors.²⁵³

²⁴⁸ *Id.* at *25.

²⁴⁹ *Id.* at *28. *See In re Viterra, Inc.*, 671 F.3d 1358, 101 U.S.P.Q.2d 1905, 1908 (Fed. Cir. 2012) (legally identical goods are presumed to travel in same channels of trade to same class of purchasers); *In re Yawata Iron & Steel Co.*, 403 F.2d 752, 159 U.S.P.Q. 721, 723 (C.C.P.A. 1968) (where there are legally identical goods, the channels of trade and classes of purchasers are considered to be the same).

²⁵⁰ *Id.* at *27.

²⁵¹ *Id.* at *29.

²⁵² *Id.* at *30. *See In re Info. Builders Inc.*, 2020 U.S.P.Q.2d 10444, at *4 (T.T.A.B. 2020) (“[I]n light of the inherent nature of the goods and services involved, some degree of purchasing care may be exercised by Applicant’s potential or actual consumers.”).

²⁵³ *Id.* at *31.

2. Section 2(e)(1) Mere Descriptiveness

Hangzhou Mengku Technology Co. v. Shanghai Zhenglang Technology Co.

In this doubly rare case—a Section 2(e)(1) opposition involving an illustration of the goods—the Board found the proposed mark shown below to be merely descriptive of computer game software. “[C]onsumers who know that Applicant’s product is a block puzzle game will understand the mark to immediately convey information about it; that is, that the product is a downloadable and/or mobile computer block puzzle game as described in Applicant’s identification of goods.”²⁵⁴



Applicant Shanghai’s proposed mark comprised the “app icon” that appears alongside the app title, name of the developer, and other information, in online search results and in the Google Play App Store. The opposers develop and publish mobile games for download on the Google Play App Store, including a mobile game featuring block puzzles, and so they were entitled to a statutory cause of action (sometimes referred to as “statutory standing”)²⁵⁵ under Section 2(e)(1).

Noting the old saw that “a photograph can be worth a thousand words,” the Board pointed out that “a pictorial representation, such as an illustration or photograph, may be considered just as descriptive as a word if it immediately conveys information as to the

²⁵⁴ *Hangzhou Mengku Technology Co. v. Shanghai Zhenglang Technology Co.*, 2024 U.S.P.Q.2d 2220, at *13 (T.T.A.B. 2024).

²⁵⁵ *Id.* at *6-7. *See, e.g.*, *Nature’s Way Prods. Inc. v. Nature’s Herbs Inc.*, 9 U.S.P.Q.2d 2077, 2080 (T.T.A.B. 1989) (“In the present case, petitioner has demonstrated its standing by showing that it manufactures and sells products similar to those recited in respondent’s registration and that, being a competitor of respondent, it is in a position to use the designation sought to be cancelled in a descriptive manner.”). For a discussion of the difference between entitlement to a statutory cause of action and Article III standing (or “constitutional standing”), *see* *Luca McDermott Catena Trust v. Fructuoso-Hobbs SL*, 2024 U.S.P.Q.2d 941 (Fed. Cir. 2024).

content, subject matter, feature, or characteristic of the goods or services.”²⁵⁶

To be considered merely descriptive, the illustration or representation need not be completely accurate, realistic or true-to-life: “[t]he ultimate guideline . . . is whether the design forthwith conveys an immediate idea of a feature of the goods and lacks any additional fanciful, arbitrary, or suggestive matter.”²⁵⁷ The Board noted that the Shanghai’s identification of goods is “unrestricted as to the type of downloadable or mobile computer game, and necessarily includes computer games of all sorts, including block puzzle games.”²⁵⁸

The Board found that the proposed mark “conveys an immediate idea of a feature of the goods, namely that Applicant’s product is a block puzzle game, as described in the identification of goods.”²⁵⁹ Moreover, the mark “lacks any additional fanciful, arbitrary, or suggestive matter.”²⁶⁰

Applicant’s design elements are either taken directly from the game (i.e., pale block game pieces against a dark background with faint lines forming a grid of rows and columns behind the game pieces, a brown border surrounding the gameplay area, and transparent blocks forming the identical shape below where the floating block appears), or are common elements used by third parties in a crowded field of block puzzle app icons (i.e., a glow of various colors around the active game piece and symmetrical placement of blocks). The minor changes in tint of the game

²⁵⁶ *Id.*, at *7. *See, e.g., In re Pierce Arrow Motor Car Co.*, 55 F.2d 434 (C.C.P.A. 1932) (pictorial representation of the front end of an automobile enclosed within a hexagonal border found merely descriptive of automobiles); *In re Eight Ball, Inc.*, 217 U.S.P.Q. 1183, 1184 (T.T.A.B. 1983) (pictorial representation of a cue stick and eight ball found merely descriptive of billiard parlor services):



²⁵⁷ *Id.* at *8, citing *In re Swatch Grp. Mgmt. Servs. AG*, 110 U.S.P.Q.2d 1751, 1757 (T.T.A.B. 2014), *aff'd*, 599 Fed. Appx 959 (Fed. Cir. 1015). (both the word “Tourbillon” and the design portion of the mark, which represents a tourbillon (a watch part), found to be merely descriptive of applicant’s goods (watches)).

²⁵⁸ *Id.* at *10. *See, e.g., In re Linkvest S.A.*, 24 U.S.P.Q.2d 1716 (T.T.A.B. 1992) (where registrant’s goods are broadly identified as “computer programs recorded on magnetic disks,” without any limitation as to the kind of programs or the field of use, it must be assumed that registrant’s goods encompass all such computer programs, including computer programs of the type offered by applicant.).

²⁵⁹ *Id.* at *9-10.

²⁶⁰ *Id.* at *10.

pieces and the background of the gameplay area, the curved border instead of a square border, the symmetrical placement of blocks, and the choice to make the glow blue in Applicant's proposed mark are "hardly sufficient to render the design distinctively stylized or fanciful."²⁶¹

And so, the Board sustained the opposition.

3. Section 14(3) Misrepresentation of Source

Plumrose Holding Ltd. v. USA Ham LLC

Protecting trademark reputation without use clashes with the so-called territorial principal of United States trademark law that holds that without use in this country, there is no mark to protect.²⁶² Here, the TTAB ruled that the potential harm to Opposer Plumrose Holdings' reputation in the United States gave it "standing" despite lack of use of its marks in this country. The Board proceeded to sustain Plumrose's opposition to registration of the mark LA MONTSERRATINA in the form shown first below, for ham, sausage, and other meat products, on the ground of misrepresentation of source under Section 14(3) of the Lanham Act.²⁶³



Applicant USA Ham's mark



Opposer Plumrose's mark

²⁶¹ *Id.* at *11-12, quoting *Swatch Grp.*, 110 U.S.P.Q.2d at 1758.

²⁶² *See, e.g.*, Martin B. Schwimmer and John L. Welch, *US law inches towards protecting trademark reputation without use*, World Trademark Review (August 2019).

²⁶³ *Plumrose Holding Ltd. v. USA Ham LLC*, 2025 U.S.P.Q.2d 116 (T.T.A.B. 2025). Section 14(3) of the Lanham Act, 15 U.S.C. § 1064(3), provides, in pertinent part, that a registration is subject to cancellation 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." Although the text of Section 14 is directed to petitions to cancel registrations, the Board held in *PepsiCo, Inc. v. Arriera Foods LLC*, 2022 WL 15328405, at *4, 2022 U.S.P.Q.2d 856 (T.T.A.B. 2022), that Section 14 is applicable in an opposition to an application when the challenged mark is in use.

Plumrose’s Venezuelan company has sold meat products in Venezuela since 1949 under the LA MONTSERRATINA mark, and since 2011 under the mark shown second above.

It alleged that its marks are well known and have a reputation for superior quality in Venezuela and among Venezuelans living in the United States, and that USA Ham was seeking to benefit from that reputation, causing damage to Plumrose. It also charged USA Ham with deliberately copying its trademarks in furtherance of that scheme.

The Board mainly wrestled with the issue of whether Plumrose established its statutory entitlement to oppose the subject application “based on the alleged extension of the reputation of Opposer’s LA MONTSERRATINA brand to consumers in the U.S.”²⁶⁴ The Board focused on the impact of the CAFC’s decision in *Meenaxi Enterprise, Inc. v. Coca-Cola Co.*,²⁶⁵ a Section 14(3) case involving the same question as here: “whether the foreign plaintiff can show reputational injury in the U.S.”²⁶⁶

In *Meenaxi*, Coca-Cola argued that the reputation of its THUMS UP and LIMCA marks—which it had never used in this country nor sought to register—extended to a significant portion of Indian-American consumers, but its evidence fell way short. The CAFC noted that Meenaxi had copied Coca-Cola’s marks and associated slogans, but that was not enough to establish a “U.S. reputation.”²⁶⁷ The *Meenaxi* court “left for another day what ‘types of U.S. commercial injury to reputation among U.S. consumers,’ other than lost sales, ‘would be sufficient to establish a Lanham Act cause of action.’”²⁶⁸

The Board found the present case to be “materially different from *Meenaxi* (and *Person’s*) in several ways that are legally significant.”²⁶⁹ Plumrose provided evidence of “multiple U.S. consumers communicating with it through social media and text messages asking whether Opposer’s products are available in the U.S.,” as well as evidence that “at least some U.S. consumers have been confused or mistaken as to whether LA MONTSERRATINA products they have seen in Florida, where Applicant sells the product, are Opposer’s products.”²⁷⁰

²⁶⁴ *Id.* at *3.

²⁶⁵ 38 F.4th 1067 (Fed. Cir. 2022).

²⁶⁶ *Plumrose Holding*, at *3.

²⁶⁷ *Id.* at *4, quoting *Meenaxi*, 38 F.4th at 1079, which cited *Person’s Co. v. Christman*, 900 F.2d 1565, 1569-70 (Fed. Cir. 1990) (holding that, although Defendant Christman knew Person’s mark was in use in Japan and he copied it, “mere knowledge of prior use” did not amount to culpable, bad-faith behavior.).

²⁶⁸ *Id.*, quoting *Meenaxi*, 38 F.4th at 1077.

²⁶⁹ *Id.*

²⁷⁰ *Id.*

There are over twenty (20) people who asked Opposer about obtaining its products here. They would not have asked if they weren't aware of Opposer's reputation. Five more people were confused about the source of products bearing the mark LA MONTSERRATINA.²⁷¹

In light of USA Ham's "relatively unimpressive sales" under the LA MONTSERRATINA mark, the Board gave greater significance than usual to the mere five documented instances of actual confusion.²⁷² "Thus, the multiple consumer inquiries about the availability of Opposer's products in the U.S., and especially the instances of actual confusion, set this case apart from *Meenaxi* and show quite clearly that Opposer's reputation for products under its mark extends to the U.S."²⁷³

In the case at hand, the Board found that "the pieces of the puzzle reveal that Opposer's brand reputation extends into the U.S., and that Applicant's copying capitalizes on that reputation."²⁷⁴

In sum, it beggars belief to view the copying here as having nothing to do with Opposer's reputation within the U.S. We find instead that, in the totality of the circumstances here, Applicant's copying clearly reflects a calculated, multi-faceted attempt to capitalize on Opposer's reputation for its LA MONTSERRATINA-branded meat products with at least some U.S. consumers.²⁷⁵

The Board firmly rejected USA Ham's argument that there can be no reputational injury unless there is evidence that consumers had "negative experiences" with its products and associate those negative experiences with Plumrose.²⁷⁶ "This reflects too stingy a view of the kinds of commercial injuries against which Section 14(3) is designed to protect. As Opposer points out in reply, one of the key assets the Act protects is the mark owner's ability to control its reputation, which is uniquely symbolized by the mark."²⁷⁷

[T]he harm generated by loss of control over one's reputation falls within the purview of the Lanham Act. Section 45, 15 U.S.C. § 1127, provides that the "intent of this chapter is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce" and "to protect persons engaged in such commerce against unfair competition." Misrepresentation of

²⁷¹ *Id.*

²⁷² *Id.* at *5.

²⁷³ *Id.*

²⁷⁴ *Id.* at *6.

²⁷⁵ *Id.* at *8.

²⁷⁶ *Id.*

²⁷⁷ *Id.*

source is “deceptive and misleading use” and, as this record shows, the deception caused by misleading use of marks about which Congress is concerned may occur even when the source is not yet using the mark in the U.S. but its commercial reputation extends to the U.S.²⁷⁸

The Board ruled that Plumrose “falls within the zone of interests protected by the opposition statute and has demonstrated proximate causation,” and it was therefore statutorily entitled to oppose registration of USA Ham’s marks under Section 14(3).²⁷⁹ Moreover, the suspension of Plumrose’s pending applications in view of USA Ham’s prior-pending application provides an independent basis for Plumrose’s entitlement to bring the current opposition.²⁸⁰

Turning to the merits of the Section 14(3) claim, that Section provides, in pertinent part: “A petition to cancel a registration of a mark . . . may . . . be filed . . . by any person who believes that he is or will be damaged . . . [a]t any time . . . if the registered mark is being used by . . . the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used.”

There are three elements to a claim under Section 14(3): “(1) present use of the challenged mark by the defendant; (2) specific acts or conduct by the defendant that are deliberately aimed at passing-off its goods as those of the plaintiff; and (3) the nature of the injury to plaintiff as a result of defendant’s deliberate conduct (i.e. damage to reputation or lost sales).”²⁸¹ There was no dispute regarding the first element. The second element was established by USA Ham’s “copying and conduct.”²⁸² The potential damage to Plumrose’s reputation “not only demonstrates entitlement to file an opposition proceeding against the party allegedly responsible for that damage, it also establishes element (3) of a Section 14(3) claim. Independently, the blocking of Opposer’s pending applications also establishes an injury to Opposer due to Applicant’s deliberate conduct.”²⁸³

And so, the Board sustained the opposition.

²⁷⁸ *Id.* at *10.

²⁷⁹ *Id.*

²⁸⁰ *Id.* at *10-11. *See, e.g.* Life Zone Inc. v. Middleman Grp. Inc., No. 91160999, 2008 WL 2781162, at *6 (T.T.A.B. 2008) (suspension of opposer’s pending trademark application based on applicant’s application sufficient to establish standing.)

²⁸¹ *Id.* at *11, citing *PepsiCo*, 2022 WL 15328405, at *7.

²⁸² *Id.*

²⁸³ *Id.*

4. Lack of *Bona Fide* Intent

*Tequila Cuadra S. de RL de CV v.
Manufacturera de Botas Cuadra, S.A. de C.V.*

In a dubiously precedential ruling, the Board sustained this opposition to registration of the mark CUADRA for “alcoholic beverages, except beer; distilled spirits produced in Mexico in accordance with specific standards,” finding that Applicant Manufacturera de Botas Cuadra (“Botas”) “fail[ed] to show a bona fide intention to use the mark in a real and legitimate commercial sense on the identified goods in United States commerce at the time it filed [its] application.”²⁸⁴

Opposer Tequila Cuadra had the initial burden to establish a prima facie case that applicant lacked a bona fide intent to use the mark on the identified goods on the filing date of its application.²⁸⁵ “The absence of any documentary evidence on the part of an applicant regarding such intent constitutes objective proof sufficient to prove that the applicant lacks a bona fide intention to its use its mark in commerce.”²⁸⁶ “If an opposer establishes a prima facie case, the burden shifts to the applicant to rebut that prima facie case by producing evidence which would establish that it had the requisite bona fide intent”²⁸⁷

Tequila Cuadra relied on Botas’s discovery responses, wherein Botas acknowledged that it had no communications with the necessary regulatory authority in the United States concerning the production and sale of any CUADRA-branded alcoholic beverage, and it provided no invoices, no contracts, no labels, no formulas, no applications for regulatory approval, no purchase orders, no business plans, and no meeting minutes. Botas conceded that the only documents it relied upon were “documents showing Applicant’s ownership and/or control of the land, facilities, equipment and personnel necessary to produce and market the Identified Goods in U.S. commerce under the CUADRA mark.”²⁸⁸ However, those documents related to Botas’s foreign capacity (i.e., its part-ownership of various wineries outside the United States).

²⁸⁴ *Tequila Cuadra S. de RL de CV v. Manufacturera de Botas Cuadra, S.A. de C.V.*, 2025 U.S.P.Q.2d 729, at *8 (T.T.A.B. 2025).

²⁸⁵ *Boston Red Sox Baseball Club Ltd. P’ship v. Sherman*, TTAB LEXIS 67, at *16 (T.T.A.B. 2008).

²⁸⁶ *Id.*, citing *Commodore Elecs. Ltd. v. CBM Kabushiki Kaisha*, 1993 TTAB LEXIS 6, at *13 (T.T.A.B. 1993).

²⁸⁷ *Tequila Cuadra*, at *4, citing *Saul Zaentz Co. v. Bumb*, Opp. No. 91156452, 2010 TTAB LEXIS 236, at *13 (T.T.A.B. 2010).

²⁸⁸ *Id.* at *5.

This prima facie showing by Tequila Cuadra shifted the burden of production onto Botas.²⁸⁹ (Of course, the ultimate burden of persuasion remained on Tequila Cuadra.). Botas submitted documentary evidence—including advertising, social media posts, and Internet web pages showing bottles labeled CUADRA—and testimony regarding its part ownership of several wineries in Mexico. However, that evidence fell short of rebutting Tequila Cuadra’s prima facie case.

The Board noted that Botas’s labels for the CUADRA-branded bottles of alcoholic beverages had Spanish-language text and did not appear to be targeted to U.S. consumers. The social media posts came from the account of Vinedo San Miguel (e.g., Facebook and Instagram), not Botas’s account. Nothing in the social media posts indicated an intention to specifically target U.S. alcoholic beverage consumers. “[E]ven if United States consumers engaged with these ads, that would not prove Applicant’s intent to offer alcoholic beverages under the CUADRA mark in the United States on March 20, 2020 when the application was filed.”²⁹⁰

Botas relied heavily on the principle that “an applicant’s capacity to market and/or manufacture the identified goods is evidence that weighs against a finding that an applicant lacked bona fide intent to use.”²⁹¹ However, there was no evidence of Botas’s capacity to produce alcoholic beverages. Instead, it relied on the capacity of its commonly owned winegrowers based in Mexico. The Board was not impressed.

Even considering the capacity of the commonly-owned winegrowers, such as Vinedo San Miguel, Applicant failed to produce any communications between it and those commonly-owned winegrowers discussing even a plan to produce a CUADRA-branded alcoholic beverage, let alone any documents or testimony demonstrating that concrete steps have been taken towards bringing such a product to the U.S. market (or any other market).²⁹²

Finally, the Board observed that, even if Botas’s testimony and documentary evidence were taken as supporting “a bona fide intent to use the CUADRA mark in connection with alcoholic beverages generally (e.g., in Mexico), the record as a whole does not support a finding of a bona fide intent to use the mark in **United States** commerce.”²⁹³

²⁸⁹ *Id.* at *6.

²⁹⁰ *Id.* at *7.

²⁹¹ *Id.*, quoting *Swatch AG v. M. Z. Berger & Co.*, Opp. No. 91187092, 2013 TTAB LEXIS 515, at *45 (T.T.A.B. 2013), *aff’d*, 787 F.3d 1368 (Fed. Cir. 2015).

²⁹² *Id.* at *7-8.

²⁹³ *Id.* at *8 (emphasis by the Board).

5. Fraud and Nonuse

Look Cycle International v. Kunshan Qiyue Outdoor Sports Goods Co.

Findings of fraud by the TTAB are rarer than a White Sox fan in Boston. A major fraud ruling was tossed out by the CAFC in *Great Concepts, LLC v. Chutter, Inc.*²⁹⁴ because Section 14 of the Lanham Act, which lists the bases for cancellation of a registration, does not include fraud committed in connection with a Section 15 incontestability declaration (as opposed to fraud in obtaining or maintaining a registration). Here, however, the Board relied on a key holding in its *Chutter* decision that survived the CAFC reversal: the requisite intent for fraud may be inferred from a showing of *reckless disregard* for the truth.

The Board found fraud in Respondent Kunshan’s underlying application for the mark BLOOKE for bicycles, parts, and accessories, ruling that Kunshan’s false statements regarding use of its mark were made either with the intention to deceive the USPTO or with reckless disregard for the truth.²⁹⁵

Petitioner Look Cycle, owner of the mark LOOK for bicycles and bicycle parts, alleged likelihood of confusion, fraud, and nonuse. The Board, having found likelihood of confusion with Look Cycle’s LOOK mark, and seemingly determined to nail this Chinese registrant, then tackled the fraud claim, noting that “to the extent the petition for cancellation does not adequately plead fraud, fraud has been tried by implied consent pursuant to Fed. R. Civ. P. 15(b),²⁹⁶ and the petition is deemed amended to conform to the evidence.”²⁹⁷

The Board found that the evidence demonstrated “knowing intentional deception.”²⁹⁸ But “even if the evidence were not sufficient to reveal such intention directly, at a minimum, the facts of this case demonstrate reckless disregard for the truth from which we infer the requisite intent.”²⁹⁹ “[T]he Board has held that intent

²⁹⁴ 90 F.4th 1333, 2023 U.S.P.Q.2d 1215 (Fed. Cir. 2023).

²⁹⁵ *Look Cycle International v. Kunshan Qiyue Outdoor Sports Goods Co.*, 2024 U.S.P.Q.2d 1424 (T.T.A.B. 2024). The petitioner’s likelihood of confusion claim is discussed in Part II.B.1, above.

²⁹⁶ Rule 15(b)(2) of the Federal Rules of Civil Procedure provides:

For Issues Tried by Consent. When an issue not raised by the pleadings is tried by the parties’ express or implied consent, it must be treated in all respects as if raised in the pleadings. A party may move—at any time, even after judgment—to amend the pleadings to conform them to the evidence and to raise an unpleaded issue. But failure to amend does not affect the result of the trial of that issue.

²⁹⁷ *Look Cycle*, at *1, n.4.

²⁹⁸ *Id.* at *13.

²⁹⁹ *Id.*

to deceive can be inferred from recklessness, in particular a reckless disregard for the truth.”³⁰⁰

Kunshan’s specimens of use (for pumps for bicycle tires) included purported invoices from three transactions that occurred prior to the filing date of its underlying application, but the addresses for the three purchases were non-existent. There was no testimony or evidence regarding use of the mark as displayed in the specimens of use, but Kunshan did produce documents during discovery supposedly disclosing an event held prior to April in 2021 in the United States, but they were shown to reference a 2023 event in Shanghai, China.

In addition, Kunshan submitted a declaration signed on its behalf by its attorney—whose actions are imputed to Kunshan³⁰¹—falsely verifying that the specimen showed use of the mark for the goods identified in the application, with averments that:

The specimen(s) shows the mark as used on or in connection with the goods/services in the application and was used on or in connection with the goods/services in the application as of the application filing date.

To the best of the signatory’s knowledge, information, and belief, formed after an inquiry reasonable under the circumstances, the allegations and other factual contentions made above have evidentiary support.”³⁰²

The Board didn’t buy what Kunshan was selling, and it sustained the fraud claim.³⁰³

[B]ased on the record in this case, the statements in this declaration have been shown to be false, constitute material representations, and were signed by Respondent’s attorney on behalf of Respondent. In view of the evidence in this case, we find this constitutes intentional deception, or at a minimum, reckless disregard for the truth from which we infer intent to deceive. In sum, Respondent submitted the application declaration containing false material

³⁰⁰ *Id.* at *12, citing *Chutter, Inc. v. Great Mgmt. Grp., LLC*, Opp. No. 91223018, 2021 WL 4494251, at *6 (T.T.A.B. 2021), *reversed on other grounds sub nom.* *Great Concepts, LLC v. Chutter, Inc.*, 90 F. 4th 1333 (Fed. Cir. 2023).

³⁰¹ *Id.* at *14. See *Link v. Wabash R. Co.*, 370 U.S. 626, 633 (1962); see also *Pioneer Inv. Servs. Co. v. Brunswick Assocs. Ltd. P’ship.*, 507 U.S. 380, 397 (1993); 37 C.F.R. 2.193(e)(1) (stating that an attorney may sign a verified statement in support of an application “on behalf of the owner.”)

³⁰² *Id.*

³⁰³ The Board did not mention that the attorney who filed the underlying use-based application, Jonathan G. Morton, was suspended from practice before the U.S. Patent and Trademark Office for a period of twenty-four months, commencing on April 24, 2022. Morton acknowledged that he did not conduct reasonable inquiries regarding the specimens of use that he submitted on behalf of his clients.

representations of fact with the intent to deceive the USPTO.³⁰⁴

With respect to nonuse, the Board found Kunshan's use-based application underlying the BLOOKE registration to be void *ab initio* because the mark was not in use for any of the identified goods as of the application filing date. As discussed above, Look Cycle undermined Kunshan's specimens of use and all of its purported evidence of use.

Respondent is correct that use may be proven by witness testimony that is clear, consistent and uncontradicted. But here the testimony is not clear, it does not attest to any of the specific goods listed in the registration, just the class, and is inconsistent with and contradicted by the documentation Respondent submitted with its specimens of use. Petitioner demonstrated this by showing the ghost addresses, and the documentation submitted with the testimony, the aliexpress.com orders, showing orders for goods not listed in the registration or shown in the specimens of use. Respondent is also correct that it is Petitioner's burden to prove its claim of no use prior to the application filing date, which Petitioner has done by showing the infirmity of the specimens of use, and Respondent did not rebut Petitioner's showing with evidence to show actual sales of the identified goods prior to April 7, 2021.³⁰⁵

6. Non-ownership

Sarmento v. Pinho de Carvalho

In what some may find to be a head-scratching decision, the Board denied Opposer Alfred Sarmento's motion for partial summary judgment in this opposition to registration of the mark VICE REI for "Wine; Spirits; Liqueurs; Anise liqueur." WIPO had cancelled the International Registration on which the opposed application was based, after the Portuguese Trademark Office ruled that Applicant Maria Manuela Pinho de Carvalho did not own the mark. Sarmento's motion was grounded on non-ownership of that International Registration and on improper transformation of the U.S. request for extension of protection into a national application with a Section 1(b) intent-to-use basis.³⁰⁶

Sarmento (now the owner of the Portuguese registration for the mark) opposed Carvalho's application on four grounds: likelihood of confusion, non-ownership, and lack of bona fide intent, and on the

³⁰⁴ *Look Cycle*, at *14-15.

³⁰⁵ *Id.* at *11.

³⁰⁶ *Sarmento v. Pinho de Carvalho*, 2024 U.S.P.Q.2d 1683 (T.T.A.B. 2024).

ground that the application was void *ab initio* under Section 70(c) of the Lanham Act³⁰⁷ and Article 9quinquies of the Madrid Protocol³⁰⁸ based on an allegedly improper transformation from an extension of protection.

Improper Transformation: Sarmiento contended that “[s]ince Applicant does not own the basic registration and International Registration, Applicant cannot enjoy the benefits and priority date that result from a transformation of those rights.”³⁰⁹ The Board, however, observed that Applicant Pinho de Carvalho properly followed the procedures for transformation of a request for extension of protection under Section 70(c), and it then held that Sarmiento’s contention that the mark was improperly transformed “cannot form the basis of an inter partes challenge to the registrability of the mark.”³¹⁰

The Office’s Madrid Processing Unit (MPU) is charged with processing a request for transformation. Processing a request for transformation is a ministerial act, and there is no substantive examination of the document(s) or the permissibility of the circumstances that prompted the request for transformation. This processing does not include

³⁰⁷ Section 70(c) of the Lanham Act, 15 U.S.C. 1141j(c), states, in pertinent part:

Transformation of an Extension of Protection Into a United States Application.—The holder of an international registration canceled in whole or in part by the International Bureau at the request of the office of origin, under article 6(4) of the Madrid Protocol, may file an application, under section 1051 or 1126 of this title, for the registration of the same mark for any of the goods and services to which the cancellation applies that were covered by an extension of protection to the United States based on that international registration.

³⁰⁸ Article 9quinquies of the Madrid Protocol states that:

Where, in the event that the international registration is cancelled at the request of the Office of origin under Article 6.4), in respect of all or some of the goods and services listed in the said registration, the person who was the holder of the international registration files an application for the registration of the same mark with the Office of any of the Contracting Parties in the territory of which the international registration had effect, that application shall be treated as if it had been filed on the date of the international registration according to Article 3.4) or on the date of recordal of the territorial extension according to Article 3ter2) and, if the international registration enjoyed priority, shall enjoy the same priority, provided that

(i) such application is filed within three months from the date on which the international registration was cancelled,

(ii) the goods and services listed in the application are in fact covered by the list of goods and services contained in the international registration in respect of the Contracting Party concerned, and

(iii) such application complies with all the requirements of the applicable law, including the requirements concerning fees.

³⁰⁹ *Sarmiento*, at *4.

³¹⁰ *Id.* at *6.

a decision on the legal sufficiency or the legal effect of the document(s) offered for the MPU’s consideration.³¹¹

The Board therefore struck this claim from the notice of opposition.

Non-ownership: The challenged application was based on Pinho de Carvalho’s alleged bona fide intent to use the mark in commerce under Section 1(b). However, the Board pointed out that there is no statutory requirement that a Section 1(b) applicant be the owner of the mark at the time of filing, and so the Board struck Sarmiento’s non-ownership claim.³¹²

[R]ather, the filer avers that: “The signatory believes that the applicant is entitled to use the mark in commerce. The applicant has a bona fide intention to use the mark in commerce on or in connection with the goods/services in the application.” Therefore, a claim that Applicant was not the rightful “owner” of the mark as of the effective filing date of the involved intent-to-use application is not available.³¹³

7. Pan-American Convention

Empresa Cubana del Tabaco v. Kretek Int’l, Inc.

In a decision of interest to aficionados of the Pan-American Convention,³¹⁴ the Board granted a Rule 12(b)(6)³¹⁵ motion to dismiss Petitioner Empresa Cubana’s claim for cancellation under Article 8 of the Convention. Empresa’s allegations fell just short of stating a proper claim, but the Board gave Empresa twenty days to re-plead.³¹⁶



³¹¹ *Id.*

³¹² *Id.* at *7. See *Hole In 1 Drinks, Inc. v. Michael Lajtay*, 2020 U.S.P.Q.2d 10020, at *5 (T.T.A.B. 2020) (citing *Norris v. PAVE: Promoting Awareness, Victim Empowerment*, 2019 U.S.P.Q.2d 370880, at *4 (T.T.A.B. 2019)).

³¹³ *Id.*

³¹⁴ General Inter-American Convention for Trade Mark and Commercial Protection, 46 Stat. 2907 (1929). The Convention concerns trademarks, trade names, unfair competition, and false indications of geographical origin or source. The United States is a party to the Convention, along with Colombia, Cuba, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, and Peru. See TMEP Appendix B (May 2025).

³¹⁵ Rule 12(b)(6) of the Federal Rule of Civil Procedure provides that a motion to dismiss may be filed based on an adversary’s failure to state a claim upon which relief can be granted.

³¹⁶ *Empresa Cubana del Tabaco v. Kretek Int’l Inc.*, 2024 U.S.P.Q.2d 1972 (T.T.A.B. 2024).

Empresa sought cancellation of the registrations for the two marks shown above, for “cigars,” claiming likelihood of confusion Under Section 2(d) with several of its marks, and also violation of Article 8. The Article 8 claim was founded on Empresa’s pending application for the mark shown below.



Article 8 of the Pan-American Convention provides, in pertinent part:

When the owner of a mark seeks the registration . . . of the mark in a Contracting State other than that of origin of the mark **and such registration . . . is refused** because of the previous registration . . . of an interfering mark, he shall have the right to apply for and obtain the cancellation or annulment of the interfering mark upon proving, in accordance with the legal procedure of the country in which cancellation is sought, the stipulations in Paragraph (a) and those of either Paragraph (b) or (c) below:

(a) That he enjoyed legal protection for his mark in another of the Contracting States prior to the date of the application for the registration . . . which he seeks to cancel; and

(b) That the claimant of the interfering mark, the cancellation of which is sought, had knowledge of the use, employment, registration or deposit in any of the Contracting States of the mark for the specific goods to which said interfering mark is applied, prior to adoption and use thereof or prior to the filing of the application or deposit of the mark which is sought to be cancelled; . . . 46 Stat. 2907.³¹⁷

Respondent Kretek argued that (1) Empresa’s Article 8 claim was “premature” because the USPTO had not cited Kretek’s registrations as grounds for refusal of Empresa’s pending application, but had only suspended the application pending resolution of this cancellation proceeding; and (2) Empresa had not alleged a sufficient factual basis as to Kretek’s knowledge of Empresa’s mark prior to Kretek’s adoption and use of its marks or prior to its filing of the underlying applications for the challenged registrations.³¹⁸

³¹⁷ *Id.* at *2 (emphasis by the Board).

³¹⁸ *Id.*

Premature? As to whether Empresa's claim was premature, the question was whether Empresa's application had been "refused" because of Kretek's registrations.³¹⁹ In *Lacteos De Honduras S.A. v. Industrias Sula, S. De R.L. De C.V.*,³²⁰ the Board found that a "potential for refusal" based on an opposition proceeding sufficed to satisfy Article 8.³²¹

Building on *Lacteos*, where "the potential for refusal" is sufficient to bring a counterclaim for cancellation, we now hold that where a Trademark Examining Attorney suspends prosecution of a plaintiff's application for registration pending the disposition of a legal proceeding involving plaintiff's likelihood of confusion claim against a defendant's registration that has been identified as presenting a bar to registration of the plaintiff's mark, the requirement in the Article 8 Preamble for "the potential for refusal" is satisfied.³²²

Knowledge? Having decided that Empresa's claim was timely, the Board then turned to the specific allegations of the claim:

Petitioner must allege that: (1) it seeks registration in the U.S. of a mark which originated in another Contracting State; (2) during *ex parte* examination by the USPTO, registration to Petitioner has either been refused or the Examining Attorney has identified a potential for refusal because of Respondent's Registrations; (3) Petitioner enjoyed legal protection for its mark in another Contracting State prior to the date of Respondent's applications for Respondent's Registrations; and (4) Respondent had knowledge of the use or registration in any of the Contracting States of Petitioner's mark for the identical goods to which Respondent's marks are applied, prior to adoption and use of Respondent's marks or prior to the filing of Respondent's applications for Respondent's Registrations.³²³

After reviewing Empresa's allegations in detail, the Board found that Empresa had stated a factual basis for its claim. In particular, as to whether Kretek "had knowledge of the use, employment, registration or deposit in any of the Contracting States," the Board found sufficient the allegations that Kretek's marks are "a blatant and obvious copying" of Empresa's mark meant to "to capitalize upon and to exploit the fame and instant recognizability among U.S.

³¹⁹ *Id.* at *3.

³²⁰ Opp. No. 91243095, 2020 TTAB LEXIS 13, at *7-8 (T.T.A.B. 2020).

³²¹ *Empresa Cubana*, at *3.

³²² *Id.* at *4.

³²³ *Id.* See *Lacteos*, 2020 TTAB LEXIS 13, at *12-13.

cigar consumers of the famous designs used with the renowned COHIBA cigars.”³²⁴

Leave to re-plead: Nevertheless, the Board granted the motion to dismiss because Empresa did not include the required allegation that registration “has either been refused or the Examining Attorney has identified a potential for refusal” because of Kretek’s registrations.³²⁵ The dismissal was without prejudice, however, and the Board allowed Empresa twenty days within which to file and serve a “supplemented petition for cancellation” that includes that allegation.³²⁶

8. Registrable Service

Blizzard Entertainment, Inc. v. Ava Labs, Inc.

Concluding that online retail store or mail order activities featuring only a party’s own goods are “services” as contemplated in the Lanham Act, the Board denied Applicant Ava Labs’ counterclaim to cancel two pleaded registrations owned by Opposer Blizzard Entertainment. Ava asserted that the registered marks BLIZZARD and BLIZZARD ENTERTAINMENT had never been used or had been abandoned because the offering of one’s own goods does not constitute a service done primarily for the benefit of others and therefore does not qualify as use of the marks.³²⁷

Blizzard moved to dismiss the counterclaims under Rule 12(b)(6) of the Federal Rules of Civil Procedure (“FRCP”), but since the motion was filed after Ava had answered the notice of opposition (and was therefore untimely),³²⁸ the Board construed the motion as one for partial judgment on the pleadings under FRCP 12(c).³²⁹ However, the standard for the two motions is the same: a complaint “must state sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’”³³⁰

Ava Labs argued that Blizzard’s identified services—“electronic commerce services, namely, providing online retail store and mail order services, all featuring clothing, books, mouse pads, toys, games”—are not performed “to the order of, or for the benefit of” someone other than Blizzard itself and are not “qualitatively different from anything necessarily done” in connection with the

³²⁴ *Id.* at *5.

³²⁵ *Id.* at *6.

³²⁶ *Id.*

³²⁷ *Blizzard Entertainment, Inc. v. Ava Labs, Inc.*, 2024 U.S.P.Q.2d 1299 (T.T.A.B. 2024).

³²⁸ FRCP 12(b) states: “A motion asserting any of these defenses must be made before pleading if a responsive pleading is allowed.”

³²⁹ FRCP 12(c) states: “After the pleadings are closed—but early enough not to delay trial—a party may move for judgment on the pleadings.”

³³⁰ *Blizzard Entertainment*, at *2, quoting *Ashcroft v. Iqbal*, 566 U.S. 662, 678 (2009).

sale of Blizzard's goods.³³¹ Therefore, according to Ava Labs, Blizzard had never used the marks in commerce on or in connection with the recited services and had abandoned the marks.

The question, then, was "whether, as a matter of law, online retail store or mail order activities featuring only a party's own goods are 'services' as contemplated in the [Lanham] Act."³³²

Section 45 of the Act³³³ defines "service mark" but does not define "services."³³⁴ However, certain criteria have evolved from the case law: "(1) a service must be a real activity; (2) a service must be performed to the order of, or for the benefit of, someone other than the applicant; and (3) the activity performed must be qualitatively different from anything necessarily done in connection with the sale of the applicant's goods or the performance of another service."³³⁵

The parties focused on the second and third criteria. As to the second, "the controlling question is who primarily benefits from the activity."³³⁶ If the activity primarily benefits Blizzard, it is not a registrable service even if others derive some benefit.³³⁷ "If the activity is done primarily for the benefit of others, the fact that Blizzard also derives a benefit is not fatal."³³⁸

As to the third criterion, "[t]he fact that an activity is ancillary to a principal service or to the sale of goods does not in itself mean that it is not a separately registrable service."³³⁹

The Board observed that "it has long been recognized that gathering various products together, making a place available for purchasers to select goods, and providing any other necessary means for consummating purchases constitute the performance of a

³³¹ *Id.*

³³² *Id.* at *3.

³³³ 15 U.S.C. § 1127.

³³⁴ *Blizzard Ent.*, at *3, quoting *In re Can. Pac., Ltd.*, 754 F.2d 992, 994 (Fed. Cir. 1985).

³³⁵ *Id.* at *3, citing *In re Husqvarna AB*, Ser. No. 78899587, 2009 TTAB LEXIS 492, at *4-5 n.3 (T.T.A.B. 2009); *Carefirst of Md., Inc. v. FirstHealth of the Carolinas, Inc.*, Opp. No. 91116355, 2005 TTAB LEXIS 600, at *33 (T.T.A.B. 2005).

³³⁶ *Id.*

³³⁷ *Id.* at *4. *In re Dr. Pepper Co.*, 836 F.2d 508, 510 (Fed. Cir. 1987) (contest promoting applicant's goods was not a service, even though benefits accrued to contest winners); *City Nat'l Bank v. OPGI Mgmt. GP Inc./Gestion OPGI Inc.*, Can. No. 92050730, 2013 TTAB LEXIS 189, at *26-32 (T.T.A.B. 2013) (intranet website was used solely for internal purposes).

³³⁸ *Id.* at *3. See *In re Venture Lending Assocs.*, Ser. No. 73402929, 1985 TTAB LEXIS 89, at *4-6 (T.T.A.B. 1985) (funds investment and providing capital for management is an activity that primarily benefits others even if applicant also derives some benefit from the performance thereof).

³³⁹ *Id.* at *4. *Carefirst of Md.*, 2005 TTAB LEXIS 600, at *33 (citing *In re Universal Press Syndicate*, Ser. No. 73447294, 1986 TTAB LEXIS 128 (T.T.A.B. 1986) (licensing cartoon character found to be a separate service that was not necessary to larger business of providing a magazine and newspaper cartoon strip)).

service.”³⁴⁰ The International Classification of Goods and Services for the Purposes of the Registration of Marks, 12th Edition (2024) (“Nice Classification”), in an explanatory note, states that services classified in International Class 35 include:

the bringing together, for the benefit of others, of a variety of goods, excluding the transport thereof, enabling customers to conveniently view and purchase those goods; such services may be provided by retail stores, wholesale outlets, through vending machines, mail order catalogues or by means of electronic media, for example, through websites or television shopping programmes.³⁴¹

“[O]nline retail store and mail order activities featuring one’s own goods primarily benefit consumers in that the activity provides a central location to find, examine, and purchase various goods; and this is true even though the retailer derives the benefit of selling its own goods.”³⁴² The Board noted that “[n]either the Trademark Act nor authorities interpreting the Act distinguish between retail stores that sell products under the same brand name as the store and those that sell goods produced by and bearing the brands of others.”³⁴³

Furthermore, the Board has implicitly recognized that retail store activities featuring one’s own goods are services, acknowledging that “if a retail store also uses the name of the store on the goods themselves, the same mark can serve both a trademark and service mark function.”³⁴⁴

The Board concluded that Blizzard’s activities under its marks constitute use that satisfies the requirement of the Lanham Act. Accordingly, Ava’s motion for judgment on its counterclaims failed as a matter of law.

³⁴⁰ *Id.* See *In re Supply Guys, Inc.*, Ser. No. 77027094, 2008 TTAB LEXIS 12, at *24-25 (T.T.A.B. 2008) (“Starting in about 1958, the Patent and Trademark Office began granting service mark registrations to retailers of merchandise for services such as ‘retail grocery store services,’ ‘retail department store services,’ and the like.”) (quoting J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 16:47 (2007)).

³⁴¹ *Id.* (emphasis by the Board).

³⁴² *Id.*

³⁴³ *Id.* at *4-5. See *Supply Guys*, 2008 TTAB LEXIS 12, at *26 (“Retail stores can sell products under their own brand name that is the same as the store’s name or they can sell goods produced by others.”)

³⁴⁴ *Id.* at *5, quoting *Supply Guys*, 2008 TTAB LEXIS 12, at *24-25 (citing *Giant Food Inc. v. Rosso and Mastracco, Inc.*, Opp. No. 91060949, 1982 TTAB LEXIS 10, at *7-8 (T.T.A.B. 1982)).

9. Procedural Issues

a. Claim Preclusion

Faram Holding and Furniture, Inc. v. Faram 1957 S.p.A.

In this cancellation proceeding involving four registrations for the mark FARAM, in various forms, for furniture and furniture parts, Petitioner Faram Holding (“Holding”) claimed abandonment and nonuse, but Respondent Faram 957 asserted claim preclusion based on two prior proceedings. Those two proceedings were terminated in accordance with the parties’ stipulation that they be dismissed “WITH PREJUDICE, with CONSENT of both parties, and without the entry of judgment against either party.” The Board here ruled that these dismissals sufficed to support a claim preclusion defense, and so it partially granted respondent’s motion for summary judgment.³⁴⁵



For claim preclusion to apply, the following requirements must be satisfied: (1) the parties (or their privies) must be identical; (2) there must be an earlier final judgment on the merits of a claim; and (3) the second claim must be based on the same set of transactional facts as the first.³⁴⁶

There was no dispute as to the first element. As to the second, although the parties stipulated that the withdrawals should be “without entry of judgment,” the fact that they were then dismissed “with prejudice” by Board order, “operates as a final judgment for purposes of claim preclusion.”³⁴⁷ Thus, the second element was satisfied.

As to the third element, things were complicated. One of the registrations had not issued at the time of termination of the prior opposition proceeding on June 21, 2019, and so an abandonment

³⁴⁵ *Faram Holding and Furniture, Inc. v. Faram 1957 S.p.A.*, 205 U.S.P.Q.2d 294 (T.T.A.B. 2025).

³⁴⁶ *Id.* at *2, citing *Jet, Inc. v. Sewage Aeration Sys.*, 223 F.3d 1360, 1362 (Fed. Cir. 2000).

³⁴⁷ *Id.* at *3. *See* *Hallco Mfg. Co. v. Foster*, 256 F.3d 1290, 1297 (Fed. Cir. 2001) (a dismissal with prejudice precluded another suit based on the same claim); *Lawlor v. Nat’l Screen Serv. Corp.*, 349 U.S. 322, 327 (1955) (“It is of course true that the [earlier] judgment dismissing the previous suit ‘with prejudice’ [pursuant to a settlement] bars a later suit on the same cause of action.”)

claim could not have been brought against that registration in that proceeding. Similarly, as to nonuse under Section 14(6), such a claim would be available only after three years of registration.³⁴⁸ And so that claim was likewise not precluded.

As to the other three registrations, with respect to abandonment, claim preclusion would not bar claims based on activities occurring *after* the termination of the prior cancellation proceedings on June 21, 2019.

As to the “never-been-used” claims against these three registrations, such a claim under Section 1064(6) was not available until December 18, 2021—after termination of the prior cancellations—when the Trademark Modernization Act of 2020 took effect. However, in each of the prior proceedings, Petitioner Holding “explicitly pleaded” that “Registrant has never used the Trademark in commerce.”³⁴⁹ Noting the “[c]laim preclusion is designed to prevent Petitioner from using another statutory ground such as Section [14(6)] to obtain a second bite at the apple to seek cancellation based on nonuse,” the Board ruled that these claims were based on the same transactional facts as the prior abandonment claims, and the third element of claim preclusion was met.³⁵⁰

In sum, as to the latter three registrations, claim preclusion barred Holdings’ abandonment claims based on activities prior to June 21, 2019, and with respect to the “never-been-used claim.” The Board entered summary judgment dismissing those claims. However, claim preclusion did not apply to the abandonment and Section 1064(6) claims against the first registration, nor the abandonment claims based on events occurring after June 21, 2019, against the latter three registrations.

b. Bifurcation

NHDNC LLC v. Velcro BVBA

In a less than fasten-ating ruling arising out of its Final Pretrial Conference Pilot program,³⁵¹ the Board granted Respondent Velcro’s

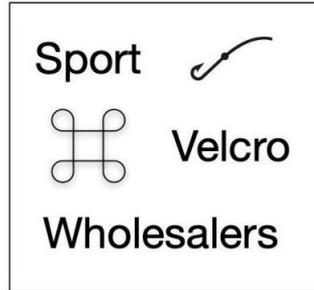
³⁴⁸ *Id.* at *4. Section 14(6) of the Lanham Act, 15 U.S.C. § 1064(6), states that “A petition to cancel a registration of a mark . . . may . . . be filed . . . [a]t any time after the 3-year period following the date of registration, if the registered mark has never been used in commerce on or in connection with some or all of the goods or services recited in the registration.”

³⁴⁹ *Id.* at *6.

³⁵⁰ *Id.*

³⁵¹ Under this pilot program, the Board will hold a Final Pretrial Conferences in certain inter partes cases “to better manage and streamline opposition and cancellation proceedings that proceed to trial. The goal of the pilot is to save time and resources of parties and the TTAB, and to foster the effective and efficient presentation of evidence” Further details may be found here: <https://www.uspto.gov/trademarks/trademark-trial-and-appeal-board/final-pretrial-conference-pilot>.

motion for an order bifurcating this long-running cancellation proceeding into two phases: the first dealing solely with the issue of Petitioner NHDNC's entitlement to a statutory cause of action; and the second, assuming NHDNC survived the first phase, with the issue of genericness of Velcro's registered mark VELCRO for hook-and-loop fasteners.³⁵²



In a second amended petition for cancellation, NHDNC relied on a newly filed intent-to-use application to register the mark shown above, for hook-and-loop fasteners. Velcro moved to dismiss, but the Board found that the pleading sufficiently alleged entitlement because “[a] party’s reasonable belief that registration of its application will be refused because of defendant’s registration provides a proper basis for entitlement to a cause of action.”³⁵³ However, the Board noted that “Respondent . . . may attack the legitimacy of Petitioner’s assertion in the newly pleaded application that it has a bona fide intent to use the pleaded mark in commerce.”³⁵⁴

The Board observed that courts and the Board have broad discretion to bifurcate proceedings “[f]or convenience, to avoid prejudice, or to expedite and economize” cases.³⁵⁵

A case-by-case approach to bifurcation is applied considering several factors, including, (1) separability of issues, (2) simplification of discovery and conservation of resources, and (3) prejudice to the parties. *Yung v. Raymark Indus., Inc.*, 789 F.2d 397, 400 (6th Cir. 1986). Bifurcation may be particularly appropriate when resolution of a single claim or issue could resolve the entire case, by “first dealing with an

³⁵² NHDNC LLC v. Velcro BVBA, 2024 U.S.P.Q.2d 1600 (T.T.A.B. 2024).

³⁵³ *Id.* at *1, citing *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 1029 (C.C.P.A. 1982); *ShutEmDown Sports, Inc. v. Lacy*, Can. No. 92049692, 2012 TTAB LEXIS 44, at *20 (T.T.A.B. 2012).

³⁵⁴ *Id.*

³⁵⁵ *Id.* at *2-3, quoting FRCP 42(b): “Separate Trials. For convenience, to avoid prejudice, or to expedite and economize, the court may order a separate trial of one or more separate issues, claims, crossclaims, counterclaims, or third-party claims.”

easier dispositive issue. *Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 961 (9th Cir. 2001) (citation omitted); *see generally* 9A W RIGHT & MILLER, FED. PRAC. & PROC. CIV. § 2388 (3d ed. 2024).³⁵⁶

In short, the party seeking bifurcation must establish that bifurcation “will promote judicial economy or avoid inconvenience, and that no party would be prejudiced by the separate trials.”³⁵⁷ “The Board noted that it had, in other cases, severed the issue of entitlement to a statutory cause of action from the substantive grounds asserted and decided the issue of entitlement as ‘a single threshold question.’”³⁵⁸ It concluded that bifurcation is appropriate here:

Now that discovery has been completed in this case, . . . severance of the issues will simplify the presentation of evidence and conserve the Board’s judicial resources by first considering entitlement, as its resolution may be dispositive of this proceeding. The issue of genericness is a fact-specific inquiry that often involves the development and review of voluminous evidence, including any expert reports. Bifurcation potentially saves the parties time and resources as a decision on the statutory entitlement issue should simplify the final pretrial conference order. The evidence of Petitioner’s entitlement to a statutory cause of action is within its control and does not present an undue burden or prejudice to Petitioner, as it is Petitioner’s burden to demonstrate its entitlement in any event.³⁵⁹

c. Failure to Respond to Admission Requests

Learning Journey International, LLC v. Yongfu

Here’s a tip: never fail to respond to admission requests. Respondent Hua Yongfu did just that, and it led to summary judgment and a Board order to cancel his registration for the mark LEARN-JOURNEY for various products in Class 16. Petitioner Learning Journey pleaded several grounds for cancellation, including abandonment. When Yongfu failed to respond to its

³⁵⁶ *Id.* at *3.

³⁵⁷ *Id.*, citing *Princeton Biochemicals, Inc. v. Beckman Instruments, Inc.*, 180 F.R.D. 254, 256 (D.N.J. 1997).

³⁵⁸ *Id.*, quoting *Curtin v. United Trademark Holdings, Inc.*, Opp. No. 91241083, 2023 TTAB LEXIS 151, at *1 (T.T.A.B. 2023) (Board sua sponte ordered bifurcation of inter partes proceeding); *see also* *AT&T Mobility LLC v. Thomann*, Opp. No. 91218108, 2020 TTAB LEXIS 5, at *8 (T.T.A.B. 2020) (Board approved the parties’ stipulation to bifurcate proceeding and consider issue of entitlement to statutory cause of action in a first phase).

³⁵⁹ *Id.*

admission requests, Learning Journey moved for summary judgment and the Board granted the motion.³⁶⁰

Rule 36(a)(3) of the Federal Rules of Civil Procedure provides that “[a] matter is admitted unless, within 30 days after being served, the party to whom the request is directed serves on the requesting party a written answer or objection addressed to the matter and signed by the party or its attorney.” Yongfu did not respond to Learning Journey’s requests for admission, and so the requests were deemed admitted by operation of law.³⁶¹ As a result of the failure to respond, the subject matter of the requests was “conclusively established unless the [Board], on motion, permits the admission[s] to be withdrawn or amended” under FRCP 36(b), or reopens the time to respond to the admission requests “so that the admissions would not be deemed admitted as put.”³⁶²

Yongfu’s only argument in opposition to the motion was that “Petitioner cannot rely on Rule 36(a)(3) as their requests for admission asked Respondent to admit what it had already denied in a responsive pleading.”³⁶³ The Board was unmoved, citing *Perez v. Miami-Dade City*,³⁶⁴ in which the court ruled that “[t]he mere fact that a party has previously denied the matter about which an admission is sought does not obviate the need to respond to a Rule 36 request for admissions.”³⁶⁵

Yongfu had “two separate avenues for relief: . . . either (1) move to reopen [his] time to respond to the admission requests because its failure to timely respond was the result of excusable neglect under Fed. R. Civ. P. 6(b)[(1)(B)], or (2) move to withdraw and amend [his] admissions pursuant to Fed. R. Civ. P. 36(b).”³⁶⁶ He did neither.

While the Board generally takes a liberal approach in construing responses to motions based on deemed admissions as motions to withdraw or amend the admissions or, to a lesser degree, to reopen time, Respondent has made no showing that we can construe as going to the two-part test prescribed under Rule 36(b) or to a showing of excusable neglect as required under Rule 36(b)(1)(B).³⁶⁷

The Board noted that when a matter has been conclusively established under Rule 36, it is taken as a judicial, rather than an

³⁶⁰ Learning Journey Int’l, LLC. v. Yongfu, 2024 U.S.P.Q.2d 1609 (T.T.A.B. 2024).

³⁶¹ *Id.* at *2. See *Giersch v. Scripps Networks, Inc.*, 85 U.S.P.Q.2d 1306, 1307 (T.T.A.B. 2007).

³⁶² *Id.*

³⁶³ *Id.*

³⁶⁴ 297 F.3d 1255, 1269 (11th Cir. 2002), quoting *U.S. v. Young*, 1990 WL 135734, at *2 (S.D.N.Y. 1990).

³⁶⁵ *Learning Journey*, at *3.

³⁶⁶ *Id.*, quoting *Giersch*, 85 U.S.P.Q.2d at 1307.

³⁶⁷ *Id.*

evidential, admission that “cannot be rebutted by contrary testimony or ignored by the [Board] simply because it finds the evidence presented by the party against whom the admission operates more credible,” and this “applies equally to those admissions made affirmatively and those established by default, even if the matters admitted relate to material facts that defeat a party’s claim.”³⁶⁸

Yongfu admitted (by default) that he had not sold any of the goods listed in the registration and did not have an intention to do so. Even though he submitted some evidence in opposition to the summary judgment motion that might suggest some use of the mark, “such evidence cannot raise a genuine dispute as to the material facts that have been conclusively established through Respondent’s deemed admissions.”³⁶⁹

d. Counting Interrogatories

1661, Inc. v. TF Intellectual Property Pty. Ltd.

The Board denied Opposer 1661, Inc.’s motion to compel discovery responses premised on the unsupported and dubious notion that, once a party responds to a first set of interrogatories or document requests, it cannot object to a second set on the ground that the total number of interrogatories or documents requests exceeds the maximum limit of 75.³⁷⁰

Trademark Rules 2.120 (d) and (e) limit the number of interrogatories and requests for production (“RFPs”) that a party may serve to 75 (counting subparts).³⁷¹ If a party wants to object under these Rules, it must serve a “general objection on the ground of their excessive number,” rather than responding.³⁷²

Applicant TFIP responded to 1661’s first set of interrogatories and RFPs and did not raise an objection to their number. Opposer 1661 then served second sets of interrogatories and RFPs, to which TFIP objected on the ground that the total number now exceeded 75 for each. 1661 moved to compel responses, claiming that because TFIP did not object to the first sets, it could not object to the second sets on the ground of excessiveness.

In attempting to resolve this dispute, TFIP informed 1661 that it counted the first sets of RFPs and interrogatories as totaling 69

³⁶⁸ *Id.* at *4, quoting *Am. Auto. Ass’n (Inc.) v. AAA Legal Clinic of Jefferson Crooke, P.C.*, 930 F.2d 1117, 19 U.S.P.Q.2d 1142, 1144 (5th Cir. 1991); *see also* *Made in Nature, LLC v. Pharmavite LLC*, 2022 U.S.P.Q.2d 557, at *10 (T.T.A.B. 2022) (in contrast to an evidentiary admission, “a judicial admission . . . is incapable of refutation”).

³⁶⁹ *Id.* at *5.

³⁷⁰ *1661, Inc. v. TF Intellectual Property Pty. Ltd.*, 2024 U.S.P.Q.2d 1719 (T.T.A.B. 2024).

³⁷¹ Rule 2.120(d) and (e) of the Trademark Rules of Practice, 37 C.F.R. § 2.120(d) and (e).

³⁷² *1661, Inc.*, at *2.

and 68, respectively, and the second sets brought the totals to 79 and 85, and TFIP provided its counting methodology.

The Board pointed out that TFIP, when responding to the first sets, had “no duty to inform 1661 how it counted, i.e., that it counted some to be compound or have subparts.”³⁷³ Upon concluding that the second sets pushed the numbers over the limit, TFIP “properly served general objections.”³⁷⁴

Under the Rules, a party has no obligation to inform its adversary of its analysis of the total or its method of counting unless (and until) it believes the total number exceeds the permissible limit. In sum, TFIP did not fail to timely object, and thus did not forfeit its right to serve general objections upon determining the requests exceeded 75 using its counting method.³⁷⁵

1661 feebly claimed that TFIP was playing “a game of ‘gotcha,’” was “hiding its counting” and “sprang its counting method” on 1661 only after receiving the second set.³⁷⁶ Finding this characterization of TFIP’s motive as unsubstantiated, the Board observed that:

[A]s a practical matter, when served with the first set of requests, TFIP had no basis to believe it needed to or should inform 1661 that it counted therein fewer than 75 requests. As TFIP aptly states, it ‘cannot be expected to know 1661’s plans for discovery and whether 1661 even wanted to serve another set of discovery requests.’³⁷⁷

e. Leave to Amend Answer

Republic Technologies (NA), LLC v. Joker Smoker Shop, Inc.

In this opposition to registration of the mark JOKER SMOKER, in the form shown below, for smoker’s articles and related retail services, Applicant Joker Smoker moved for leave to amend its answer to add an affirmative defense of abandonment with regard to Opposer Republic’s pleaded JOKER registrations. The Board deemed the proposed addition improper, since an abandonment claim is an attack against the validity of the registrations that can be raised only by way of a counterclaim or separate petition for cancellation, not by an affirmative defense.³⁷⁸ However, the Board

³⁷³ *Id.* at *3.

³⁷⁴ *Id.*

³⁷⁵ *Id.*

³⁷⁶ *Id.*

³⁷⁷ *Id.*

³⁷⁸ Trademark Rule of Practice 2.106(b)(3)(ii), 37 C.F.R. § 2.106(b)(3)(ii) (“An attack on the validity of a registration pleaded by an opposer will not be heard unless a counterclaim or separate petition is filed to seek the cancellation of such registration.”); *see, e.g.,*

gave Joker Smoker fifteen days to add counterclaims for cancellation of the registrations.³⁷⁹



In its proposed affirmative defense, Joker Smoker alleged that “Opposer has discontinued use of its marks . . . for a period of more than three (3) years, with intent not to resume use, and has thereby abandoned use of such marks pursuant to Section 45 of the Lanham Act.”³⁸⁰ The Board found those allegations to be legally sufficient to support counterclaims for abandonment.³⁸¹

Further, the Board observed, Joker Smoker did not unduly delay in seeking to amend its answer (within two months after receiving amended discovery responses from Republic).³⁸² Republic did not argue that it would be prejudiced by allowing the amendment (six weeks remained in the discovery period).³⁸³ Nor was there any evidence that Joker Smoker acted in bad faith or had a dilatory motive in seeking leave to amend, and it had not previously amended its pleading.

If Applicant files an amended answer with counterclaims, the Board will construe Applicant’s motion for leave to amend as asking to add properly pleaded counterclaims for abandonment. Accordingly, a decision on the motion for leave to amend is deferred and proceedings remain suspended.³⁸⁴

Cosmetically Yours, Inc. v. Clairol Inc., 424 F.2d 1385, 1387 (C.C.P.A 1970) (“[I]n the absence of a counterclaim for cancellation . . . it is not open to an applicant to prove abandonment of the opposer’s registered mark . . .”).

³⁷⁹ *Republic Technologies (NA), LLC v. Joker Smoker Shop, Inc.* 2025 U.S.P.Q.2d 830 (T.T.A.B. 2025).

³⁸⁰ *Id.* at *1. Section 45 of the Lanham Act, 15 U.S.C. § 1027, states, in pertinent part: “A mark shall be deemed to be ‘abandoned’ . . . (1) When its use has been discontinued with intent not to resume such use.”

³⁸¹ *Id.* at *2. *See Lewis Silkin LLP v. Firebrand LLC*, Can. No. 92067378, 2018 WL 6923002, at *4-6 (T.T.A.B. 2018) (“The petition to cancel pleads that Respondent is not using the mark with its goods and services, and has no intent to resume use. The Board finds that no more is necessary for a legally sufficient abandonment claim in the context of the Board’s narrow jurisdiction limited to trademark registrability.”)

³⁸² *See Black & Decker Corp. v. Emerson Elec. Co.*, Opp. No. 91158891, 2007 WL 894416, at *3 (T.T.A.B. 2007); *Karsten Mfg. Corp. v. Editoy AG*, Opp. No. 91101408, 2006 WL 1258869, at *2 (T.T.A.B. 2006) (motion for leave to amend pleading granted because grounds for new claim were learned during discovery); *see also* TBMP § 507.02(a).

³⁸³ *See, e.g., Topco Holdings, Inc. v. Hand 2 Hand Indus., LLC*, Opp. No. 91267988, 2022 WL 157880, at *4 (T.T.A.B. 2022) (no undue prejudice when three months remained in discovery).

³⁸⁴ *Republic Technologies*, at *2.

*f. Denial of Miscellaneous Motions**Monster Energy Co. v. Jones*

In a merciless three-pronged, precedential interlocutory ruling, the Board (1) denied a law school clinic’s dubious motion for leave to file an amicus brief, (2) denied Applicant Herman Jones’s hopeless motion for partial summary judgment on his nonuse counterclaims, and (3) jettisoned Opposer Monster Energy’s improper and ill-pled affirmative defenses.³⁸⁵

Frequent TTAB litigant Monster Energy opposed Jones’s application to register the mark MONSTER SQUAD DEL MAR (in standard characters) for “Training services in the field of Health and Wellness/fitness,” claiming likelihood of confusion with, inter alia, the following two registered marks: MONSTER ARMY in standard characters, and M MONSTER ARMY & design, shown below, both for “Providing a web site featuring entertainment information and news on athletes; organizing and conducting educational programs and activities in the nature of classes, workshops, and sports competitions for athletes in the field of athlete development; athlete development program, namely, athlete training and mentoring in the field of wake, ski, surf, snowboard, motocross, mountain bike, BMX, and skate.”



Jones filed counterclaims seeking partial cancellation of those two registrations (the “Counterclaimed Registrations”) on the ground of nonuse prior to the expiration of the time for filing the statements of use, for all of the services except for the mentoring portion of the athletic development program. (“Contested Services”).

No Amicus Brief: The George Washington University Law School Intellectual Property & Technology Law Clinic (“GWULC”)

³⁸⁵ Monster Energy Co. v. Jones, 2024 U.S.P.Q.2d 1697 (T.T.A.B. 2024).

filed a motion for leave to file an amicus brief,³⁸⁶ contending that its proposed brief presented “arguments of law relating to trademark bullying, abusive enforcement of service mark registrations, likelihood of confusion, and public policy issues that will aid the Board in resolving this case,” and also argument based on “[uncontested] factual matters in support of Applicant.”³⁸⁷ Although the Board usually seems to bend over backwards in favor of law school clinics, this time it found the proposed brief to be “replete with partisan argument,” and otherwise unhelpful “in resolving any ‘doubtful’ issues of law concerning Jones’s motion for partial summary judgment.”³⁸⁸

The nonuse issues before us are straightforward and of the type the Board considers on a regular basis. GWULC’s proposed brief and its exhibits do not address issues of law which are not already adequately briefed by the parties. Rather, Applicant tries to paint Opposer as a bad actor—a trademark bully—that is not entitled to relief here because of the alleged bullying.³⁸⁹

GWULC’s proposed brief also urged the Board to issue an order to show cause for the purpose of imposing sanctions on Monster under Fed. R. Civ. P. 11 “in the nature of ‘sanction[ing] Opposer] and cancel[ing] its marks.’”³⁹⁰ The Board pointed out, however, that GWULC, as a non-party, may not move for (1) sanctions, (2) an order to show cause for the imposition of sanctions, or (3) dismissal of Opposer’s opposition.³⁹¹

And so, the Board denied GWULC’s motion.

No Partial Summary Judgment: The Board gave short shrift to Applicant Jones’s motion for partial summary judgment. Jones argued that summary judgment was appropriate on his nonuse counterclaims because Monster’s “Contested Services” are “nothing

³⁸⁶ See TBMP § 538 (2024) (“Amicus briefs are neither provided for nor prohibited in the rules governing practice in Board proceedings. Thus, the Board may, in its discretion, entertain an amicus brief if the Board finds that such a brief is warranted under the circumstances of a particular case.”)

³⁸⁷ *Monster v. Jones*, at *2.

³⁸⁸ *Id.* at *3. See *Harjo v. Pro-Football Inc.*, Can. No. 92021069, 1998 WL 90884, at *3 (T.T.A.B. 1998) (“An amicus curiae does not provide a highly partisan account of the facts or advocate a point of view so that a cause may be won by one party or another, but rather aids the court in resolving doubtful issues of law.”)

³⁸⁹ *Id.*

³⁹⁰ *Id.* Note that registrations may be cancelled, not marks. One would think that a law school clinic would know better.

³⁹¹ *Id.* See Charles Alan Wright & Arthur R. Miller, “Procedural Aspects of Rule 11 Motions—Initiation and Timing of Sanction Proceedings,” 5A Wright & Miller’s Federal Practice & Procedure § 1337.1 (4th ed. June 2024 Update) (and cases cited therein) (“As a general rule, only parties to an action and certain other participants (such as subpoenaed witnesses or nonparties resisting impleader) in the litigation have standing to move for sanctions under Rule 11.”)

more than ordinary and routine activity for the promotion of Opposer’s own products: energy drinks.”³⁹² With respect to the “athlete development program, namely, athlete training . . . in the field of wake, ski, surf, snowboard, motocross, mountain bike, BMX, and skate” portion of the Contested Services, Jones argued that Monster “produced no evidence in discovery that it has ever trained athletes under the [marks of the Counterclaimed Registrations],” and the Contested Services “have never been advertised or sold.”³⁹³

The Board, however, found that genuine disputes of material fact existed as to whether Monster advertised and rendered the Contested Services prior to the filing of its statements of use, and also whether those services were “performed to the order of, or for the benefit of, someone other than Opposer and have been qualitatively different from anything necessarily done in connection with the sale of Opposer’s goods.”³⁹⁴

No Affirmative Defenses: Monster offered six purported affirmative defenses to Jones’s counterclaims, accompanied with a “reservation of right” to identify additional affirmative defenses at a later date. None of that survived.

Monster’s first affirmative defense—failure to state a claim—was tossed out because failure to state a claim is not an affirmative defense.³⁹⁵ Likewise, Monster’s attempted “reservation of right” is never allowed, since it fails to give the adversary fair notice of the defenses.³⁹⁶

Monster’s second and third defenses—laches and acquiescence—were based on Jones’s allegedly inexcusable delay in challenging the registrations until long after Monster began using its marks in 2005. However, a cancellation claim concerns registration of a mark, not use, and so Monster’s allegations focusing on its date of first use were insufficient to support these defenses.³⁹⁷ Moreover, Monster failed to allege any damage resulting from the purported delay or any underlying facts regarding Jones’s actions or omissions.

The fourth defense—unclean hands based on Jones’s “fraudulently” alleging priority—failed to meet the heightened

³⁹² *Id.* at *4-5.

³⁹³ *Id.* at *5.

³⁹⁴ *Id.* at *6.

³⁹⁵ *Id.* at *7. *See, e.g.,* Sabhnani v. Mirage Brands, LLC, Can. No. 9206808, 2021 WL 6072822, at *1, n.5 (T.T.A.B. 2021) (failure to state a claim not an affirmative defense).

³⁹⁶ *Id.* *See, e.g.,* Philanthropist.com, Inc. v. Gen. Conf. Corp. of Seventh-Day Adventists, 2021 WL 2472776, at *2 n.6 (T.T.A.B. 2021), *aff’d mem.*, 2022 WL 3147202 (Fed. Cir. 2022) (reservation of right to plead unidentified defenses fails to provide fair notice of the defenses).

³⁹⁷ *Id.* *See* Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes, Inc., 971 F.2d 732, 734 (Fed. Cir. 1992) (laches is “tied to a party’s registration of a mark, not to a party’s use of the mark”).

pleading requirement of FRCP 9(b).³⁹⁸ As to the fifth defense—equitable estoppel—Monster failed to allege any misleading conduct on the part of Jones that reasonably led Monster to infer that Jones would not assert a counterclaim, nor did Monster allege that it relied on any such conduct, causing material prejudice. Finally, with respect to its sixth affirmative defense—waiver—Monster failed to plead that Jones intentionally relinquished or abandoned his known rights.

³⁹⁸ FRCP Rule 9(b) states: “In alleging fraud or mistake, a party must state with particularity the circumstances constituting fraud or mistake. Malice, intent, knowledge, and other conditions of a person’s mind may be alleged generally.”

**PART III. LITIGATION IN THE FEDERAL COURTS AND
STATE COURTS OF GENERAL JURISDICTION**

***A. Infringement, Unfair Competition,
and Related Torts***

1. Establishing Liability

***a. Liability for Violations of Trademark and
Service Mark Rights***

i. Defining Claimed Marks

Although the definitions of trademark and service mark found in Section 45 of the Lanham Act³⁹⁹ are deliberately broad, that breadth does not always discourage defendants, especially in litigation to protect nonverbal marks, from challenging either the eligibility of those marks for protection in the first instance or the adequacy of descriptions of the marks. Some of those challenges took the form of motions to dismiss over the past year, while others manifested as bids for summary judgment or appeals from entry of summary judgment in plaintiffs' favor; likewise, some challenges succeeded while others failed.

In one particularly notable opinion on the issue, the Ninth Circuit confirmed that the sale of nonfungible tokens can constitute protectable marks.⁴⁰⁰ The NFTs at issue comprised a collection of "bored apes," including the following representative examples:⁴⁰¹



Challenging the plaintiff's claimed rights, the defendants argued that the Supreme Court's opinion in *Dastar Corp. v. Twentieth Century Fox Film Corp.*⁴⁰² precluded trademark protection for the NFTs because they were intangible expressive conduct. The Ninth

³⁹⁹ 15 U.S.C. § 1127.

⁴⁰⁰ See *Yuga Labs, Inc. v. Ripps*, 144 F.4th 1137 (9th Cir. 2025).

⁴⁰¹ *Id.* at 1151.

⁴⁰² 539 U.S. 23 (2003).

Circuit was unpersuaded, holding instead that *Dastar* “did not adopt a bright-line rule delineating tangible and intangible goods. Rather, it recognized a distinction between the tangible good and the intangible aspects of *that same good*.”⁴⁰³ Moreover, the court continued, the defendants had failed to demonstrate a statutory basis for their argument, in light of which the plaintiff’s NFTs were the proper subjects of protection under the Lanham Act.⁴⁰⁴

Of course, even if the subject matter of a claimed mark does not disqualify it from protection at the outset, its alleged owner must still describe it with enough specificity to place its litigation opponent on fair notice of its claim. On this issue, the manufacturer of the following motorcycle helmet successfully appealed the dismissal of its complaint after a district court determined that document failed to define the alleged trade dress with the required specificity:⁴⁰⁵



That determination rested in part on the district court’s conclusion that the plaintiff had failed “to sufficiently [articulate] a precise expression of the trade dress, including how that trade dress is distinct,”⁴⁰⁶ a holding that applied with equal force to the plaintiff’s descriptions of its “General Trade Dress” and “Detailed Trade Dress.”⁴⁰⁷

In reversing, the Second Circuit framed the issue as follows:

⁴⁰³ 144 F.4th at 1158.

⁴⁰⁴ *Id.*

⁴⁰⁵ See *Cardinal Motors, Inc. v. H&H Sports Prot. USA Inc.*, 128 F.4th 112, 118 (2d Cir. 2025).

⁴⁰⁶ *Id.* at 119 (alteration omitted).

⁴⁰⁷ The plaintiff’s claimed General Trade Dress contemplated “several specific attributes, features, and design details of [its helmet], such as a ‘curved top,’ ‘thin chin protector,’ ‘relatively large eyepoint height (compared to the height of the chin protector),’ ‘a single-level non-stepped chin bar surface,’ ‘a thin chin bar height substantially thinner than the eyepoint,’ and ‘a large diameter pivot point escutcheon.’” *Id.* at 125. The plaintiff’s description of its Detailed Trade Dress added “additional features like the ‘metallic reflective borderline near the forward opening’ and ‘internal jig saw puzzle part V-shaped cheek pads with their combination of brown shiny leather and suede leather.’” *Id.* at 126.

To plead a claim for trade dress infringement based on product design, a plaintiff must plead that (1) its product design is distinctive, (2) there is a likelihood of confusion between its product design and that of the defendant, and (3) its product design is not functional. . . .

. . . .

Before a court may evaluate the three elements of a trade dress infringement claim, however, a plaintiff must clearly articulate what it seeks to protect. Accordingly, separate from—and in addition to—pleading the three elements of its claim, a trade dress plaintiff must also articulate with precision the specific components of its claimed trade dress in the complaint.⁴⁰⁸

Having thus distinguished the articulation requirement from the common-law prerequisites for protectable trade dress,⁴⁰⁹ the court identified three errors in the district court's analysis. First, the district court had mistakenly incorporated a distinctiveness requirement into its articulation analysis, especially because the plaintiff had "list[ed] with precision the features" comprising its General Trade Dress.⁴¹⁰ Second, the district court had failed to consider the adequacy of the plaintiff's description of its Detailed Trade Dress, an error leading the court of appeals to note that "dismissal of one trade dress based on the other would only make sense if the district court had concluded that the *Detailed* Trade Dress was insufficiently precise, thereby requiring dismissal of the *General* Trade Dress because it is the less inclusive of the two."⁴¹¹ Finally, after conducting its own review of the Detailed Trade Dress, the appellate court found it "more than precise enough to enable a court or jury to evaluate the elements of [the plaintiff's] trade dress infringement claim and therefore satisfie[d] the articulation requirement."⁴¹² The court therefore vacated the dismissal of the plaintiff's complaint, although with the caveat that

while we have concluded that [the plaintiff] offered a precise articulation of its trade dress, the question still remains whether [the plaintiff] has pleaded, as a matter of law, that its dress is protectable. In other words, the district court on remand still must consider, based on the allegations in the

⁴⁰⁸ *Id.* at 121–22.

⁴⁰⁹ *See also id.* at 124 ("We . . . clarify that distinctiveness is independent of the articulation requirement. Distinctiveness is an *element* of a trade dress infringement claim to be pleaded in a complaint and shown at trial. The articulation requirement, by contrast, is a pleading requirement under which plaintiffs must articulate precisely the *components* that compose their claimed trade dress." (citation omitted)).

⁴¹⁰ *Id.* at 125.

⁴¹¹ *Id.* at 126.

⁴¹² *Id.*

[complaint], whether the trade dress is distinctive, likely to cause confusion, and nonfunctional.⁴¹³

A combination of images and written descriptions also made the grade in a case in which the plaintiffs, a group of visual artists purporting to represent classes of similarly situated individuals, asserted claims of trade dress infringement against a generative AI platform that had allegedly ingested their works to generate works requested by its subscribers reflecting the plaintiffs' styles.⁴¹⁴ The plaintiffs' complaint attached examples of their works as exhibits, which the court noted "on their own would be insufficient identification."⁴¹⁵ The court also faulted the plaintiffs' written descriptions of their claimed trade dresses as "vague and possibly overbroad."⁴¹⁶ Nevertheless, "the combination of identified elements and images, when considered with plaintiffs' allegations regarding how the [defendant's platform] works as a trade dress database, and [the defendant's] use of plaintiffs' names in its [promotional materials], provide sufficient description and plausibility for plaintiffs' trade dress claim."⁴¹⁷

Similarly, such a combination precluded the dismissal of allegations of trade dress infringement by the manufacturer of herbicide and insecticide products.⁴¹⁸ The plaintiff's complaint included the following example of its packaging:



That illustration was accompanied by a verbal description of the plaintiff's claimed trade dress:

The distinctive packaging of certain [of the plaintiff's] products consists of a unique arrangement of colors, graphic

⁴¹³ *Id.*

⁴¹⁴ *See Andersen v. Stability AI Ltd.*, 744 F. Supp. 3d 956 (N.D. Cal. 2024).

⁴¹⁵ *Id.* at 979.

⁴¹⁶ *Id.*

⁴¹⁷ *Id.*

⁴¹⁸ *See Scotts Co. v. SBM Life Sci. Corp.*, 749 F. Supp. 3d 865 (S.D. Ohio 2024).

elements, font styles and text, with a black background with some lighter gradations of gray, a prominent placement of a red pentagon containing a brand name in white lettering above horizontal information bars that start on the left side of the label and connect into a circular or arc design that contains an image of green plant material. One information bar is yellowish/gold and the other information bar is silver. A product name is placed between the pentagon design and the information bars.⁴¹⁹

The defendant criticized this definition as inappropriately open-ended, but the court disagreed and therefore denied the defendant's motion to dismiss while also rejecting the defendant's contention that the plaintiff had failed sufficiently to connect the graphic to the written description.⁴²⁰

Yet another court took the same approach in a dispute between two groups of footwear manufacturers.⁴²¹ Seeking to protect the configurations of three of their models, the plaintiffs included photographs of each in their complaint, along with three verbal descriptions, which consisted of 159, 81, and 147 words, respectively. "The combination of the image and the detailed description of each of the three products," the court observed in denying the defendants' motion to dismiss, "sufficiently establishes the boundaries of the asserted trade dresses. Thus, [the plaintiffs have] adequately identified the set of design elements for which it claims trade dress protection."⁴²²

In contrast, a different plaintiff fell victim to a motion to dismiss after claiming trade dress protection to a line of "kinetic and manipulable sculptures."⁴²³ Its operative pleading included photographs of its goods, supplemented by references to their "bright pink color and chrome finish."⁴²⁴ Those pictures and recitations failed to impress either the California federal district

⁴¹⁹ *Id.* at 876.

⁴²⁰ *Id.* at 877.

⁴²¹ See *Birkenstock US BidCo, Inc. v. White Mountain Int'l LLC*, 747 F. Supp. 3d 292 (D. Mass. 2024).

⁴²² *Id.* at 301.

⁴²³ See *Tangle, Inc. v. Aritzia, Inc.*, 125 F.4th 991, 993–94 (9th Cir. 2025).

⁴²⁴ *Id.* at 999.

The following photographs of the plaintiff's goods appear in the district court's opinion:



See *Tangle Inc. v. Aritzia, Inc.*, 698 F. Supp. 3d 1180, 1184 (N.D. Cal. 2023), *aff'd in part, rev'd in part and remanded*, 125 F.4th 991 (9th Cir. 2025).

court before which the case was originally lodged or the Ninth Circuit, as both found the plaintiff's description of its trade dress fatally deficient. The court of appeals observed that the plaintiff had "failed to provide a complete recitation of the concrete elements that it contended constituted its protectible trade dress, and merely providing photographs of some products and partial descriptions is insufficient."⁴²⁵ With the plaintiff having declined to avail itself of the opportunity to amend its complaint, the court saw no reason to revive its claims on appeal.

In a different case in which visual exhibits to a complaint also failed, the plaintiff averred protectable trade dress rights in artistic collages described as:

- (1) subject matter featuring Black children or adolescents, either individually or in small groupings;
- (2) black-and-white or high-contrast photographic fragments of facial features, hair, arms, legs, hands and feet, assembled in angular, unnatural arrangements;
- (3) expressive hand gestures;
- (4) colorful, patterned fabric swatches;
- (5) hand-drawn or hand-painted details; [and]
- (6) plain, unpatterned backgrounds.⁴²⁶

Although the plaintiff supplemented that description with reproductions of her collages as exhibits, the court found that "fatally, Plaintiff's description is nothing more than a laundry list detailing how her collages evince general concepts and present particular styles."⁴²⁷ In light of its additional conclusions that the plaintiff appeared to seek "trade dress protection over her general style"⁴²⁸ and had failed to "allege a precise expression of the character and scope of her claimed trade dress,"⁴²⁹ the court dismissed her complaint for failure to state a claim of trade dress infringement.

Finally, in a case in which the plaintiff claimed protectable rights to the color chartreuse in connection with water hoses, the parties proffered competing expert witness testimony on the range of shades potentially qualifying as that color.⁴³⁰ The court appeared skeptical of the plaintiff's expert's methodology, which generated a broader range than one the same expert had used when helping the plaintiff earlier to register its claimed mark. Nevertheless, neither that flaw nor the testimony of the defendant's expert pointing it out—"[the defendant's expert] testified that the color chartreuse could be a range but stated that providing a large hue range for any

⁴²⁵ 125 F.4th at 999.

⁴²⁶ *Roberts v. Gallery*, 755 F. Supp. 3d 235, 246–47 (E.D.N.Y. 2024) (alteration in original).

⁴²⁷ *Id.* at 247.

⁴²⁸ *Id.*

⁴²⁹ *Id.* at 249.

⁴³⁰ *See Weems Indus. v. Teknor Apex Co.*, 757 F. Supp. 3d 854 (N.D. Iowa 2024).

color term ‘opens the door’ for inclusion of other color terms in that range”⁴³¹—ultimately played a part in the court’s disposition of the plaintiff’s claim of protectable rights. Instead, and whatever the plaintiff’s claimed mark might be, the court found it both functional and lacking acquired distinctiveness.⁴³²

ii. Establishing Protectable Rights

(A) *The Effect of Federal Registrations on the Mark-Validity Inquiry*

Courts agreed that claimed owners of unregistered marks bore the burden of proving the mark’s validity.⁴³³ For example, in a case in which the parties alleged prior rights to the same unregistered mark, the Fourth Circuit confirmed that each was obligated to prove the mark’s distinctiveness, even if they agreed between themselves the mark was valid:

We agree with the district court’s sound conclusion that the competing trademark ownership and trademark infringement claims require each party to prove non-genericness. It is well-established that a party claiming ownership of an unregistered trademark bears the burden of proving that it owns a valid and protectable mark. And to show that the mark is valid and protectable, the party claiming ownership must show that the mark is distinctive.⁴³⁴

In contrast, a registration on the Principal Register constitutes “prima facie evidence” of mark validity immediately upon its issuance under Sections 7(b) and 33(a) of the Act.⁴³⁵ Most courts to address that language’s significance applied the majority rule that it shifted the burden of proof from federal registrants to challengers to the validity of the registrants’ marks.⁴³⁶ “In a trademark suit,”

⁴³¹ *Id.* at 905.

⁴³² *Id.* at 926, 929.

⁴³³ *See, e.g., id.* at 914 (“Because [the plaintiff’s] mark . . . is listed on the Principal Register, [the defendant] bears the burden of proving that the mark is not valid and protectable.”); *Birkenstock US BidCo, Inc. v. White Mountain Int’l LLC*, 747 F. Supp. 3d 292, 301 (D. Mass. 2024) (“The [plaintiffs’] Trade Dresses are not registered trade dresses. As such, [the plaintiffs] bear[] the burden of establishing non-functionality of [their] trade dresses.”).

⁴³⁴ *Moke Am. LLC v. Moke Int’l Ltd.*, 126 F.4th 263, 284 (4th Cir. 2025) (citation omitted).

⁴³⁵ 15 U.S.C. § 1057(b), 1115(a).

⁴³⁶ *See, e.g., City of N.Y. ex rel. FDNY v. Henriquez*, 768 F. Supp. 3d 388, 402 (E.D.N.Y. 2025) (“[E]ven with a duly registered descriptive mark that ‘merits little protection under federal trademark law,’ [t]here is a ‘presumption of validity’ that attaches to the issuance of a trademark registration. This rebuttable presumption merely shifts the burden of persuasion to the party seeking cancellation, or the alleged infringer.” (second

one such court explained, “whether a mark is registered is important because it determines which party bears the burden of persuasion. . . . [I]f a mark is listed on the PTO’s Principal Register, the party challenging the mark’s validity bears the burden of showing the mark is not protected by the Lanham Act.”⁴³⁷ Another hedged its bets by holding that “[w]hen a plaintiff sues for infringement of a trademark that is registered, the burden shifts to the defendant to rebut the mark’s protectability.”⁴³⁸

In contrast, Section 33(b) of the Lanham Act⁴³⁹ provides that a registration whose owner has filed a declaration of incontestability under Section 15 of the Act⁴⁴⁰ is “conclusive evidence” on the subject.⁴⁴¹ Nevertheless, and despite one counterclaim plaintiff’s ownership of several such registrations of its THE COMFY mark for whole body blankets, the Federal Circuit concluded in a putative application of Ninth Circuit law that the counterclaim plaintiff “cannot remove the descriptive term ‘comfy’ from the public domain without a showing of secondary meaning, which it has not made.”⁴⁴² In light of the overwhelming number of Ninth Circuit opinions holding that even prima facie evidence of mark validity under Sections 7(b) and 33(a) shifts the burden of proof on the issue of mark validity from the registrant to any challenger to that validity, that outcome is almost certainly an error.⁴⁴³

alteration in original) (first quoting *City of N.Y. v. Henriquez*, 98 F.4th 402, 415 (2d Cir. 2024); and then quoting *Quality Serv. Grp. v. LJMJR Corp.*, 831 F. Supp. 2d 705, 712 (S.D.N.Y. 2011))), *notice of appeal docketed*, No. 25-641 (2d Cir. Mar. 19, 2025); *IEP Techs., LLC v. KPM Analytics, Inc.*, 768 F. Supp. 3d 229, 241 (D. Mass. 2025) (“Since service mark registrations are presumed valid, the party seeking cancellation of such registration must rebut this presumption by a preponderance of the evidence.” (quoting *On-Line Careline, Inc. v. Am. Online, Inc.*, 229 F.3d 1080, 1087 (Fed. Cir. 2000))); *Lion-Aire Corp. v. Lion Air Installation, Inc.*, 747 F. Supp. 3d 488, 506 (E.D.N.Y. 2024) (“Such presumption may be overcome ‘if the allegedly infringing party demonstrates by a preponderance of the evidence that the mark is ineligible for protection.’” (quoting *Khan v. Addy’s BBQ LLC*, 419 F. Supp. 3d 538, 552 (E.D.N.Y. 2019))).

⁴³⁷ *Weems Indus.*, 757 F. Supp. 3d at 914 (quoting *ZW USA, Inc. v. PWD Sys., LLC*, 889 F.3d 441, 449 (8th Cir. 2018)).

⁴³⁸ *Crye Precision LLC v. Concealed Carrier, LLC*, 749 F. Supp. 3d 308, 327 (E.D.N.Y. 2024).

⁴³⁹ 15 U.S.C. § 1115(b).

⁴⁴⁰ *Id.* § 1065.

⁴⁴¹ *Id.* § 1115(b).

⁴⁴² *Top Brand LLC v. Cozy Comfort Co.*, 143 F.4th 1349, 1366 (Fed. Cir. 2025).

⁴⁴³ *See, e.g., Sengoku Works Ltd. v. RMC Int’l, Ltd.*, 96 F.3d 1217, 1219 (9th Cir.) (“When proving ownership of a trademark, federal registration of the mark is prima facie evidence that the registrant is the owner of the mark. Therefore, the registrant is granted a presumption of ownership, dating to the filing date of the application for federal registration, and the challenger must overcome this presumption by a preponderance of the evidence.” (citations omitted)), *modified*, 97 F.3d 1460 (9th Cir. 1996); *Qualitex Co. v. Jacobson Prods. Co.*, 13 F.3d 1297, 1301 (9th Cir. 1994) (“A certificate of registration is prima facie evidence of the validity of the mark and relieves the holder . . . of the burden of proving nonfunctionality and secondary meaning. . . . It

Of course, one prerequisite for incontestability is the ability of the registered mark's owner to aver under oath that the mark's validity is not the subject of a pending challenge at the time that owner executes its Section 15 declaration.⁴⁴⁴ That requirement came into play in a case in which, at the time the plaintiff submitted an executed declaration to the USPTO, the defendants had asserted aesthetic functionality as an affirmative defense but had not asked the court to invalidate the plaintiff's rights on that basis.⁴⁴⁵ The court barred the plaintiff from introducing evidence of the incontestability of its rights under the circumstances: "An affirmative defense challenging the validity of a trademark certainly involves a party's rights in that trademark, and a successful affirmative defense here could mean that [the plaintiff's] trademarks bearing the [registered mark] are invalid, or at least that [the defendants'] use of those marks is not infringing."⁴⁴⁶

(B) The Common-Law Requirements for Mark Validity

(1) Use in Commerce

For the most part, use in commerce is a prerequisite for protectable rights to a trademark or service mark under the Lanham Act's private causes of action:⁴⁴⁷ "Rights in a trademark are determined by the date of the mark's first use in commerce. The party who first uses a mark in commerce is said to have priority over

shifts the burden of proof to the contesting party, who must introduce sufficient evidence to rebut the presumption of the holder's right to protected use." (citations omitted), *rev'd on other grounds*, 514 U.S. 159 (1995); *Americana Trading Inc. v. Russ Berrie & Co.*, 966 F.2d 1284, 1287 (9th Cir. 1992) ("As applied to a descriptive mark such as [the registrant's], the registration carries a presumption of secondary meaning. . . . [The defendant] therefore had the burden to prove that secondary meaning had not attached if it wished to argue that [the] mark was weak."); *Vuitton et Fils S.A. v. J. Young Enters.*, 644 F.2d 769, 775–76 (9th Cir. 1981) ("[U]nder the Lanham Act, registration and entry of a trademark on the Principal Register of the United States Patent and Trademark Office shifts the burden of proof from the plaintiff, who would have to establish his right to exclusive use in a common law infringement action, to the defendant, who must introduce sufficient evidence to rebut the presumption of plaintiff's right to such protected use. . . . [T]he burden of proof is . . . on the party asserting invalidity[.] in this case, [the defendant]."); *Dymo Indus. v. Tapeprinter, Inc.*, 326 F.2d 141, 143 (9th Cir. 1964) (per curiam) ("Appellant points out that under [Section 7(b)] . . . of the Lanham Act, the registration of a trademark by the Patent Office is *prima facie* [sic] evidence of its validity. . . . [T]he statutory presumption of validity simply casts the burden of proof on the one who questions the validity of a registered trademark.").

⁴⁴⁴ 15 U.S.C. § 1065(2) (establishing requirement of "no proceeding involving said rights pending in the United States Patent and Trademark Office or in a court and not finally disposed of" for incontestability).

⁴⁴⁵ See *Pa. State Univ. v. Vintage Brand, LLC*, 755 F. Supp. 3d 563 (M.D. Pa. 2024).

⁴⁴⁶ *Id.* at 581.

⁴⁴⁷ See 15 U.S.C. §§ 1114, 1125(a), 1125(c).

other users.”⁴⁴⁸ Moreover, except where non-U.S. applicants relying on foreign filings are concerned, a showing of use in commerce also is necessary to secure a federal registration.⁴⁴⁹ “Stated differently, ‘there can be no trademark absent goods sold and no service mark without services rendered.’”⁴⁵⁰

***(a) The Nature and Quality of Use in Commerce
Necessary to Establish Protectable Rights***

As an Ohio federal district court confirmed, the creation of a mark means nothing if no goods or services are provided under it.⁴⁵¹ The plaintiff was a nonprofit youth center founded in part by the two individual defendants in January 2018, who went on to found a for-profit business—also a named defendant in August 2018—providing closely related services. One of the individual defendants had designed the salient aspects of the mark before the plaintiff launched the mark on its Facebook page on January 11, 2021. On March 21, 2021, the lead defendant filed an ultimately successful application to register the mark with the USPTO, but the resulting registration did not trump the plaintiff’s prior use of the mark, especially because (consistent with USPTO) practice, the court interpreted the “01/00/2021” date of first use recited in the application as “the last day of the month.”⁴⁵² The plaintiff, and not the defendants, therefore enjoyed prior use of the mark by approximately three weeks.

A New York bankruptcy court similarly confirmed that merely advertising a service under a particular mark will not create protectable use-based rights without an actual transaction involving those services.⁴⁵³ The trustee before that court sought a declaratory judgment that the debtor hotel enjoyed priority of rights to the THE WILLIAMSBURG HOTEL and SLEEP WITH A LOCAL marks, which it began using in January 2017. One defendant, an individual associated with the management of the hotel, claimed to own the first of those marks based on: (1) her conception of it in 2012; (2) her creation of social media accounts featuring the mark and registration of the www.thewilliamsburghotel.com domain name in 2014; (3) her launch of a website accessible at that domain name in November 2015. Her claim to the SLEEP WITH A LOCAL mark was less defined, but that claim apparently rested on her use

⁴⁴⁸ *Hana Fin., Inc. v. Hana Bank*, 574 U.S. 418, 419 (2015).

⁴⁴⁹ *See* 15 U.S.C. §§ 1051(a)–(b).

⁴⁵⁰ *In re 96 Wythe Acquisition, LLC*, 669 B.R. 238, 248 (Bankr. S.D.N.Y. 2025) (quoting *Am. Express Co. v. Goetz*, 515 F.3d 156, 161 (2d Cir. 2008)).

⁴⁵¹ *See Colors+ v. Colors+ Counseling, LLC*, 782 F. Supp. 3d 579 (N.D. Ohio 2025), *opinion clarified*, No. 1:25-cv-00078-PAB, 2025 WL 2322784 (N.D. Ohio Aug. 12, 2025).

⁴⁵² *Id.* at 614.

⁴⁵³ *See Wythe Acquisition*, 669 B.R. 238.

of the mark in “various promotional events and marketing campaigns to identify hotel services . . . beginning in 2015.”⁴⁵⁴ She also had registered both marks with the USPTO in her individual name after filing applications in November 2019.

On the trustee’s motion for summary judgment, the court found as a matter of law that those activities did not give rights to the defendant predating the debtor’s undisputed first use of the marks in January 2017. Regarding the defendant’s claim to have conceived the disputed marks, the court held that “[t]he mere conception of a mark, without its subsequent use in commerce, [is] insufficient to confer rights on the conceiver of the mark under federal trademark law.”⁴⁵⁵ That was true even though the defendant may have intended to use the marks herself at locations other than the single hotel at issue; instead, “without more, this fact does not create a protectable service mark under the Lanham Act because such an intent standing alone does not equate to use with an established business.”⁴⁵⁶

As to the second basis of the defendant’s claim of priority, the defendant may have featured the marks at “various in-person events” and “to identify the hotel services available at The Williamsburg Hotel,”⁴⁵⁷ but “these efforts,” the court held, were “distinct from offering services as a hotel. Moreover, these activities occurred at a time when the Hotel was under construction, such that they could not constitute offering hotel services.”⁴⁵⁸ That was not all, however, for the court also found that “the details of [the defendant’s] claimed use are all carefully circumscribed and reflect only her creation of the brand and marketing of the Hotel prior to its opening.”⁴⁵⁹ To escape the significance of those findings, the defendant invoked a putative exception to the general rules of priority applicable to hotel marks arising from a 1918 decision from an intermediate Missouri appellate court,⁴⁶⁰ pursuant to which the operator of such a business could maintain rights to its name even after the sale of the physical building in which it was located to another party. The court’s application of the four-factor test governing that exception played out in the following manner: (1) the fact that the building and premises were built and designed to be a hotel favored the trustee; (2) the absence of any reference to the defendant in the two marks at issue did so as well; (3) the

⁴⁵⁴ *Id.* at 243.

⁴⁵⁵ *Id.* at 254 (second alteration in original) (quoting *Rick v. Buchansky*, 609 F. Supp. 1522, 1531 (S.D.N.Y. 1985)).

⁴⁵⁶ *Id.*

⁴⁵⁷ *Id.* at 251.

⁴⁵⁸ *Id.*

⁴⁵⁹ *Id.* at 253.

⁴⁶⁰ *See Freeland v. Burdick*, 204 S.W. 1123 (Mo. 1918).

defendant's alleged conception of the marks favored her; and (4) the marks' use in connection with services rendered at a single location favored the trustee.⁴⁶¹ The exception therefore did not apply.

Finally, the court disposed of the defendant's reliance on her registrations for several reasons. Not only were the registrations subject to cancellation because of the debtor's prior actual use of the marks covered by them, but another individual associated with the hotel's operation had just as valid a claim to the marks as the defendant.⁴⁶² That was not all, however, for the defendant claimed dates of first use in the litigation earlier than those recited in her registrations. That discrepancy led the court to hold and find that "[b]y claiming use of the Marks prior to the first dates of use on the trademark applications, [the defendant] must satisfy the burden of clear and convincing evidence rather than the common law burden of a preponderance of the evidence. . . . [The defendant] fails to satisfy that burden."⁴⁶³ The debtor's priority of rights therefore was beyond material dispute.

Addressing a different use-in-commerce-related issue, the Fourth Circuit confirmed that a plaintiff claiming priority of rights to a particular mark need not demonstrate that its use of the mark was continuous, so long as any discontinuance of use did not rise to the level of abandonment.⁴⁶⁴ There were no disputes between the parties that the plaintiff's use of its unregistered mark predated the defendants' adoption of their allegedly infringing mark and that there had been a break in the plaintiff's use. The defendants argued that the break in use disqualified the plaintiff from claiming priority of rights because *continuous* prior use was required under the common law, even if the discontinuance in question did not constitute abandonment under the Lanham Act's definition of that defense, namely, discontinuance coupled with an intent not to resume use.⁴⁶⁵ In rejecting the district court's acceptance of that theory on a defense motion for summary judgment, the court held the statutory definition of abandonment applicable even to claims of priority in common-law marks. "Put simply," the court explained, "when common law ownership of a trademark has accrued, those rights persist until—and unless—they are legally abandoned."⁴⁶⁶

Of course, use in commerce also contemplates the use of a claimed mark *as* a mark. One defendant invoked that proposition in a case in which the summary judgment record demonstrated that

⁴⁶¹ *96 Wythe Acquisition, LLC*, 669 B.R at 253–54.

⁴⁶² *Id.* at 255–56.

⁴⁶³ *Id.* at 256.

⁴⁶⁴ *See Simply Wireless, Inc. v. T-Mobile US, Inc.*, 115 F.4th 266 (4th Cir. 2024), *cert. denied*, 145 S. Ct. 1898 (2025).

⁴⁶⁵ *See* 15 U.S.C. § 1127.

⁴⁶⁶ *Simply Wireless*, 115 F.4th at 284.

the plaintiff had used its putative MED-AIRE mark for medical air mattresses in some capacity since 2007, while the defendant's use had begun in 2018.⁴⁶⁷ According to the defendant, however, the plaintiff's use had been merely descriptive until 2020, when the plaintiff first employed the TM symbol in conjunction with the mark. In rejecting the theory that the use or nonuse of that symbol was dispositive, the court held:

When assessing use as a mark, “context is king.” Common indicators suggesting that a word or phrase might be viewed by the public as a trademark include large font relative to surrounding text, all capital letters or initial capitals, distinctive print style, use of color, and prominent position on a label or in an advertisement. In short, a mark must stand out from the surrounding text.⁴⁶⁸

Based on those considerations, the mark's inherent distinctiveness,⁴⁶⁹ and the plaintiff's advertising expenditures and sales in conjunction with its claimed use,⁴⁷⁰ the court found as a matter of law that the plaintiff had established its priority of rights because:

“Med-Aire” has been used as a trademark. “Med-Aire” consistently appears as the first word or phrase in product descriptions, uses initial capital letters, appears at the product point of sale listings, appears in advertising and promotional materials, is referred to by consumers as “Med-Aire” in voluminous consumer communications, is suggestive, and products bearing the mark have amassed millions of dollars in sales, all of which supports finding that the mark has been used as a source identifier.⁴⁷¹

The plaintiff's use of the mark in conjunction with its house mark and its inconsistent presentations of the mark without stylization did not create a factual dispute on the issue.⁴⁷²

⁴⁶⁷ See *Med. Depot, Inc. v. Med Way US, Inc.*, 774 F. Supp. 3d 554 (E.D.N.Y. 2025), *appeal withdrawn*, No. 25-1049, 2025 WL 2269807 (2d Cir. July 30, 2025).

⁴⁶⁸ *Id.* at 569 (footnote omitted).

⁴⁶⁹ *Id.* (“The classification of a mark can also be important in determining whether the mark has been used as such.”).

⁴⁷⁰ *Id.*

⁴⁷¹ *Id.* at 570.

⁴⁷² *Id.* at 570–71; see also *id.* at 572 (“[The plaintiff] has demonstrated that it made continuous, bona fide commercial use of the ‘Med-Aire’ mark because it established that the mark appears on [the plaintiff's] website, packaging for the mattresses, promotional materials, mattress pumps, point of sale listings, other products, and manuals.”).

(b) Use-Based Geographic Rights

The Fourth Circuit vacated and remanded a finding of unlikely confusion resting solely on the geographic distance between the physical facilities of the West Coast–based plaintiff, a federal registrant, and those of the defendant, which operated on the East Coast.⁴⁷³ The district court reached its determination of nonliability by applying the *Dawn Donut* doctrine,⁴⁷⁴ but the court of appeals held that that doctrine may carry reduced force in the modern era:

Dawn Donut stands for a narrow and logical principle that where businesses use the same mark in physically distinct geographical markets and their marketing and advertising are confined to those geographical markets, a likelihood of confusion will not be created. . . .

. . . .

. . . *Dawn Donut* . . . recognize[s] the commonsense proposition that when two local businesses operate with the same mark in entirely distinct geographical markets, including their advertising and marketing, a likelihood of confusion will not arise. But those circumstances are present far less frequently today, in light of increased mobility, the Internet, and the reduced influence of local radio and newspaper advertising.⁴⁷⁵

The court therefore remanded the matter for a more robust consideration of all the factors properly playing a role in the likelihood-of-confusion inquiry, including the geographic markets from which the parties drew their customers.⁴⁷⁶

(c) Use in Commerce Through Licensees

Section 5 of the Lanham Act provides that “[w]here a registered mark or a mark sought to be registered is or may be used legitimately by related companies, such use shall inure to the benefit of the registrant or applicant for registration.”⁴⁷⁷ Although that section on its face applies only in the registration context, courts have long used its underlying principle to resolve priority disputes. Nevertheless, as three defendants—a limited liability company and two individuals associated with it—learned the hard way, that principle’s availability obviously turns on the existence of

⁴⁷³ See *Westmont Living, Inc. v. Ret. Unlimited, Inc.*, 132 F.4th 288 (4th Cir. 2025).

⁴⁷⁴ See *Dawn Donut Co. v. Hart’s Food Stores, Inc.*, 267 F.2d 358 (2d Cir. 1959).

⁴⁷⁵ *Westmont Living*, 132 F.4th at 297, 298.

⁴⁷⁶ *Id.* at 299.

⁴⁷⁷ 15 U.S.C. § 1055.

a license in the first place.⁴⁷⁸ The two individuals were founders and originally board members of a nonprofit organization serving LGBTQ+ youth. Shortly after that organization's founding, the individual defendants formed the third defendant as a for-profit entity providing many of the same services and under the same mark. In the ensuing lawsuit by the nonprofit organization, the defendants unsuccessfully argued that the plaintiff had used the disputed mark under license and that the defendants therefore enjoyed priority of rights to it. In an opinion granting the plaintiff's motion for a preliminary injunction, the court declined to credit the defendant's claim that they had controlled the plaintiff's use of the mark. Evidence supporting that disposition included the extensive involvement of the plaintiff's board in developing the mark,⁴⁷⁹ the plaintiff's formation of a marketing committee to provide guidance on the mark's use,⁴⁸⁰ the status of the individual defendant allegedly controlling that use as an employee of the plaintiff,⁴⁸¹ and the fact that "the [plaintiff's] Board never had a need to directly micromanage the use of the Mark because it was their understanding that the Mark was already being properly managed on behalf of [the plaintiff] and its interests."⁴⁸²

(2) Distinctiveness

(a) *Determining the Inherent Distinctiveness of Verbal and Two-Dimensional Design Marks*

(i) Generic Designations

Incontestable rights to the claimed "ice" mark for tobacco and for liquid flavorings used in electronic hookahs and their cartridges did not save it from a finding of invalidity as a matter of law.⁴⁸³ Although acknowledging that the plaintiff asserting rights to the word had secured two federal registrations of it, the court noted the registrations' vulnerability to cancellation upon proof of genericness:

"[A] mark is generic if, in the mind of the purchasing public it does not distinguish products on the basis of source but rather refers to the type of product." Further, "[g]eneric terms are not limited to nouns that directly name a product;

⁴⁷⁸ See *Colors+ v. Colors+ Counseling, LLC*, 782 F. Supp. 3d 579 (N.D. Ohio 2025), *opinion clarified*, No. 1:25-cv-00078-PAB, 2025 WL 2322784 (N.D. Ohio Aug. 12, 2025).

⁴⁷⁹ *Id.* at 618.

⁴⁸⁰ *Id.*

⁴⁸¹ *Id.* at 619.

⁴⁸² *Id.* at 620.

⁴⁸³ See *Fantasia Distrib., Inc. v. Myle Vape, Inc.*, 766 F. Supp. 3d 373 (E.D.N.Y. 2024).

instead, they may also be adjectives which name some distinctive characteristic of a genus of products.”

At its core, a generic mark “answers the question ‘What are you?’ while a valid trademark answers ‘Who are you?’” A generic term “is a common name . . . that describes a kind of product.”⁴⁸⁴

Reviewing the summary judgment record, the court found the defendants’ genericness-based attack on the plaintiff’s rights well-taken. That attack was supported in part by “fifty-eight non-party, competing manufacturers of e-liquids and prefilled disposable e-cigarettes” using the words “ice” or “iced” “not as an ‘indication of its origin’ or source, but rather as an ‘indication of the nature or class of’” the products at issue.⁴⁸⁵ The court also found probative the results of a survey—the format of which the court did not describe—showing that “82% of respondents believed that ‘ice’ is a common word and not a brand name and that 87% of respondents believe the word ‘iced’ is a common word and not a brand name”;⁴⁸⁶ “[t]hese results,” the court determined, “are strong evidence of a mark’s genericness.”⁴⁸⁷ That was not all, however, for the defendants also proffered evidence of generic uses in online Reddit forum posts⁴⁸⁸ and newspaper articles.⁴⁸⁹ With the court additionally finding an absence of commonly used alternative verbiage to describe the plaintiff’s products,⁴⁹⁰ the plaintiff’s reliance on its registrations and on three declarations from presidents of wholesalers of vaping- and tobacco-related products of their association of the claimed mark with the plaintiff failed to create a factual dispute as to its genericness.⁴⁹¹

Otherwise, the most notable reported opinions to address claims of genericness rejected those claims. The lead example of that phenomenon came from a California federal district court entertaining a *de novo* challenge under Section 21 of the Act⁴⁹² to a

⁴⁸⁴ *Id.* at 383 (alterations in original) (first quoting *Courtenay Commc’ns Corp. v. Hall*, 334 F.3d 210, 214 n.2 (2d Cir. 2003); then quoting *Lemme v. Nat’l Broad. Co.*, 472 F. Supp. 2d 433, 441 (E.D.N.Y. 2007); then quoting *Universal Church, Inc. v. Universal Life Church/ULC Monastery*, No. 14-CV-5213 (NRB), 2017 WL 3669625, at *5 (S.D.N.Y. Aug. 8, 2017), *aff’d sub nom.* *Universal Church, Inc. v. Toellner*, 752 F. App’x 67 (2d Cir. 2018); and then quoting *Gruner + Jahr USA Publ’g v. Meredith Corp.*, 991 F.2d 1072, 1075 (2d Cir. 1993)).

⁴⁸⁵ *Id.* at 385 (quoting *FragranceNet.com, Inc. v. Les Parfums, Inc.*, 672 F. Supp. 2d 328, 333 (E.D.N.Y. 2009)).

⁴⁸⁶ *Id.* at 386.

⁴⁸⁷ *Id.*

⁴⁸⁸ *Id.* at 387–89.

⁴⁸⁹ *Id.* at 389–90.

⁴⁹⁰ *Id.* at 390.

⁴⁹¹ *Id.* at 390–92.

⁴⁹² 15 U.S.C. § 1071.

finding by the Trademark Trial and Appeal Board that the applied-for SPECTACLES mark was generic for various goods related to the following augmented reality products sold by the applicant:⁴⁹³



Following a bench trial, the court applied Section 14(3)'s definition of genericness, namely, whether the “primary significance” of the claimed mark was “the generic name for the goods or services’ at issue.”⁴⁹⁴ The court measured that significance through the Federal Circuit’s two-step test, which required determinations of: (1) the genus of the applicant’s goods; and (2) how members of the relevant public primarily used or understood the applied-for mark as used in connection with those goods.⁴⁹⁵

Regarding the first of these inquiries, the court acknowledged the parties’ stipulation that “the relevant product category based on [the applicant’s] and its product specimens is accurately and adequately captured as ‘smart glasses.’”⁴⁹⁶ “That stipulation,” it

⁴⁹³ See *Snap Inc. v. Vidal*, 750 F. Supp. 3d 1120, 1128 (C.D. Cal. 2024). The full roster of the goods covered by the applicant’s identification of goods comprised:

Computer hardware; computer peripherals; wearable computer hardware; wearable computer peripherals; computer hardware and peripherals for remotely accessing, capturing, transmitting and displaying pictures, video, audio and data; downloadable computer software, namely, software for setting up, configuring, and controlling wearable computer hardware and peripherals; downloadable computer software and software applications for use in uploading, downloading, capturing, editing, storing, distributing and sharing photographic and video content and other digital data via global and local computer networks and via mobile devices; downloadable multimedia files containing digital audio and video files featuring user generated images, videos, multimedia files, and other digital data, all in the fields of entertainment, photography and online social networking; computer software for accessing and transmitting data and content among consumer electronics devices and displays.

Id. at 1128.

⁴⁹⁴ *Id.* at 1130.

⁴⁹⁵ *Id.* (citing *Real Foods Pty Ltd. v. Frito-Lay N. Am., Inc.*, 906 F.3d 965, 981 (Fed. Cir. 2018)).

⁴⁹⁶ *Id.* at 1129.

continued, “is intended to cover both the computer hardware features of [the applicant’s] product and its visibly prominent eyewear form factor.”⁴⁹⁷ After exhaustively discussing the USPTO’s arguments to the contrary, it concluded that “‘smart glasses’ as the relevant genus embodies a product with two presumed essential aspects in the minds of relevant purchasers: the smart glasses’ prominently visible eyewear design *and* their less visible but instrumental embedded computer technology.”⁴⁹⁸ That finding in turn meant that “the relevant product genus here is ‘smart glasses’—defined in toto as an emergent product embodying both its essential *smart* computing elements and its prominent *glasses* form factor.”⁴⁹⁹

Turning to the second prong of the analysis, the court found that the relevant public did not understand SPECTACLES to be the common name of the applicant’s goods. In doing so, it disposed of the USPTO’s proffer of testimony from a linguistics expert (which leaned heavily on dictionary definitions),⁵⁰⁰ evidence that two competitors of the applicant had used “spectacles” in conjunction with their products,⁵⁰¹ “several online articles [allegedly establishing] that media outlets use ‘spectacles’ as a product name for smart glasses,”⁵⁰² and the results of two surveys with which the court found myriad problems.⁵⁰³ In the final analysis, the USPTO had failed to demonstrate by the required clear and convincing evidence that the applied-for mark was generic,⁵⁰⁴ resulting in a finding of descriptiveness instead.⁵⁰⁵

A less detailed analysis of genericness by a New York federal district court sustained the validity of the registered (and, according to the court, suggestive) MULTICAM mark for printed camouflage patterns.⁵⁰⁶ In entering a preliminary injunction requested by that

⁴⁹⁷ *Id.*

⁴⁹⁸ *Id.* at 1131, 1135.

⁴⁹⁹ *Id.* at 1135.

⁵⁰⁰ *Id.* at 1136–37.

⁵⁰¹ *Id.* at 1138–40.

⁵⁰² *Id.* at 1140.

⁵⁰³ *Id.* at 1144–51.

⁵⁰⁴ As to the parties’ respective burdens, the court noted that the USPTO and the Trademark Trial and Appeal Board had once followed the Federal Circuit’s mandate that examiners prove genericness by clear and convincing evidence before unilaterally opting out of compliance with their primary reviewing court’s controlling authority and announcing that the USPTO need only make that showing by a preponderance of the evidence in May 2022. *Id.* at 1130 & n.4 (first citing *In re Hotels.com, L.P.*, 573 F.3d 1300, 1302 (Fed. Cir. 2009); and then citing U.S. Pat. & Trademark Off., *PTO Examination Guide No. 1-22, Clarification of Examination Evidentiary Standard for Marks Refused as Generic* (May 2022)). Because the proceeding at issue had begun before that change in policy, the USPTO did not argue the lower standard of proof. *Id.*

⁵⁰⁵ *Id.* at 1152–61.

⁵⁰⁶ See *Crye Precision LLC v. Concealed Carrier, LLC*, 749 F. Supp. 3d 308 (E.D.N.Y. 2024).

mark’s owner, the court held that “[w]hether a term has become generic is a fact-intensive inquiry, and courts typically consider, among other evidence, (1) dictionary definitions; (2) generic use of the term by competitors and other persons in the trade; (3) plaintiff’s own generic use; (4) generic use in the media; and (5) consumer surveys.”⁵⁰⁷ The defendants’ showing under those factors was largely limited to “a small sample of eleven third-party online retailers that use the term ‘multicam’ in selling camouflage gear,”⁵⁰⁸ but, as the plaintiff responded, four of those retailers were its licensees. Although the defendants apparently also accused the plaintiff of using its mark as a noun, the court ultimately found “[s]uch a showing is plainly insufficient, for purposes of this motion, to demonstrate that a majority of the relevant public use ‘MultiCam’ as a common name to identify camouflage for multiple environments.”⁵⁰⁹

The Fourth Circuit also was unreceptive—at least in part—to claims of distinctiveness of the alleged MOKE mark for motorized vehicles such as the following:⁵¹⁰



Although the parties themselves did not dispute the mark’s validity—they both claimed rights to it in what otherwise was a priority dispute—the district court *sua sponte* concluded as a matter of law that “moke” was generic, largely because: (1) the mark’s original owner had gone bankrupt; and (2) both parties, as well as third parties, had adopted the claimed mark following that bankruptcy.⁵¹¹ The court of appeals did not consider the record sufficiently well developed to support that determination.⁵¹² Nevertheless, it held that, with neither party having registered the

⁵⁰⁷ *Id.* at 329 (quoting *Pilates, Inc. v. Current Concepts, Inc.*, 120 F. Supp. 2d 286, 297 (S.D.N.Y. 2000)).

⁵⁰⁸ *Id.*

⁵⁰⁹ *Id.* at 329–30.

⁵¹⁰ *See Moke Am. LLC v. Moke Int’l Ltd.*, 126 F.4th 263, 269 (4th Cir. 2025).

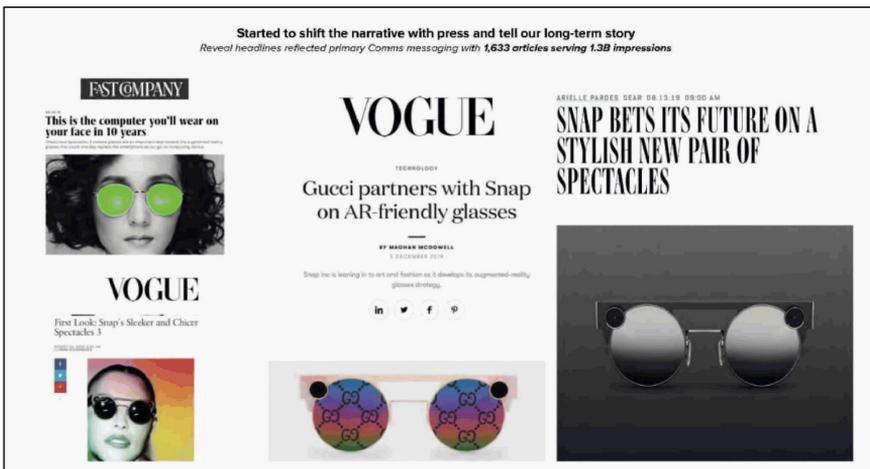
⁵¹¹ *Id.* at 277–78.

⁵¹² *Id.* at 290.

mark, the district court had properly required the parties to prove their respective versions of the claimed mark were not generic.⁵¹³

(ii) Descriptive Marks

When an applicant seeking to register the SPECTACLES mark for “smart glasses” and associated goods received a genericness-based refusal of its application, it pursued a de novo review of that action from a California federal district court.⁵¹⁴ Although successfully overcoming that basis for the possible unregistrability of its mark, the applicant’s ambitious argument that the mark was inherently distinctive fell short. “While descriptive and suggestive marks can sometimes be hard to tell apart,” the court observed, “the mark SPECTACLES applied to smart glasses is not one of those close calls. Indeed, while capable of serving as a source identifier, SPECTACLES is much closer to the generic-descriptive line than it is to the descriptive-suggestive line—making the mark not just merely descriptive, but highly descriptive.”⁵¹⁵ Not only was “no mental leap . . . needed by consumers to understand that ‘spectacles’—as a common synonym for eyeglasses—signals a direct connection to the eyewear design of smart glasses,”⁵¹⁶ but the applicant’s own advertising, a representative example of which appears below, “exemplified” that “unmistakabl[e]” descriptiveness:⁵¹⁷



⁵¹³ *Id.* at 286.

⁵¹⁴ See *Snap Inc. v. Vidal*, 750 F. Supp. 3d 1120 (C.D. Cal. 2024).

⁵¹⁵ *Id.* at 1152.

⁵¹⁶ *Id.*

⁵¹⁷ *Id.* at 1152–53.

The absence of dictionary definitions of “spectacles” contemplating the goods sold by the applicant did not require a different outcome,⁵¹⁸ nor did the court accept the applicant’s claim that the mark was a double entendre.⁵¹⁹ Finally, the court rejected the applicant’s “curious[]” argument that “because ‘spectacles’ standing alone could mean *just* eyewear, SPECTACLES is somehow suggestive since consumers might not know—without context—if the term is referring to eyewear or to smart glasses”;⁵²⁰ the court remarked of that contention that “just because the evidence may have nudged SPECTACLES over the ‘fine line between a highly descriptive designation and a generic name’ cannot mean that the term [has] catapulted itself onto the inherently suggestive side of the distinctiveness spectrum.”⁵²¹ A showing of acquired distinctiveness therefore was necessary for the mark’s protectability and registrability.

Additional findings of descriptiveness for two marks came in a battle between the City of New York, its fire department, and a foundation supporting that department, on the one hand, and a one-time ally of those three entities, on the other hand.⁵²² The disputed marks were MEDICAL SPECIAL OPERATIONS CONFERENCE and MSOC, both used for charitable fundraising through conferences for first responders. Noting that “[a] descriptive mark is ‘one that tells something about a product, its qualities, ingredients or characteristics,’”⁵²³ the court reaffirmed its finding earlier in the litigation that the marks were “inherently descriptive, rather than strongly suggestive” without extended analysis.⁵²⁴

(iii) Suggestive Marks

As is often the case, findings of suggestiveness were few and far between. An exception to that general rule originated in an action brought by the owner of the MULTICAM mark for camouflage patterns.⁵²⁵ In preliminarily enjoining the defendants’ use of the mark for similar goods, the court analyzed the mark’s distinctiveness in the following manner:

⁵¹⁸ *Id.* at 1153.

⁵¹⁹ *Id.* at 1154–55.

⁵²⁰ *Id.* at 1155.

⁵²¹ *Id.*

⁵²² See *City of N.Y. ex rel. FDNY v. Henriquez*, 768 F. Supp. 3d 388 (E.D.N.Y. 2025), *notice of appeal docketed*, No. 25-641 (2d Cir. Mar. 19, 2025).

⁵²³ *Id.* at 404 (quoting *Gruner + Jahr USA Pub. v. Meredith Corp.*, 991 F.2d 1072, 1076 (2d Cir. 1993)).

⁵²⁴ *Id.* at 400, 403.

⁵²⁵ See *Crye Precision LLC v. Concealed Carrier, LLC*, 749 F. Supp. 3d 308 (E.D.N.Y. 2024).

[The plaintiff's] MultiCam Marks are suggestive. They do not immediately describe the nature of [the plaintiff's] products—camouflage suitable for multiple environments—but instead require the consumer to make at least some “additional mental effort to identify the associated product in particular.” Nor does the “MultiCam” Mark “conjure up the image of the precise good with which it is associated,” as does a descriptive mark.⁵²⁶

A more dubious finding of suggestiveness came in a case brought to vindicate the plaintiff's rights to its AMPLIFY CAR WASH and AMPLIFY marks, which the plaintiff used in connection with financial services in the car wash industry.⁵²⁷ Noting the definition of “amplify” as “to make something louder” or “to increase the size or effect of something,”⁵²⁸ the court properly observed that “[a]mplify does not identify a category of products or the qualities of those products and therefore is not a generic or descriptive mark.”⁵²⁹ Nevertheless, it also found on the plaintiff's motion for summary judgment that “‘amplify’ . . . is not fanciful or arbitrary. Imagination, thought, and perception link its definition—to ‘increase the size or effect of something’—to the plaintiff's business—an advisory service designed to grow car wash businesses.”⁵³⁰ In the end, though, the marks' precise placement on the spectrum of distinctiveness did not affect their protectability because, as the court explained, the marks were “inherently distinctive even without acquired secondary meaning and [therefore] entitled to protection under the Lanham Act.”⁵³¹

(iv) Arbitrary Marks

One court held that “[a]n arbitrary mark has a significance recognized in everyday life, but the thing it normally signifies is unrelated to the product or service to which the mark is attached.”⁵³² It then applied that definition to find the following composite mark

⁵²⁶ *Id.* at 330–31 (first quoting *Cross Com. Media, Inc. v. Collective, Inc.*, 841 F.3d 155, 163 (2d Cir. 2016); and then quoting *Playtex Prods., Inc. v. Ga.–Pac. Corp.*, 390 F.3d 158, 164 (2d Cir. 2004)).

⁵²⁷ *See Amplify Car Wash Advisors LLC v. Car Wash Advisory LLC*, 770 F. Supp. 3d 625 (S.D.N.Y. 2025).

⁵²⁸ *Id.* at 636.

⁵²⁹ *Id.*

⁵³⁰ *Id.*

⁵³¹ *Id.*

⁵³² *Colors+ v. Colors+ Counseling, LLC*, 782 F. Supp. 3d 579, 621 (N.D. Ohio 2025) (quoting *Bliss Collection, LLC v. Latham Cos.*, 82 F.4th 499, 509 (6th Cir. 2023)), *opinion clarified*, No. 1:25-cv-00078-PAB, 2025 WL 2322784 (N.D. Ohio Aug. 12, 2025).

arbitrary and therefore inherently distinctive for a nonprofit youth center serving LGBTQ+ youth:⁵³³



According to the court:

[T]he Mark at issue is not merely the words “Colors+.” Rather, it is the exact iteration of those letters colored in a particular manner—namely, with a rainbow coloring for each letter and symbol, combined with the distinctive “white, pink, blue, brown, and black flag” progress flag on the left side of the “+” sign. Moreover, the term “Colors+” alone has a “significance recognized in everyday life” in that it simply refers to colors in a general sense. Yet such significance “is unrelated to the . . . service to which the mark is attached”—an LGBTQ+ youth center.⁵³⁴

Other findings of arbitrariness were less well developed. For example, one tribunal determined that the VISION mark for custom-engineered automobile tire rims fell into that category, explaining that “there is no apparent connection between vehicle rims and the word ‘vision,’ so the mark appears to be arbitrary and therefore entitled to strong protection under trademark law.”⁵³⁵ The Ninth Circuit determined on appeal that the BORED APE YACHT CLUB verbal mark and a series of stylized anthropomorphic apes displaying an attitude of indifference were at least arbitrary (and possibly coined) for nonfungible tokens;⁵³⁶ it also stated with greater certainty that the BORED APE mark was arbitrary in that context.⁵³⁷ And another opinion concluded that the LION-AIRE mark for HVAC services could be arbitrary, although it also noted in the alternative that the mark could be fanciful.⁵³⁸

⁵³³ *Id.* at 596.

⁵³⁴ *Id.* at 621 (second alteration in original) (quoting *Bliss Collection, LLC v. Latham Cos.*, 82 F.4th 499, 510 (6th Cir. 2023)).

⁵³⁵ *Vision Wheel, Inc v. Vision Forged*, 732 F. Supp. 3d 1161, 1166 (C.D. Cal. 2024).

⁵³⁶ *See Yuga Labs, Inc. v. Ripps*, 144 F.4th 1137, 1168 (9th Cir. 2025).

⁵³⁷ *Id.* at 1175.

⁵³⁸ *See Lion-Aire Corp. v. Lion Air Installation, Inc.*, 747 F. Supp. 3d 488, 509 (E.D.N.Y. 2024).

(v) Coined or Fanciful Marks

The Fourth Circuit held that “[f]anciful’ marks are made-up words that are invented to describe the product or source, such as KODAK or EXXON.”⁵³⁹ Nevertheless, clear findings that plaintiffs’ marks were actually coined or fanciful were relatively rare and all too often took the form of conclusions that those marks could either fall into that category or qualify as arbitrary. Thus, one court opined that the LION-AIRE mark for HVAC services could be fanciful, although it also noted in the alternative that the mark could be arbitrary.⁵⁴⁰ Likewise, the Ninth Circuit classified the BORED APE YACHT CLUB verbal mark and a series of bored-looking stylized ape designs as possibly fanciful (but also possibly arbitrary) when used in connection with nonfungible tokens.⁵⁴¹

(b) Acquired Distinctiveness (Secondary Meaning)

(i) Opinions Finding Acquired Distinctiveness

In an action to protect the appearance of the packaging of lawn care products, an Ohio federal district court observed that

[i]n the Sixth Circuit, courts apply “a seven-factor test for determining the existence of secondary meaning in trade dress.” Those factors are: “(a) direct consumer testimony; (b) consumer surveys; (c) exclusivity, length, and manner of use; (d) amount and manner of advertising; (e) amount of sales and number of customers; (f) established place in the market; and (g) proof of intentional copying.”⁵⁴²

Representative examples of the packaging at issue appear below in the top row, while a drawing from a federal registration secured before the parties’ dispute appears below them:⁵⁴³

⁵³⁹ *Moke Am. LLC v. Moke Int’l Ltd.*, 126 F.4th 263, 270 (4th Cir. 2025) (quoting *OBX-Stock, Inc. v. Bicast, Inc.*, 558 F.3d 334, 340 (4th Cir. 2009)).

⁵⁴⁰ *See Lion-Aire*, 747 F. Supp. 3d at 509.

⁵⁴¹ *Yuga Labs*, 144 F.4th at 1168.

⁵⁴² *Scotts Co. v. Procter & Gamble Co.*, 789 F. Supp. 3d 539, 570 (S.D. Ohio 2025) (quoting *Abercrombie & Fitch Stores, Inc. v. Am. Eagle Outfitters, Inc.*, 280 F.3d 619, 635 (6th Cir. 2002)).

⁵⁴³ *Id.* at 551, 552. The actual drawing in the plaintiff’s registration was in black-and-white format but lined for the colors green and yellow; the transposition of those colors in the version appearing in the opinion was undertaken by the court. *Id.* at 552.



In procuring its registration, the plaintiff submitted 110 consumer declarations to the USPTO. The court declined to give them significant weight, however, not because of their arguable staleness but because they all referred to a “rectangular shaped box” not necessarily characteristic of the broader trade dress claimed by the plaintiff.⁵⁴⁴ The court noted under the second factor of the relevant analysis the plaintiff’s failure to submit survey evidence in support of its case,⁵⁴⁵ and it also considered the plaintiff’s allegations of intentional copying under the last factor unconvincing.⁵⁴⁶ Nevertheless, the court otherwise found that acquired distinctiveness existed, crediting the plaintiff’s showings of the long-standing use of its packaging,⁵⁴⁷ sales of “one billion units of, and billions of dollars’ worth of, [its] products to many customers since

⁵⁴⁴ *Id.* at 570.

⁵⁴⁵ *Id.*

⁵⁴⁶ *Id.* at 580–81.

⁵⁴⁷ *Id.* at 571.

2014,”⁵⁴⁸ and its status as “the leader in the lawn and garden market.”⁵⁴⁹

An application of the Second Circuit’s six-factor test similarly yielded a finding of acquired distinctiveness for the “inherently descriptive” MEDICAL SPECIAL OPERATIONS CONFERENCE and MSOC marks for charitable fundraising through conferences for first responders.⁵⁵⁰ Those factors included: (1) the counterclaim plaintiff’s advertising expenditures; (2) survey evidence; (3) unsolicited media coverage; (4) sales success; (5) attempts to plagiarize the claimed mark; and (6) the length and exclusivity of the claimed mark’s use.⁵⁵¹ The court’s finding in the counterclaim plaintiff’s favor rested heavily on his investments into creating, organizing, and launching of the fundraising conferences; although his financial outlays apparently limited to “hundreds of dollars each year of his own money” into paid social media advertising, as well as “thousands of dollars of his own money” for “website, advertising, materials, and equipment expenses,” the court credited him for the time he had invested as well.⁵⁵² The counterclaim plaintiff also benefitted under the third factor from unsolicited media coverage of the conferences he organized, which were featured in trade publications and local news stations.⁵⁵³ The fourth factor similarly favored the counterclaim plaintiff based on proof that the conferences routinely had enjoyed “substantial increase[s] in attendance” and, at least on one occasion, had generated “approximately \$400,000 in net profits.”⁵⁵⁴ Finally, the marks’ acquired distinctiveness was additionally reflected in the counterclaim plaintiff’s exclusive use of them, at least until the counterclaim defendants had a falling out with the counterclaim plaintiff and began using the marks without authorization.⁵⁵⁵

(ii) Opinions Declining to Find Acquired Distinctiveness

Findings that claimed nontraditional marks had not acquired distinctiveness abounded over the past year, with a leading example coming from the Eighth Circuit.⁵⁵⁶ The plaintiff in the appeal before

⁵⁴⁸ *Id.*

⁵⁴⁹ *Id.*

⁵⁵⁰ *See City of N.Y. ex rel. FDNY v. Henriquez*, 768 F. Supp. 3d 388, 400 (E.D.N.Y. 2025), *notice of appeal docketed*, No. 25-641 (2d Cir. Mar. 19, 2025).

⁵⁵¹ *Id.* at 405.

⁵⁵² *Id.*

⁵⁵³ *Id.*

⁵⁵⁴ *Id.*

⁵⁵⁵ *Id.* at 405–06.

⁵⁵⁶ *See Nat’l Presto Indus. v. U.S. Merchs. Fin. Grp.*, 121 F.4th 671 (8th Cir. 2024).

that court had failed at trial to prove the trade dress protectability of the configurations of a parabolic space heater that had taken various forms over the years, including those reflected in the following advertisement:⁵⁵⁷



Noting the fact-intensive nature of the district court’s determination that no acquired distinctiveness existed, the Eighth Circuit declined to disturb that finding as clearly erroneous. It faulted the plaintiff for failing to introduce *direct* evidence that consumers associated the configurations exclusively with the plaintiff⁵⁵⁸ and also found the plaintiff’s *circumstantial* evidence equally wanting. Indeed, the trial record contained ample evidence and testimony of: (1) the use by other industry participants of similar designs;⁵⁵⁹ (2) the plaintiff’s use of “at least ten different models of [its heater], each with minor design changes obviously intended to make the product either more functional or attractive”;⁵⁶⁰ (3) advertising emphasizing

⁵⁵⁷ Nat’l Presto Indus. v. U.S. Merchs. Fin. Grp., No. 18-cv-03321(SRN/BRT), 2021 WL 2515806, at *3 (D. Minn. June 18, 2021).

⁵⁵⁸ On the issue of direct evidence of acquired distinctiveness, the court took the following hard line:

“Consumer surveys and testimony of consumers . . . may be the only direct evidence of secondary meaning and should be considered in determining whether a mark has acquired such meaning.” [The plaintiff] did not present any direct consumer evidence supporting its claim and cites no product design case in which secondary meaning was established without such evidence.

121 F.4th at 681 (quoting Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 871 (8th Cir. 1994) (per curiam)).

⁵⁵⁹ *Id.*

⁵⁶⁰ *Id.* at 682.

“the . . . functions and appearance [of the plaintiff’s heater], not its source”;⁵⁶¹ (4) labeling by the defendant featuring its name that outweighed the plaintiff’s evidence of intentional copying;⁵⁶² and (5) a possible absence of actual confusion.⁵⁶³ With the plaintiff having failed to prove distinctiveness, the court saw no need to address the district court’s findings that the plaintiff also had failed to prove nonfunctionality and likely confusion.⁵⁶⁴

A claim to the color chartreuse as a mark for garden hoses, also in a case originating before an Eighth Circuit federal district court, similarly failed.⁵⁶⁵ The plaintiff in that action failed to proffer any direct evidence that consumers associated the color with its goods but instead unsuccessfully relied on circumstantial evidence. For example, although the plaintiff’s principal testified at trial that the plaintiff had adopted the color in May 2004, that alleged date of first use was inconsistent with one of 2007 recited in the plaintiff’s amended complaint, as well as one of May 2009 recited in an application by the plaintiff to register the color; moreover, even the May 2009 recitation was belied by evidence at trial that the plaintiff had not sold hoses incorporating the color in 2009.⁵⁶⁶ Beyond that, the court credited the defendant’s demonstrations both of third-party use of similar colors and the evolution over time of the precise color used by the plaintiff.⁵⁶⁷ The plaintiff’s attempted invocation of its advertising expenses similarly came to nothing, because that showing did not include “reliable evidence permitting a finding as to any expenses [the plaintiff] incurred for the specific purpose of advertising and promoting the chartreuse color of [its] water hoses”⁵⁶⁸ and because the advertising did not educate consumers on the alleged exclusive association between the color and the plaintiff’s goods.⁵⁶⁹ Beyond being internally inconsistent, the plaintiff’s proof of its sales established nothing more than “a relatively-small share (five percent or less) of the overall market for water hoses” and therefore was not probative of distinctiveness.⁵⁷⁰ With the court further rejecting the plaintiff’s claims of intentional

⁵⁶¹ *Id.*

⁵⁶² *Id.*

⁵⁶³ *Id.* at 682–83.

⁵⁶⁴ *Id.* at 683.

⁵⁶⁵ *See Weems Indus. v. Teknor Apex Co.*, 757 F. Supp. 3d 854 (N.D. Iowa 2024).

⁵⁶⁶ *Id.* at 899.

⁵⁶⁷ *Id.* at 927.

⁵⁶⁸ *Id.* at 900.

⁵⁶⁹ *Id.* at 900, 927–28.

⁵⁷⁰ *Id.* at 928.

copying⁵⁷¹ and allegedly favorable online reviews of its hoses,⁵⁷² the claimed mark was fatally nondistinctive, despite a registration on the Principal Register covering it.⁵⁷³

A finding of no acquired distinctiveness also transpired after a bench trial before a California federal district court in a de novo review of the USPTO's refusal of an application for registration.⁵⁷⁴ The applied-for mark was SPECTACLES for smart glasses and related goods, which the court found highly descriptive in context. Referring to the Ninth Circuit's controlling authority on the issue, the court observed that the required showing could comprise either direct or circumstantial evidence:

Direct evidence such as consumer surveys or consumer testimony naturally provides the strongest evidence of secondary meaning. But circumstantial evidence can be equally probative too. Such evidence is relevant if it addresses “(1) whether actual purchasers of the product bearing the claimed trademark associate the trademark with the producer, (2) the degree and manner of advertising under the claimed trademark, (3) the length and manner of use of the claimed trademark, and (4) whether use of the claimed trademark has been exclusive.” Evidence of widespread copying of the contested mark can also be a useful proxy for secondary meaning.⁵⁷⁵

The court credited the applicant's showing of the continuous and substantially exclusive use of its mark for seven years, which it considered prima facie evidence of acquired distinctiveness under Section 2(f) of the Act.⁵⁷⁶ With the USPTO declining to contest the applicant's claims of “tens of millions of dollars” spent on advertising,⁵⁷⁷ sales of an estimated 300,000 units, which generated in excess of \$37 million in revenue,⁵⁷⁸ and “more than 10,000 media articles [concerning its goods], resulting in over 1.6 billion

⁵⁷¹ On that issue, the court accepted the defendant's explanation of its innocent adoption of the challenged color. *Id.* at 929.

⁵⁷² *Id.* (“Like other forms of advertising, marketing and promotion, such evidence is relevant to the secondary meaning analysis only to the extent that it causes the public to equate [the plaintiff's] chartreuse color mark with the source of the product. None of the exhibits promote the [claimed] color . . . as a source identifier. One does not mention [the] color at all. In any event, [the plaintiff] presented no evidence as to the extent to which the online reviews have been viewed, or as to the extent (if any) they have caused the public to perceive [the plaintiff's] chartreuse color as a source indicator.” (citations omitted)).

⁵⁷³ *Id.*

⁵⁷⁴ See *Snap Inc. v. Vidal*, 750 F. Supp. 3d 1120 (C.D. Cal. 2024).

⁵⁷⁵ *Id.* at 1156–57 (quoting *Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352, 1358 (9th Cir. 1985) (en banc)) (other citations omitted).

⁵⁷⁶ *Id.* at 1157 (citing 15 U.S.C. § 1052(f)).

⁵⁷⁷ *Id.*

⁵⁷⁸ *Id.*

impressions (the number of times a piece of content is viewed online),”⁵⁷⁹ those considerations also favored the applicant. Still, however, the court found the applicant’s showing fatally deficient, beginning with its failure to establish a baseline for evaluating its advertising spend in relative terms; the same was true of its sales and revenue figures.⁵⁸⁰ Equally damning were the results of a survey commissioned by the applicant in response to the USPTO’s claim that the disputed mark was generic, which had produced a single response evidencing recognition of the mark *as* a mark.⁵⁸¹ A brand awareness study undertaken by the applicant years earlier proved similarly counterproductive because:

0 percent of the 472 respondents in the control group and only 1 percent of the 656 respondents in the exposed group mentioned [the applicant’s] branded SPECTACLES product *first* in their “unaided” answers. Among those who mentioned [the applicant’s] product *at all* (again unaided with no prompting), only 1 percent of the control group listed the SPECTACLES product and only 1 percent of the exposed group also listed the SPECTACLES product.⁵⁸²

The same study documented virtually no recognition of the claimed mark among “U.S. Snapchat users and non-users.”⁵⁸³ With the applicant also having failed to demonstrate cognizable evidence of competitors copying the mark,⁵⁸⁴ its bid for a finding of acquired distinctiveness came to nothing.

(iii) Opinions Deferring Resolution of the Acquired Distinctiveness Inquiry

A case arising from the defendant’s unauthorized use of a photograph depicting guitar headstocks and necks manufactured by the plaintiff produced a temporary procedural stalemate regarding those items’ acquired distinctiveness.⁵⁸⁵ The district court found as a matter of law that the plaintiff’s configurations lacked that distinctiveness, and the First Circuit acknowledged “the wispieness

⁵⁷⁹ *Id.*

⁵⁸⁰ *Id.*

⁵⁸¹ *Id.* (“In the [applicant’s] own Thermos survey, for instance, about 42 percent of the qualified 273 participants said they were familiar with brand names for smart glasses. Yet of those 114 respondents, only *one* listed [the applicant’s] SPECTACLES product as a branded smart glasses product.” (citations omitted)).

⁵⁸² *Id.* at 1158 (citation omitted).

⁵⁸³ *Id.* at 1159.

⁵⁸⁴ *Id.* at 1160–61.

⁵⁸⁵ *See D’Pergo Custom Guitars, Inc. v. Sweetwater Sound, Inc.*, 111 F.4th 125 (1st Cir. 2024).

of the [plaintiff's] evidence.”⁵⁸⁶ Nevertheless, that evidence included testimony from three consumers of confusion driven by the defendant's use of the photograph; moreover, the summary judgment record also contained testimony by “several” witnesses “that a person with knowledge of guitars can discern a guitar's brand merely by the shape of its headstock.”⁵⁸⁷ That was enough to create a factual dispute as to the distinctiveness of the plaintiff's goods, which mandated a vacatur and remand of the action for trial.⁵⁸⁸

Trial courts also declined to resolve the issue of acquired distinctiveness as a matter of law. One California federal district court did so in a suit by several visual artists against a generative artificial intelligence platform purporting to produce works in the styles of the plaintiffs.⁵⁸⁹ Seeking the dismissal of the plaintiffs' claim for failure to state a claim, the defendant argued the plaintiffs had inadequately alleged the distinctiveness of their works, but the court disagreed. It cited several averments in the complaint supporting the plaintiffs' case on the issue, including: (1) intentional copying by the defendant; (2) the defendant's platform's use as a “trade dress database”; (3) express references to the plaintiffs and the use of their images in the defendant's promotional materials; and (4) “the ‘mental recognition’ of [the defendant's] calling out of plaintiffs by name.”⁵⁹⁰ The defendant's motion therefore failed, even if the court did not apply the Ninth Circuit's doctrinal test for acquired distinctiveness.⁵⁹¹

In a different case presenting a failed motion to dismiss, an Ohio federal district court applied the Sixth Circuit's factors for weighing claims of acquired distinctiveness, namely, “(1) direct consumer testimony, (2) consumer surveys, (3) exclusivity, length, and manner of use, (4) amount and manner of advertising, (5) amount of sales and number of customers, (6) established place in the market,

⁵⁸⁶ *Id.* at 135.

⁵⁸⁷ *Id.* at 134.

⁵⁸⁸ *Id.* at 135.

⁵⁸⁹ *See Andersen v. Stability AI Ltd.*, 744 F. Supp. 3d 956 (N.D. Cal. 2024).

⁵⁹⁰ *Id.* at 980–81.

⁵⁹¹ The court explained that test in the following terms:

Secondary meaning can be established in many ways, including (but not limited to) direct consumer testimony; survey evidence; exclusivity, manner, and length of use of a mark; amount and manner of advertising; amount of sales and number of customers; established place in the market; and proof of intentional copying by the defendant. To show secondary meaning, a plaintiff must demonstrate a mental recognition in buyers' and potential buyers' minds that products connected with the [mark] are associated with the same source.

Id. at 980 n.24 (alteration in original) (quoting *Art Attacks Ink, LLC v. MGA Ent. Inc.*, 581 F.3d 1138, 1145 (9th Cir. 2009)).

and (7) proof of intentional copying.”⁵⁹² As the court summarized its arguments, the defendant claimed in support of its motion that:

[T]hese factors do not support plausible secondary meaning because [the plaintiff] does not allege direct consumer testimony or consumer surveys (factors one and two), does not allege how long [the plaintiff] has allegedly used [its claimed trade dress] (factor 3), only alleges as a conclusion that [the plaintiff] has extensively advertised with its trade dress (factor four), alleges no details about the number of customers who have purchased products bearing the trade dress (factor five), includes only conclusory allegations regarding whether the trade dress is established in the market (factor six), and that the Court should be skeptical of [the plaintiff’s] allegations of intentional copying made on “information and belief” (factor seven).⁵⁹³

“Accepting [the defendant’s] argument,” the court observed, “would subject [the plaintiff] to a higher standard than required at this stage.”⁵⁹⁴ Even if the defendant had correctly identified deficiencies in the plaintiff’s complaint, it concluded that that document still “includes sufficient allegations, taken as true, that plausibly allege its trade dress has obtained secondary meaning. It alleges how consumers associate [the plaintiff] with its trade dress, that sales occur throughout the United States and are substantial, and that it markets its trade dress nation-wide, among other relevant allegations.”⁵⁹⁵ “Whether, and to what extent, these allegations are true,” the court concluded, “is a matter more fit for post-discovery motions.”⁵⁹⁶

Yet another failed motion to dismiss presented itself in a case in which the plaintiffs sought to protect the claimed trade dress of three models of shoes they manufactured and sold.⁵⁹⁷ The Massachusetts federal district court hearing the case evaluated the adequacy of the plaintiffs’ averments of acquired distinctiveness by referring to the factors identified by the First Circuit for consideration, namely:

1) the length and manner of the use of the trade dress; 2) the nature and extent of advertising and promotion of the trade dress; 3) the efforts made to promote a conscious connection by the public between the trade dress and the product’s

⁵⁹² See *Scotts Co. v. SBM Life Sci. Corp.*, 749 F. Supp. 3d 865 (S.D. Ohio 2024) (quoting *Gen. Motors Corp. v. Lanard Toys, Inc.*, 468 F.3d 405, 415 (6th Cir. 2006)).

⁵⁹³ *Id.* at 877.

⁵⁹⁴ *Id.*

⁵⁹⁵ *Id.* at 877–88.

⁵⁹⁶ *Id.* at 878.

⁵⁹⁷ See *Birkenstock US BidCo, Inc. v. White Mountain Int’l LLC*, 747 F. Supp. 3d 292 (D. Mass. 2024).

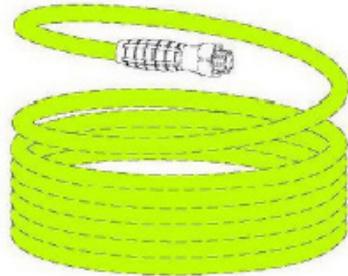
source; 4) the product’s established place in the market; and
5) proof of intentional copying.⁵⁹⁸

The court credited the plaintiffs’ averments that their shoes “have enjoyed tremendous commercial success, with hundreds of millions of dollars in sales annually in the U.S. alone’ and that the company ‘has spent millions of dollars on campaigns to advertise and promote its footwear to the general public.”⁵⁹⁹ Beyond that, it observed, “[t]he complaint also includes several examples of [the plaintiffs]’ footwear products appearing in media and entertainment, such as the appearance of the Arizona two-strap sandal owned by the character ‘Weird Barbie’ in the movie ‘Barbie.’”⁶⁰⁰ Taken together, those claims sufficed to get the plaintiffs’ case past the pleadings stage.

(3) Nonfunctionality

(a) Utilitarian Nonfunctionality

An Iowa federal district court reached a finding of functionality as a matter of law for the color chartreuse, which the plaintiff used and had registered on the Principal Register for hoses:⁶⁰¹



Unfortunately for the plaintiff, its advertising was replete with claims that the claimed mark made hoses “more visible in the workplace,”⁶⁰² and that the color “increase[d] visual awareness of [the] hose.”⁶⁰³ Having belatedly recognized its averments of utilitarian advantage were inconsistent with its pretensions of trademark protection, the plaintiff scrubbed them from its promotional materials before applying to register its color, leading the court to find that:

⁵⁹⁸ *Id.* at 301.

⁵⁹⁹ *Id.*

⁶⁰⁰ *Id.*

⁶⁰¹ *See Weems Indus. v. Teknor Apex Co.*, 757 F. Supp. 3d 854, 871, 873 (N.D. Iowa 2024).

⁶⁰² *Id.* at 889.

⁶⁰³ *Id.* at 873, 889, 921.

[T]here is no evidence that [the plaintiff] received new information demonstrating that its safety-related advertising was false or misleading. Instead, [the plaintiff] learned that promoting [its] color as a safety feature was contrary to its efforts to obtain trademark protection for that color. . . .

. . . .

. . . In short, [the plaintiff] knew the color of its . . . hoses was a functional safety feature and proudly touted that fact until it decided to prioritize its efforts to obtain trademark protection for that color. It then attempted to “sanitize” its advertising and marketing materials and withheld them from the USPTO in order to achieve registration of its color mark.⁶⁰⁴

Beyond that disappearing advertising, which the court found the plaintiff had concealed from the USPTO, the defendant successfully adduced expert witness testimony describing chartreuse as “one of the best design colors for visibility and that it has a longstanding use in making objects more visible.”⁶⁰⁵ It also relied on utility patents “describ[ing] the utilitarian advantages of the color ‘chartreuse’ as a color that enhances visibility of an object,”⁶⁰⁶ and a Federal Emergency Management Agency study finding that [f]luorescent colors (especially fluorescent yellow-green and orange) offer higher visibility during daylight hours.⁶⁰⁷ The plaintiff proffered evidence that certain industry participants used alternative colors, but the court found that “while this factor weighs slightly against a finding of functionality, this is not enough to outweigh the other factors which strongly weigh in favor of functionality.”⁶⁰⁸

Although not reaching a definitive determination on the issue, the Federal Circuit delivered another pro-defendant opinion.⁶⁰⁹ The claimed trade dress at issue in the appeal to that court was the appearance of “hookless” shower curtains with integrated coplanar rings, which a New York federal district court found valid and infringed:⁶¹⁰

⁶⁰⁴ *Id.* at 922, 923.

⁶⁰⁵ *Id.* at 923.

⁶⁰⁶ *Id.* at 893, 923.

⁶⁰⁷ *Id.* at 907, 923.

⁶⁰⁸ *Id.* at 925.

⁶⁰⁹ *See* Focus Prods. Grp. Int’l, LLC v. Kartri Sales Co., 156 F.4th 1259 (Fed. Cir. 2025).

⁶¹⁰ The illustrations accompanying this footnote are taken from the district court’s opinion. *See* Focus Prods. Grp. Int’l, LLC v. Kartri Sales Co., 647 F. Supp. 3d 145, 218, 219 (S.D.N.Y. 2022), *aff’d in part, reversed in part, vacated in part, and remanded*, 156 F.4th 1259 (Fed. Cir. 2025).



Consistent with the underlying facts of similar actions to protect product configurations, a utility patent bearing on users' ability to affix the curtains to shower rods without hooks was in play—in fact, the lead plaintiff asserted infringement of that patent as well—but the district court was untroubled by that arguably inconsistent claim of rights. Instead, that court accepted the plaintiffs' argument that the asserted trade dress created “the visual appearance of an essentially neat and orderly shower curtain”⁶¹¹ before finding that “a neat and orderly appearance is in no way essential to the functional purposes of a shower curtain: protecting privacy and preventing water from spraying outside the shower area.”⁶¹² The district court also accepted the plaintiff's evidence of alternative designs as further proof of the nonfunctionality of the plaintiffs' claimed trade dress.⁶¹³

The Federal Circuit vacated the district court's finding of nonfunctionality and remanded the action for a proper application of the Supreme Court's decision in *TrafFix Devices, Inc. v. Marketing Displays, Inc.*⁶¹⁴ and Second Circuit authority, the combination of which the appellate court summarized in the following manner:

TrafFix . . . held that a prior utility patent “is strong evidence” that an asserted trade dress is functional where

⁶¹¹ 156 F.4th at 1284.

⁶¹² *Id.*

⁶¹³ *Id.*

⁶¹⁴ 532 U.S. 23 (2001).

the features of the trade dress are claimed in the patent. Under this framework, “[w]here 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.” A feature is deemed functional if it is “(1) essential to the use or purpose of the article, or if it (2) affects the cost or quality of the article.” “Product features are essential when they are dictated by the functions to be performed by the article” and “[a] feature affects cost or quality when it permits the article to be manufactured at a lower cost or constitutes an improvement in the operation of the goods.”⁶¹⁵

Faulting the district court’s failure to consider the disclosure of the lead plaintiff’s patent, the court accused the lower tribunal of ignoring “*TrafFix*’s instruction to compare whether ‘the expired patent claim[s] the features [of the trade dress] in question.’”⁶¹⁶ It therefore gave the district court a second opportunity to heed that instruction.

Finally, the perennial question of whether a nonfunctional combination of individually functional elements can qualify for protection arose in an opinion from a Massachusetts federal district court denying a motion to dismiss filed by a pair of defendants accused of infringing the trade dress of three models of shoes.⁶¹⁷ Breezing past the defendants’ arguments that every element of the plaintiffs’ shoes had a utilitarian function, the court concluded that:

The First Circuit has . . . recognized that a “particular arbitrary combination of functional features, the combination of which is not itself functional, properly enjoys protection.” Based on the images and the detailed trade dress descriptions included in [the plaintiffs’] complaint, it is plausible that the elements of [their] products are arranged in an arbitrary manner such that the designs constitute non-functional trade dresses. Under First Circuit precedent, and drawing all inferences in [the plaintiffs’] favor, the complaint makes a plausible claim of non-functionality for its three trade dress infringement claims.⁶¹⁸

⁶¹⁵ *Focus Prods. Grp.*, 156 F.4th at 1284 (second and third alterations in original) (first quoting *TrafFix*, 532 U.S. at 29; then quoting *id.*; then quoting *Sulzer Mixpac AG v. A&N Trading Co.*, 988 F.3d 174, 182 (2d Cir. 2021); and then quoting *id.*).

⁶¹⁶ *Id.* at 1285 (alterations in original) (quoting *TrafFix*, 532 U.S. at 30).

⁶¹⁷ See *Birkenstock US BidCo, Inc. v. White Mountain Int’l LLC*, 747 F. Supp. 3d 292 (D. Mass. 2024).

⁶¹⁸ *Id.* at 302 (quoting *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 37 (1st Cir. 1998)).

(b) Aesthetic Nonfunctionality

The aesthetic nonfunctionality doctrine came up in few reported opinions.⁶¹⁹ The most significant one originated in a case in which Pennsylvania State University challenged the imitation by three defendants of Penn State’s claimed marks on t-shirts, hats, mugs, and other physical merchandise.⁶²⁰ The defendants asserted that their own uses—and not those of the plaintiff—were aesthetically functional.⁶²¹ The plaintiff sought to exclude that argument through a motion to dismiss and one in limine targeting: (1) testimony by a Penn State witness that purchasers of the defendants’ goods could express their affiliation with the University by wearing apparel with Penn State imagery;⁶²² (2) “testimony from alumna and advertising material showing that people wear Penn State gear to affiliate themselves with Penn State”;⁶²³ and (3) “expert testimony that Penn State has no reputation as a source of apparel and consumers do not believe it is responsible for the quality of products.”⁶²⁴ Following an extensive survey of what it considered the relevant case law defining aesthetic functionality, the court ultimately held that:

Imagery, even if it is trademarked and is the reason why consumers purchase a product, is subject to the aesthetic functionality defense so long as there is sufficient evidence that the images serve an aesthetic purpose wholly independent of any source-identifying function. In such circumstances the producer or sponsor of the goods would be of no consequence to consumers and, as the Supreme Court [has] observed . . . , “[t]he words of the Lanham Act should

⁶¹⁹ For an example of a packaging trade dress dispute in which the defendant apparently did not contest its opponent’s claim of nonfunctionality, see *Scotts Co. v. Procter & Gamble Co.*, 789 F. Supp. 3d 539, 571 (S.D. Ohio 2025).

⁶²⁰ See *Pa. State Univ. v. Vintage Brand, LLC*, 755 F. Supp. 3d 563 (M.D. Pa. 2024).

⁶²¹ Although nonfunctionality historically has been treated as a prerequisite for protection in the first instance, the court was untroubled by the defendants’ argument that their own uses were nonactionable because they were aesthetically functional:

[W]hether functionality is defined by the plaintiff or by the defendant’s actual use is a distinction without a difference, since either method leads to the same question: whether the trademarks as used on physical goods are functional or, instead, source identifying. When viewed in that light, whether the disputed [marks] are source identifying as defined by [the plaintiff] or as used on [the defendants’] goods is immaterial. In either case, they either identify [the sponsor] as the source or sponsor of the goods or they do not.

Id. at 602.

⁶²² *Id.* at 596.

⁶²³ *Id.*

⁶²⁴ *Id.*

not be stretched to cover matters that are typically of no consequence to purchasers.”⁶²⁵

Concluding that the defendants had “just barely” adduced enough supporting evidence and testimony to support their claim of aesthetic functionality, the court denied the plaintiff’s motion.⁶²⁶

A California federal district court also addressed a defense claim of aesthetic functionality.⁶²⁷ The defendant making that claim owned a generative artificial intelligence platform that had ingested works by the plaintiff visual artists and that, when prompted to do so, would produce works in their styles. In denying its motion to dismiss, the court faulted the defendant for failing to address “the Ninth Circuit’s test for determining non-functionality,” which the court itself misidentified by invoking the factors governing evaluations of *utilitarian* nonfunctionality in that jurisdiction.⁶²⁸ Equally unusually, the court held the plaintiffs’ characterization of the defendant’s platform as employing a “trade dress database” and the defendant’s use of the plaintiffs’ names as examples of the personal artistic styles the platform could emulate as additional bases for denying the motion.⁶²⁹

iii. Violations of Trademark and Service Mark Rights

(A) Actionable Uses in Commerce by Defendants

As a prerequisite for liability, each of the Lanham Act’s primary statutory causes of action for infringement, unfair competition, and likely dilution, namely, those set forth in Sections 32(1)(a),⁶³⁰ 43(a)(1)(A),⁶³¹ and 43(c),⁶³² requires the challenged use be one in connection with goods or services in commerce. Likewise, corresponding state-law causes of actions often contemplate similar showings by plaintiffs, albeit without requiring that use to occur across state lines.⁶³³ These requirements often lead defendants to challenge the adequacy of plaintiffs’ averments or showings of the

⁶²⁵ *Id.* at 599 (third alteration in original) (quoting *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 32–33 (2003)).

⁶²⁶ *Id.* at 600.

⁶²⁷ *See Andersen v. Stability AI Ltd.*, 744 F. Supp. 3d 956 (N.D. Cal. 2024).

⁶²⁸ *Id.* at 979 n.23, 980.

⁶²⁹ *Id.* at 980.

⁶³⁰ 15 U.S.C. § 1114(1)(a).

⁶³¹ *Id.* § 1125(a)(1)(A).

⁶³² *Id.* § 1125(c).

⁶³³ *See, e.g.*, N.Y. Gen. Bus. Law § 360-k(a) (providing for cause of action against “any person who shall . . . (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of a mark registered under this article in connection with the sale, distribution, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive as to the source of origin of such goods or services”).

necessary use, sometimes by arguing that liability cannot attach to conduct not falling within the definition of “use in commerce” found in Section 45 of the Act.⁶³⁴

(1) Opinions Finding Actionable Uses in Commerce

Several opinions found actionable uses in commerce.⁶³⁵ For example, the Sixth Circuit concluded that a group of dissident members of the Michigan Libertarian Party had exposed themselves to potential liability when they continued to avail themselves of the LIBERTARIAN PARTY mark to “solicit party donations, fill out campaign finance paperwork, advertise events, and espouse political platform positions” after the national party determined they did not represent the state party.⁶³⁶ Attempting to fend off the national party’s lawsuit, the defendants argued that the Lanham Act regulated only commercial speech, which to them meant their conduct fell outside the Act’s reach. The court disagreed, holding instead that “[c]ourts have long construed the Lanham Act’s requirement that a defendant use a trademark in connection with the advertisement of ‘any goods or services’ to encompass trademark infringement by political or nonprofit defendants.”⁶³⁷ In the final analysis, the “dispositive” consideration was “that the defendant[s] trademark use served a source identification, rather than

⁶³⁴ Under that definition:

The term “use in commerce” means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce—

- (1) on goods when—
 - (A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and
 - (B) the goods are sold or transported in commerce, and
- (2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.

15 U.S.C. § 1127.

⁶³⁵ See, e.g., *Amplify Car Wash Advisors LLC v. Car Wash Advisory LLC*, 770 F. Supp. 3d 625, 636–37 (S.D.N.Y. 2025) (finding, in cursory analysis, that defendants’ use of challenged domain name to redirect consumers to their own website constituted an actionable use in commerce for purposes of plaintiff’s infringement and cybersquatting causes of action).

⁶³⁶ See *Libertarian Nat’l Comm., Inc. v. Saliba*, 116 F.4th 530, 533 (6th Cir. 2024).

⁶³⁷ *Id.* at 537.

expressive, end,” a consideration forcing them to defend themselves against the merits of the plaintiff’s infringement-based challenge.⁶³⁸

In a separate piece of litigation also originating in the Sixth Circuit and also producing a pro-plaintiff outcome, the defendant had announced its intent to open restaurants under a mark identical to one used by the plaintiff in geographic markets in which the plaintiff already operated its own restaurants.⁶³⁹ That intent was coupled with the defendant’s advertising for prospective employees under the disputed mark. Perhaps understandably, the court found without extended analysis that the defendant had engaged in an actionable use in commerce.⁶⁴⁰

Another such finding transpired in a dispute in which one cause of action asserted by the plaintiffs was for passing off.⁶⁴¹ The evidence and testimony adduced during a bench trial established that a United States-based defendant (owned by another defendant) accepted orders for printed circuit boards (“PCBs”) from purchasers outside the United States before they submitted those orders to the plaintiffs, which manufactured the PCBs to the ordering parties’ specifications. When the parties’ relationship fell apart, the defendants began using another manufacturer but represented to at least some customers that the plaintiffs had manufactured the resulting PCBs. Because the sales of those PCBs took place outside the United States, the defendants argued that their false representations could not constitute actionable passing off. The court disagreed, holding instead that “‘use in commerce’ isn’t limited to the sale and shipment of infringing goods: It applies to *all* ‘bona fide use[s] of a mark in the ordinary course of trade, where the mark serves to identify and distinguish the mark user’s goods and to indicate the source of goods.’”⁶⁴²

(2) Opinions Declining to Find Actionable Uses in Commerce

The most noteworthy rejection of a plaintiff’s claim of actionable uses in commerce issued from the Second Circuit.⁶⁴³ That plaintiff owned a federal registration of his own name for banking and financial services. Having lost a prior proceeding in a New York state court for current and retroactive child support, the plaintiff

⁶³⁸ *Id.* at 538.

⁶³⁹ *See* *FBB IP LLC v. Big Boy Rest. Grp.*, 769 F. Supp. 3d 765 (S.D. Ohio 2025).

⁶⁴⁰ *Id.* at 778–79.

⁶⁴¹ *See* *Shenzhen Kinwong Elec. Co. v. Kukreja*, 778 F. Supp. 3d 1255 (S.D. Fla. 2025), *amended in part*, No. 18-cv-61550-ALTMAN/Hunt, 2025 WL 2337095 (S.D. Fla. Aug. 13, 2025).

⁶⁴² *Id.* at 1307 (alteration in original) (quoting *Abitron Austria GmbH v. Hetronic Int’l, Inc.*, 600 U.S. 412, 428 (2023)).

⁶⁴³ *See* *Dieujuste v. Sin*, 125 F.4th 397 (2d Cir.), *cert. denied*, 146 S. Ct. 119 (2025).

filed a complaint against the judge and clerk of that court in which he claimed, among other things, that those defendants had infringed his service mark by using his name in orders and in the docket.⁶⁴⁴ The district court dismissed that pleading for failure to aver an actionable use in commerce by the defendants, and the Second Circuit affirmed with little analysis.⁶⁴⁵

An infringement action by a United States–based operator of websites featuring legal services against a defendant based in Japan also fell short at the pleadings stage for want of an actionable use in commerce.⁶⁴⁶ One theory advanced by the unsuccessful plaintiff was that the defendant’s sale of stock under its allegedly infringing name to United States investors fell within the Lanham Act’s scope. The Ninth Circuit disagreed, and it therefore affirmed the dismissal of that aspect of the plaintiff’s complaint:

Equity is not a “good” for purposes of the Lanham Act, because it is not a movable or tangible thing.

Equity is also not a service for purposes of the Lanham Act. Equity is not “performance of labor for the benefit of another,” because there is no “another” involved. The individuals or entities who buy equity in [the defendant] are owners of [the defendant]; they are thus not legally separate “others.” Equity is also not “a different kind of economic activity than what” companies like [the parties] “normally provide[].”⁶⁴⁷

⁶⁴⁴ The plaintiff’s litigiousness can best be ascertained by his prayer for relief, which the district court summarized in the following manner:

The Complaint seeks various forms of relief purportedly governed by Plaintiff’s “Fee Schedule,” namely, damages of \$50,000 per occurrence of service mark infringement and failure to protect or act for each use of his name in court proceedings; damages of \$100,000 per occurrence of slander or libel; injunctive relief enjoining Defendants from invoking his service mark; an order compelling Defendants to communicate the injunction to third parties, an order to “seize and deliver” all materials with the relevant service mark to Plaintiff before destroying them; and a declaration that Defendants’ actions and omissions are causes of action under various sections of the United States Code.

Dieujuste v. Sin, 731 F. Supp. 3d 440, 444 (E.D.N.Y.), *reconsideration denied*, 734 F. Supp. 3d 232 (E.D.N.Y. 2024), *and aff’d*, 125 F.4th 397 (2d Cir.), *cert. denied*, 146 S. Ct. 119 (2025).

⁶⁴⁵ *Dieujuste*, 125 F.4th at 400.

⁶⁴⁶ See *LegalForce RAPC Worldwide, PC v. LegalForce, Inc.*, 124 F.4th 1122 (9th Cir. 2024).

⁶⁴⁷ *Id.* at 1126 (fourth alteration in original) (first quoting *In re Canadian Pac. Ltd.*, 754 F.2d 992, 994–96 (Fed. Cir. 1985); then quoting *id.*; and then quoting *Cottonwood Fin. Ltd. v. Cash Store Fin. Servs., Inc.*, 778 F. Supp. 2d 726, 739–40 (N.D. Tex. 2011)).

(3) Opinions Deferring Resolution of the Actionable Use-in-Commerce Inquiry

Reversing the dismissal of a complaint, the Fifth Circuit determined in a dispute between restaurateurs that that pleading sufficiently alleged an actionable use in commerce to warrant allowing the plaintiff's case to proceed to discovery.⁶⁴⁸ At an earlier stage of their dispute, the parties had executed a settlement agreement requiring the defendants to discontinue all uses of the plaintiff's mark. The plaintiff alleged that, following the agreement, the defendants had taken steps calculated to guarantee that Internet searches for the plaintiff's mark directed consumers to the defendants' business. Disapproving of the district court's conclusion that the plaintiff had failed to tie the defendants to the search results, the Fifth Circuit credited the complaint's allegations that: (1) a subdomain on the defendant's website was supported by a subdomain incorporating the plaintiff's mark; (2) the panel in a UDRP action initiated by the plaintiff in response to an unidentified party's registration of a domain name incorporating the mark had found the registration was in bad faith; (3) the defendants' website referred to the plaintiff's mark and included a photograph of a restaurant with a sign bearing the mark; (4) less than 24 hours after the plaintiff's persistent complaints to Google had led to remedial actions by that company, those actions had been reversed; (5) five of the six top results from searches for the plaintiff's mark on the website of a civic booster directed searchers to restaurants operated by the defendants; and (6) Google, Trip Advisor, and Yelp reviews of the defendants' restaurants indicated that customers thought the restaurants affiliated with the plaintiff, with the defendants' responses to those reviews "meld[ing]" the plaintiff's restaurant with those of the defendants.⁶⁴⁹ "Contrary to the district court's determination," the court of appeals concluded, "the[se] . . . allegations are not conclusory; rather, they establish the facial plausibility of [the plaintiff's] trademark infringement claims."⁶⁵⁰

Finally, even if Section 32(1)(a) requires the use in commerce of an allegedly infringing mark, the same is not necessarily true of Section 32(1)(b).⁶⁵¹ A New York federal district court distinguished between those two subsections in a case in which six publishers asserted a cause of action under Section 32(1)(b) against Google for that company's acceptance of advertising for allegedly pirated books bearing the plaintiffs' marks.⁶⁵² Google sought the dismissal of that

⁶⁴⁸ See *Molzan v. Bellagreen Holdings, L.L.C.*, 112 F.4th 323 (5th Cir. 2024).

⁶⁴⁹ *Id.* at 332.

⁶⁵⁰ *Id.*

⁶⁵¹ 15 U.S.C. § 1114(1)(b).

⁶⁵² See *Cengage Learning, Inc. v. Google LLC*, 786 F. Supp. 3d 611 (S.D.N.Y. 2025).

claim on the theory that it had not itself applied the plaintiffs' marks to the disputed books but instead had merely accepted advertisements featuring photographs of the books supplied by the accused pirates through an automated process. The court denied Google's motion to dismiss for several reasons, the first of which was that the plaintiffs' complaint accused Google of more than passively accepting advertising forwarded to it.⁶⁵³ Another was that "Google has cited no cases that suggest that section [32(1)(b)] does not apply to automated processes."⁶⁵⁴ Finally, the court observed, "if there could be no liability under section [32(1)(b)] for those who display infringing paid advertisements on behalf of others, as Google suggests, there would be no need for section [32(2)(b)], which expressly sets forth an innocent infringer defense for those publishers"⁶⁵⁵

(B) Infringement

(1) The Standard Multifactor Test for Likely Confusion

(a) Factors Considered

(i) The First Circuit

The First Circuit confirmed the viability of its eight-factor test for likely confusion, which turned on: (1) the similarity of the parties' marks; (2) the similarity of the parties' goods or services; (3) the relationship between the parties' channels of trade; (4) the relationship between the parties' advertising; (5); the classes of prospective purchasers; (6) evidence of actual confusion; (7) the defendant's intent in adopting its mark; and (8) the strength of the plaintiff's mark.⁶⁵⁶ "Of those factors," the court explained, "evidence of actual confusion is 'often deemed the best evidence of possible future confusion.'"⁶⁵⁷

⁶⁵³ *Id.* at 628 ("As Plaintiffs state in their Amended Complaint, Google's role in the paid advertising on its Shopping platform is more active than printing ads in the yellow pages supplied by businesses: 'Google takes an active role in creating ads and targeting the advertising of its merchants' products to the very users who are looking for those products.'").

⁶⁵⁴ *Id.*

⁶⁵⁵ *Id.* at 629 (citing 15 U.S.C. § 1114(2)(B)).

⁶⁵⁶ *See* *US Ghost Adventures, LLC v. Miss Lizzie's Coffee LLC*, 121 F.4th 339, 348 (1st Cir. 2024); *D'Pergo Custom Guitars, Inc. v. Sweetwater Sound, Inc.*, 111 F.4th 125, 133 (1st Cir. 2024).

⁶⁵⁷ *D'Pergo Custom Guitars*, 111 F.4th at 133 (quoting *Borinquen Biscuit Corp. v. M.V. Trading Corp.*, 443 F.3d 112, 120 (1st Cir. 2006)).

(ii) The Second Circuit

Courts within the Second Circuit, as well as the Federal Circuit when applying the law of that jurisdiction, continued to apply the *Polaroid* factors⁶⁵⁸ in conventional likelihood-of-confusion disputes. Those factors consisted of: (1) the strength (both conceptual and commercial) of the plaintiff's mark; (2) the degree of similarity between the parties' marks; (3) the competitive proximity of the parties' goods or services; (4) the likelihood of the parties bridging any gap between their lines of business; (5) actual confusion between the parties' marks; (6) the defendant's good faith or bad faith in adopting its mark; (7) the quality of the defendant's goods or services; and (8) the sophistication of the parties' customers.⁶⁵⁹

(iii) The Third Circuit

The Third Circuit's ten-factor *Lapp* test for likely confusion⁶⁶⁰ remained unchanged over the past year. Those ten factors were: (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 any use by the defendant 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 the consuming public might expect the plaintiff to provide goods or services in the defendant's market or to expand into the defendant's market.⁶⁶¹ Nevertheless, one federal district court within that jurisdiction noted that, in a case in which the defendant claims to have made a permissible nominative fair use of the plaintiff's mark, the *Lapp* factors properly should be

⁶⁵⁸ See *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961).

⁶⁵⁹ See, e.g., *Focus Prods. Grp. Int'l, LLC v. Kartri Sales Co.*, 156 F.4th 1259, 1280 (Fed. Cir. 2025) (applying Second Circuit law); *1-800 Contacts, Inc. v. JAND, Inc.*, 119 F.4th 234, 247 (2d Cir. 2024); *Amplify Car Wash Advisors LLC v. Car Wash Advisory LLC*, 770 F. Supp. 3d 625, 637 (S.D.N.Y. 2025); *City of N.Y. ex rel. FDNY v. Henriquez*, 768 F. Supp. 3d 388, 401 (E.D.N.Y. 2025), *notice of appeal docketed*, No. 25-641 (2d Cir. Mar. 19, 2025); *Crye Precision LLC v. Concealed Carrier, LLC*, 749 F. Supp. 3d 308, 330 (E.D.N.Y. 2024); *Lion-Aire Corp. v. Lion Air Installation, Inc.*, 747 F. Supp. 3d 488, 503, 507 (E.D.N.Y. 2024); *Adidas Am., Inc. v. Thom Browne, Inc.*, 742 F. Supp. 3d 352, 359–60 (S.D.N.Y. 2024); see also *Christian Dior Couture SA v. Lin*, 744 F. Supp. 3d 312, 315 (S.D.N.Y. 2024) (referencing, but not applying, *Polaroid* factors in counterfeiting action).

⁶⁶⁰ See *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 463 (3d Cir. 1983).

⁶⁶¹ See *Lontex Corp. v. Nike, Inc.*, 107 F.4th 139, 151–55 (3d Cir. 2024); *Am. Soc'y for Testing & Materials v. UpCodes, Inc.*, 752 F. Supp. 3d 480, 509 (E.D. Pa. 2024).

abridged to consideration of: (1) the price of the parties' goods and other factors indicative of the care and attention expected of consumers when making purchases; (2) the length of time the defendant had used the mark without evidence of actual confusion; (3) the defendant's intent in adopting the mark; and (4) evidence of actual confusion.⁶⁶²

(iv) The Fourth Circuit

The Fourth Circuit ratified the use of its usual nine-factor test for determining the likelihood of confusion between particular marks.⁶⁶³ That test mandated consideration of:

(1) the strength or distinctiveness of the plaintiff's mark as actually used in the marketplace; (2) the similarity of the two marks to consumers; (3) the similarity of the goods or services that the marks identify; (4) the similarity of the facilities used by the markholders; (5) the similarity of the advertising used by the markholders; (6) the defendant's intent; (7) actual confusion; (8) the quality of the defendant's product; and (9) the sophistication of the consuming public.⁶⁶⁴

(v) The Fifth Circuit

The Fifth Circuit's eight "digits of confusion" remained the law of the land in that jurisdiction. They comprised: "(1) the type of trademark; (2) mark similarity; (3) product similarity; (4) outlet and purchaser identity; (5) advertising media identity; (6) defendant's intent; (7) actual confusion; and (8) care exercised by potential purchasers."⁶⁶⁵ One court explained of them that "[n]o one 'digit' is dispositive."⁶⁶⁶

(vi) The Sixth Circuit

The *Frisch's* factors⁶⁶⁷ endured as those of choice in the Sixth Circuit and included: (1) the strength of the plaintiff's mark; (2) the relatedness of the parties' goods or services; (3) the similarity of the parties' marks; (4) evidence of actual confusion; (5) the parties' marketing channels; (6) the likely degree of care exercised by

⁶⁶² *Am. Soc'y for Testing & Materials*, 752 F. Supp. 3d at 511.

⁶⁶³ *See Westmont Living, Inc. v. Ret. Unlimited, Inc.*, 132 F.4th 288, 295 (4th Cir. 2025).

⁶⁶⁴ *Id.* (quoting *RXD Media, LLC v. IP Application Dev. LLC*, 986 F.3d 361, 373 (4th Cir. 2021)).

⁶⁶⁵ *David Austin Roses Ltd. v. GCM Ranch LLC*, 764 F. Supp. 3d 474, 483 (N.D. Tex. 2025) (quoting *Xtreme Lashes, LLC v. Xtended Beauty, Inc.*, 576 F.3d 221, 227 (5th Cir. 2009)).

⁶⁶⁶ *Id.*

⁶⁶⁷ *See Frisch's Rest., Inc. v. Shoney's Inc.*, 759 F.2d 1261, 1264 (6th Cir. 1985).

consumers; (7) the defendant's intent in selecting its mark; and (8) the likelihood of expansion of the parties' product lines or services.⁶⁶⁸

(vii) The Seventh Circuit

Consistent with its past case law on the subject, the Seventh Circuit held that:

Assessing the likelihood of confusion between two trade dresses involves consideration of seven factors: “(1) the similarity between the marks; (2) the similarity of the products; (3) the area and manner of concurrent use; (4) the degree of care consumers are likely to use; (5) the strength of plaintiff's mark; (6) actual consumer confusion; and (7) the defendant's intent to ‘palm off’ its product as that of another.”⁶⁶⁹

(viii) The Eighth Circuit

The Eighth Circuit's six-factor test for likely confusion remained extant in that jurisdiction and mandated consideration of: (1) the strength of the plaintiff's mark; (2) the similarity between the parties' uses; (3) the degree to which the parties' goods or services compete with each other; (4) the alleged infringer's intent to pass off its goods or services as those of the plaintiff; any incidents of actual confusion; and (6) the type of the goods or services at issue, their cost, and the conditions under which they are purchased.⁶⁷⁰

(ix) The Ninth Circuit

The Ninth Circuit's *Sleekcraft* factors⁶⁷¹ continued to reign supreme in that jurisdiction. They included: (1) the strength of the plaintiff's mark; (2) the competitive proximity or relatedness of the parties' goods and services; (3) the similarity between the parties' marks; (4) evidence of actual confusion; (5) the marketing channels used by the parties; (6) the degree of care exercised by the parties'

⁶⁶⁸ See *Scotts Co. v. Procter & Gamble Co.*, 789 F. Supp. 3d 539, 572 (S.D. Ohio 2025); *Colors+ v. Colors+ Counseling, LLC*, 782 F. Supp. 3d 579, 620 (N.D. Ohio 2025), *opinion clarified*, No. 1:25-cv-00078-PAB, 2025 WL 2322784 (N.D. Ohio Aug. 12, 2025); *FBB IP LLC v. Big Boy Rest. Grp.*, 769 F. Supp. 3d 765, 779 (S.D. Ohio 2025).

⁶⁶⁹ *Republic Techs. (NA), LLC v. BBK Tobacco & Foods, LLP*, 135 F.4th 572, 584 (7th Cir. 2025) (quoting *Uncommon, LLC v. Spigen, Inc.*, 926 F.3d 409, 425 (7th Cir. 2019)).

⁶⁷⁰ See *Abbott Lab's v. Revitalyte LLC*, 744 F. Supp. 3d 894, 903 (D. Minn. 2024).

⁶⁷¹ See *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348–49 (9th Cir. 1979), *abrogated in part on other grounds by Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 810 n.19 (9th Cir. 2003).

customers; (7) the defendant's intent when selecting its mark; and (8) the likelihood of the parties expanding into other markets.⁶⁷²

(x) The Tenth Circuit

There were no readily apparent reported opinions bearing on the Tenth Circuit's multifactored test for likely confusion.

(xi) The Eleventh Circuit

Courts in the Eleventh Circuit, including that tribunal itself, did not deviate from applications of their standard seven-factor test for likely confusion, which took into account the following considerations: (1) the strength of the plaintiff's mark; (2) the degree of similarity between the parties' marks; (3) the similarity of the parties' goods and services; (4) the similarity between the parties' retail outlets and customers; (5) the similarity of the parties' advertising media; (6) the defendant's intent; and (7) any actual confusion.⁶⁷³

(xii) The District of Columbia Circuit

There were no readily apparent reported opinions bearing on the District of Columbia Circuit's multifactored test for likely confusion.

(b) Findings and Holdings

(i) Opinions Finding Confusion Likely on Motions for Preliminary Injunctive Relief

One defendant's infringement of the BIG BOY mark for restaurant services was sufficiently egregious and unapologetic that the court confronted with it entered a temporary restraining order.⁶⁷⁴ The parties' predecessors had entered into several agreements that the court found reserved certain territories to the plaintiff's predecessor, and, indeed, those predecessors had secured concurrent use registrations of the mark reflecting the same division of the country. The defendant argued that certain language in the original agreement between the parties' predecessors allowed it to move into the plaintiff's territories under the BIG BOY mark.

⁶⁷² See *Top Brand LLC v. Cozy Comfort Co.*, 143 F.4th 1349, 1364 (Fed. Cir. 2025) (applying Ninth Circuit law); *Vision Wheel, Inc v. Vision Forged*, 732 F. Supp. 3d 1161, 1165 (C.D. Cal. 2024); see also *BillFloat Inc. v. Collins Cash Inc.*, 105 F.4th 1269, 1278 (9th Cir. 2024) (referencing *Sleekcraft* factors without expressly identifying them).

⁶⁷³ See *Shenzhen Kinwong Elec. Co. v. Kukreja*, 778 F. Supp. 3d 1255, 1295–96 (S.D. Fla. 2025), *amended in part*, No. 18-cv-61550-ALTMAN/Hunt, 2025 WL 2337095 (S.D. Fla. Aug. 13, 2025); *Rolex Watch U.S.A., Inc. v. Jewelry Unlimited, Inc.*, 757 F. Supp. 3d 1342, 1354 (N.D. Ga. 2024).

⁶⁷⁴ See *FBB IP LLC v. Big Boy Rest. Grp.*, 769 F. Supp. 3d 765 (S.D. Ohio 2025).

Once the defendant lost that point, the court unsurprisingly found that the parties' concurrent operation of BIG BOY-branded restaurants in the same geographic markets would produce likely confusion. Specifically, the court found that: (1) "Big Boy has become a strong and distinct trademark by continuously operating throughout Plaintiff's territory, as well as the nation, for decades";⁶⁷⁵ (2) "the goods and services are highly related because it appears that Defendant intends to open restaurants with similar products and services as the . . . Big Boys currently operating within Plaintiff's territory";⁶⁷⁶ (3) the marks used by the parties were identical;⁶⁷⁷ (4) the parties used the same marketing channels to target the same customers;⁶⁷⁸ (5) those customers were unlikely to exercise a high degree of care;⁶⁷⁹ (6) "[b]y using the Big Boy trademark in Plaintiff's territory, Defendant has demonstrated an intent to take advantage of the trademark's long history of recognition in this market";⁶⁸⁰ and (7) the parties would soon occupy the same geographic markets.⁶⁸¹ The plaintiff might not have proffered evidence of actual confusion, but the court found that consideration not "especially salient given the current circumstances and posture of [the] case."⁶⁸²

A temporary restraining order also was entered in a suit brought by the owner of the federally registered VISION mark for custom-manufactured automotive wheels.⁶⁸³ The defendant subjected to that relief used VISION FORGED to advertise and sell custom wheel rims for vehicles, and it did not help its case by failing to respond to the plaintiff's moving papers. In any case, having accepted the plaintiff's representations of the successful service of the complaint, the summons, and motion, the court determined that an application of the relevant likelihood-of-confusion factors of record favored the plaintiff's position. To begin with, the court found, the defendant's mark was confusingly similar to the plaintiff's mark,⁶⁸⁴ the latter of which the court found arbitrary and therefore entitled to "strong protection."⁶⁸⁵ The court also considered significant the plaintiff's proof of at least one instance of actual confusion and the parties' concurrent promotion of their goods and

⁶⁷⁵ *Id.* at 779.

⁶⁷⁶ *Id.* at 780.

⁶⁷⁷ *Id.*

⁶⁷⁸ *Id.*

⁶⁷⁹ *Id.* at 780–81.

⁶⁸⁰ *Id.* at 781.

⁶⁸¹ *Id.*

⁶⁸² *Id.* at 780.

⁶⁸³ *See* Vision Wheel, Inc v. Vision Forged, 732 F. Supp. 3d 1161 (C.D. Cal. 2024).

⁶⁸⁴ *Id.* at 1166.

⁶⁸⁵ *Id.*

services online.⁶⁸⁶ These showings sufficiently demonstrated the propriety of expedited interlocutory relief even on the limited record assembled by the plaintiff: “The Court has no evidence about Defendant’s intent, the typical degree of care expected of customers buying custom wheels, or the likelihood of either party’s expansion. Given [Plaintiff’s] showing that several important factors support a likelihood of confusion, these last three factors are largely immaterial here.”⁶⁸⁷

Still another temporary restraining order issued in an action brought by a franchisor and its principal against a former franchisee and its principal, which had continued using the franchisor’s marks in promoting a new (and competitive) business after their termination by the plaintiffs.⁶⁸⁸ In granting the plaintiffs’ request for emergency relief, the Michigan federal district court eschewed an application of the Sixth Circuit’s standard likelihood-of-confusion factors in favor of a simpler analysis, namely, that “continued, unauthorized use of an original trademark [after] terminat[ion] is sufficient to establish ‘likelihood of confusion.’”⁶⁸⁹ “[The plaintiffs],” it continued, “[have] demonstrated ownership and use of the marks by [the defendants], which is enough to establish a likelihood of confusion. Thus, [the plaintiffs] [are] likely to succeed on their trademark infringement claims.”⁶⁹⁰

Other disputes produced preliminary injunctions instead of TROs. In one, the Sixth Circuit affirmed a finding of liability in a case brought by the national Libertarian Party against dissenting members of the party holding themselves out as its official Michigan affiliate.⁶⁹¹ The defendants’ primary argument was that the use of the LIBERTARIAN PARTY mark in connection with the provision of political services—“for example, the maintenance of a website containing political platforms, endorsing candidates, and filing campaign finance reports”⁶⁹²—was noncommercial in nature and therefore nonactionable. Having rejected that proposition, the Sixth Circuit easily affirmed the district court’s conclusion that confusion was likely because of that use:

“If different organizations were permitted to employ the same trade name in endorsing candidates, voters would be unable to derive any significance from an endorsement, as

⁶⁸⁶ *Id.*

⁶⁸⁷ *Id.*

⁶⁸⁸ *See* Muffler Man Supply Co. v. TSE Auto Serv., Inc., 739 F. Supp. 3d 598 (E.D. Mich. 2024).

⁶⁸⁹ *Id.* at 603 (alteration in original) (quoting Little Caesar Enters. v. Miramar Quick Serv. Rest. Corp., No. 19-1860, 2020 WL 4516289, at *3 (6th Cir. June 25, 2020)).

⁶⁹⁰ *Id.* (citation omitted).

⁶⁹¹ *See* Libertarian Nat’l Comm., Inc. v. Saliba, 116 F.4th 530 (6th Cir. 2024).

⁶⁹² *Id.* at 539.

they would not know whether the endorsement came from the organization whose objectives they shared or from another organization using the same name.” Thus, we agree with the district court that defendants’ use of the [national party’s] trademark in connection with the provision of competing political services created a high likelihood of confusion for consumers, *i.e.*, potential voters, party members, and, in the case of solicitations not accompanied by a clear disclaimer, donors.⁶⁹³

A different dispute originating in the Sixth Circuit also led to a preliminary injunction.⁶⁹⁴ The plaintiff operated a nonprofit youth center serving LGBTQ+ youth, while the defendants were a for-profit entity providing closely similar services and that entity’s two founders, both of whom had once been affiliated with the plaintiff. The parties on both sides of the dispute used the following mark:



Not surprisingly, having found that the plaintiff enjoyed priority of rights to the mark, the court found confusion likely between the parties’ respective uses. That outcome was driven in part by the court’s initial findings that the mark was arbitrary and therefore conceptually strong; moreover, the defendants failed to contest the mark’s commercial strength in the community served by the parties.⁶⁹⁵ The direct competition between the parties also favored a finding of liability,⁶⁹⁶ as did the identity of the parties’ uses,⁶⁹⁷ evidence that “at least some consumers, community individuals, and professional partners have been unable to distinguish [the parties] as separate entities,”⁶⁹⁸ the parties’ shared marketing channels,⁶⁹⁹ and the defendants’ expansion into services provided by the plaintiff.⁷⁰⁰ The neutrality of the degree of care exercised by consumers and the defendants’ intent when adopting their mark⁷⁰¹

⁶⁹³ *Id.* at 540 (quoting *United We Stand Am., Inc. v. United We Stand, Am. N.Y., Inc.*, 128 F.3d 86, 90 (2d Cir. 1997)).

⁶⁹⁴ See *Colors+ v. Colors+ Counseling, LLC*, 782 F. Supp. 3d 579 (N.D. Ohio 2025), *opinion clarified*, No. 1:25-cv-00078-PAB, 2025 WL 2322784 (N.D. Ohio Aug. 12, 2025).

⁶⁹⁵ *Id.* at 622.

⁶⁹⁶ *Id.* at 622–23.

⁶⁹⁷ *Id.* at 623–24.

⁶⁹⁸ *Id.* at 624, 625.

⁶⁹⁹ *Id.* at 626–28.

⁷⁰⁰ *Id.* at 628–29.

⁷⁰¹ *Id.* at 628.

therefore could not defeat the plaintiff's entitlement to preliminary injunctive relief.

A separate opinion addressing the parties' uses of the same mark for competitive goods—MULTICAM for camouflage patterns—also led to the entry of a preliminary injunction.⁷⁰² The position of the defendants in that case deteriorated rapidly once the court rejected their genericness-based challenge to the mark's validity. With the mark qualifying as suggestive instead, its conceptual strength favored a finding of liability,⁷⁰³ as did its commercial strength, which the court inferred from the plaintiff's incontestable rights to the mark.⁷⁰⁴ The likely confusion arising from the defendants' use was not reasonably in doubt after that, given the identity of the parties' marks⁷⁰⁵ and the directly competitive nature of the parties' goods.⁷⁰⁶ That certain factors either disfavored a finding of liability or were neutral, such as the defendants' intent,⁷⁰⁷ the quality of their products,⁷⁰⁸ and the sophistication of the plaintiff's customers,⁷⁰⁹ did not defeat the plaintiff's entitlement to the interlocutory relief it sought.

Consistent with that outcome, a dispute arising from the parties' concurrent use of the same marks for identical services produced a preliminary injunction issued by a New York federal district court.⁷¹⁰ The disputed marks were MEDICAL SPECIAL OPERATIONS CONFERENCE and MSOC, both used for charitable fundraising through conferences for first responders. Although the Second Circuit had earlier reversed entry of the same relief because of its concerns over the marks' inherent descriptiveness, the district court found on remand that the counterclaim plaintiff's showing of acquired distinctiveness outweighed the marks' conceptual weakness.⁷¹¹ From there, the relevant factors of record lined up in the counterclaim plaintiff's favor, including the counterclaim defendants' use of identical marks for identical services,⁷¹² the counterclaim plaintiff's anecdotal evidence of actual confusion,⁷¹³ the counterclaim defendants' bad faith, as evidenced by their

⁷⁰² See *Crye Precision LLC v. Concealed Carrier, LLC*, 749 F. Supp. 3d 308 (E.D.N.Y. 2024).

⁷⁰³ *Id.* at 330–31.

⁷⁰⁴ *Id.* at 331.

⁷⁰⁵ *Id.*

⁷⁰⁶ *Id.* at 331–32.

⁷⁰⁷ *Id.* at 332–33.

⁷⁰⁸ *Id.* at 333.

⁷⁰⁹ *Id.* at 333–34.

⁷¹⁰ See *City of N.Y. ex rel. FDNY v. Henriquez*, 768 F. Supp. 3d 388 (E.D.N.Y. 2025), *notice of appeal docketed*, No. 25-641 (2d Cir. Mar. 19, 2025).

⁷¹¹ *Id.* at 403–08.

⁷¹² *Id.* at 408–09.

⁷¹³ *Id.* at 409–10.

continued use of the mark after the counterclaim plaintiff withdrew his permission for them to do so,⁷¹⁴ and the alleged lower quality of the counterclaim defendants' events.⁷¹⁵ Even if, as the counterclaim defendants argued, the first responder community targeted by the parties had at least "some level of sophistication," that did not insulate its members from confusion.⁷¹⁶ On balance, the relevant considerations therefore favored the preliminary injunction requested by the counterclaim plaintiff.⁷¹⁷

(ii) Opinions Finding Confusion Likely as a Matter of Law

Even in cases in which the issue was contested,⁷¹⁸ some courts reached findings of likely confusion as a matter of law. For example, that outcome held in an action brought by the owner of the ROLEX mark for various jewelry items and accessories against retailers of watches that, although bearing that mark, had been altered in various ways since their original sale by the plaintiff.⁷¹⁹ The facts underlying the case made the plaintiff's allegations of infringement more properly resolved by weighing whether the alterations to the resold goods were adequately disclosed to consumers, but the Georgia federal district court to which the case was assigned instead applied the Eleventh Circuit's standard multifactor test for likely confusion. Unsurprisingly, an application of that test favored a finding of liability as a matter of law, with the court determining from the summary judgment record that the ROLEX mark was strong,⁷²⁰ that the parties used similar marks,⁷²¹ that the parties' goods were directly competitive,⁷²² that "Defendants were, at the least, intentionally blind to the risk of confusion in selling the altered watches with the Rolex trademark,"⁷²³ and that the defendants' disclaimers of the altered nature of their watches were

⁷¹⁴ *Id.* at 410.

⁷¹⁵ *Id.* at 410–11.

⁷¹⁶ *Id.* at 411.

⁷¹⁷ *Id.* at 411–12.

⁷¹⁸ For a case in which parties claimed priority of rights to their MED-AIRE and MEDAIRE marks for medical air mattresses and in which the likelihood of confusion between those marks was undisputed, see *Medical Depot, Inc. v. Med Way US, Inc.*, 774 F. Supp. 3d 554, 572–73 (E.D.N.Y. 2025) (entering summary judgment), *appeal withdrawn*, No. 25-1049, 2025 WL 2269807 (2d Cir. July 30, 2025).

⁷¹⁹ See *Rolex Watch U.S.A., Inc. v. Jewelry Unlimited, Inc.*, 757 F. Supp. 3d 1342 (N.D. Ga. 2024).

⁷²⁰ *Id.* at 1355.

⁷²¹ *Id.*

⁷²² *Id.*

⁷²³ *Id.* at 1356.

inadequate;⁷²⁴ perhaps of greatest significance, however, the record also documented considerable anecdotal evidence of actual confusion among consumers.⁷²⁵ The defendants were not without at least some evidence and testimony suggesting confusion might be unlikely, including the plaintiffs' failure to establish to the court's satisfaction that the parties employed overlapping retail outlets⁷²⁶ or advertising media.⁷²⁷ Nevertheless, those considerations failed to create a factual dispute over the liability, at least on a point-of-sale basis, arising from the defendants' conduct.⁷²⁸

Another finding of likely confusion as a matter of law came in an action arising from the defendants' registration of the *amplifycarwash.com*, *amplifywashes.com*, and *amplifycarwashes.com* domain names and their use of them to redirect consumers to the defendants' website.⁷²⁹ Although finding the plaintiff's AMPLIFY and AMPLIFY CAR WASH ADVISORS marks suggestive (and therefore inherently distinctive) for financial services in the car-wash industry, the court rather also found that the marks' lack of commercial strength precluded the mark-strength factor from favoring a finding of liability.⁷³⁰ From there, however, several of the remaining likelihood-of-confusion factors lined up in the plaintiff's favor, including the similarity of the parties' uses,⁷³¹ the directly competitive nature of the parties' services,⁷³² and the defendants' bad faith intent (reflected in their registration of the disputed domain names immediately after encountering the plaintiff at a trade show and their ownership of others based on other industry participants' marks).⁷³³ The plaintiff failed to put forward evidence of actual confusion,⁷³⁴ the defendants' services were not of

⁷²⁴ *Id.* at 1357–58.

⁷²⁵ *Id.* at 1359–60.

⁷²⁶ *Id.* at 1355–56.

⁷²⁷ *Id.* at 1356.

⁷²⁸ *Id.* at 1361.

The court did not, however, find liability as a matter of law where the plaintiff's claims of likely confusion in the post-sale context were concerned. *See id.* at 1360 (“Although the Court finds sufficient evidence of point-of-sale confusion, there is no evidence supporting post-sale confusion among potential purchasers. The Court could certainly imagine instances where potential purchasers would see one of Defendants’ altered watches and believe it was an authentic and non-altered Rolex, but the record is devoid of any evidence of such a situation.”).

⁷²⁹ *See Amplify Car Wash Advisors LLC v. Car Wash Advisory LLC*, 770 F. Supp. 3d 625 (S.D.N.Y. 2025).

⁷³⁰ *Id.* at 637.

⁷³¹ *Id.* at 638.

⁷³² *Id.*

⁷³³ *Id.*

⁷³⁴ *Id.*

demonstrably lower quality than those of the plaintiff,⁷³⁵ and the parties' customers were sophisticated,⁷³⁶ but those considerations did not create a factual dispute as to the likely confusion created by the defendants' conduct.⁷³⁷

(iii) Opinions Finding Confusion Likely After Trial

The Third Circuit affirmed a jury's finding of likely confusion between a plaintiff's registered COOL COMPRESSION mark for athletic compression clothing and the use by that litigant's opponent of the same words in connection with apparel designed to absorb sweat and reduce temperature.⁷³⁸ Although the defendant did not use the words on a standalone basis but instead only as part of longer product names that also included its NIKE house mark, the court determined that the parties' "use[] [of] the same alliterative phrase . . . would likely create a similar 'overall impression' for a consumer with 'only a general recollection' of the marks."⁷³⁹ It also concluded regarding the mark-strength factor that the jury might reasonably have found that the plaintiff's mark enjoyed at least some marketplace recognition, despite the "partial[] descriptive[ness]" of both words comprising the plaintiff's mark.⁷⁴⁰ That both parties sold their goods to lay consumers also weighed in the plaintiff's favor, as "ordinary customers tend to exercise limited care and attention, [and] a jury could find that this factor increased the likelihood of confusion."⁷⁴¹ So too did "both companies advertise[] their products as improving athletic performance, so their marketing strategies overlapped in at least some areas,"⁷⁴² and, "[b]ecause both companies sold athletic compression apparel, a jury could find the relationship of the goods in the minds of consumers increased the likelihood of confusion."⁷⁴³ Finally, the jury might well have viewed the defendant's continued infringement despite the plaintiff's objections as establishing the defendant's bad faith.⁷⁴⁴ The trial record contained at least some evidence and testimony favoring the defendant—the plaintiff's claim of actual confusion in the form of inquiries about a possible association

⁷³⁵ *Id.*

⁷³⁶ *Id.* at 639.

⁷³⁷ *Id.*

⁷³⁸ *See* *Lontex Corp. v. Nike, Inc.*, 107 F.4th 139 (3d Cir. 2024).

⁷³⁹ *Id.* at 153 (quoting *Checkpoint Sys., Inc. v. Check Point Software Techs., Inc.*, 269 F.3d 270, 281 (3d Cir. 2001)).

⁷⁴⁰ *Id.*

⁷⁴¹ *Id.* This was true even though both parties also marketed their goods to professional sports teams, "which likely exercised heightened care." *Id.*

⁷⁴² *Id.* at 154–55.

⁷⁴³ *Id.* at 155.

⁷⁴⁴ *Id.* at 152.

between the parties was unconvincing,⁷⁴⁵ the defendant's failure to conduct a trademark availability search did not necessarily establish its bad-faith intent,⁷⁴⁶ and the parties employed differing marketing strategies⁷⁴⁷—but that did not mandate reversal of the jury's finding of liability as clearly erroneous.⁷⁴⁸

The Seventh Circuit also declined to disturb a jury verdict of likely confusion.⁷⁴⁹ That verdict resulted from a challenge by a senior user of the packaging trade dress for organic rolling papers in the top row below against a junior user of the packaging in the bottom row for directly competitive goods:⁷⁵⁰



Beyond the similarity in the packages themselves, the counterclaim plaintiff's case benefitted from the competitive proximity of the parties' goods, the impulse nature of purchases of them, anecdotal and survey evidence of actual confusion, and the counterclaim defendant's bad faith.⁷⁵¹ That the parties' packages might have featured their respective house marks may have made the case "a relatively close one, even [under a] deferential review";⁷⁵²

⁷⁴⁵ *Id.* at 153-54.

⁷⁴⁶ *Id.* at 153.

⁷⁴⁷ *Id.* at 155 ("Unlike [the defendant], [the plaintiff] advertised to consumers primarily through its owner's presentations at in-person events. And unlike [the plaintiff], [the defendant] sold products to regular consumers through brick-and-mortar stores and independent retailers.").

⁷⁴⁸ *Id.*

⁷⁴⁹ *See Republic Techs. (NA), LLC v. BBK Tobacco & Foods, LLP*, 135 F.4th 572 (7th Cir. 2025).

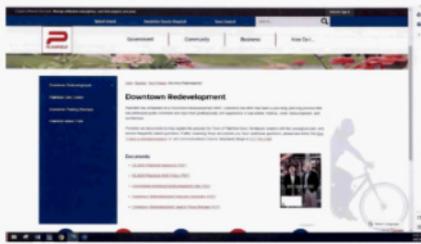
⁷⁵⁰ *Id.* at 583.

⁷⁵¹ *Id.* at 584.

⁷⁵² *Id.* at 585.

nevertheless, “the different names do not require judgment of non-infringement as a matter of law.”⁷⁵³

Finally, in a rare example of an Indiana appellate panel addressing a claim of infringement under that state’s law, a municipality named Plainfield successfully protected its state-registered stylized composite P PLAINFIELD mark, which it used (whether in the mark’s entirety or broken into its component parts) in the following representative ways:⁷⁵⁴



Allegedly “to ease access to information about Plainfield’s happenings,”⁷⁵⁵ the defendant used the following logo in connection with a noncommercial newsletter:



The defendant downloaded the town’s composite mark directly from its website “[t]o ensure visitors knew the information on the website concerned Plainfield, Indiana, and not some non-Hoosier town.”⁷⁵⁶ Although she might have responded to the town’s lawsuit by claiming First Amendment protection, the defendant neglected to

⁷⁵³ *Id.*

⁷⁵⁴ See *White v. Town of Plainfield*, 264 N.E.3d 727, 735 (Ind. Ct. App. 2025).

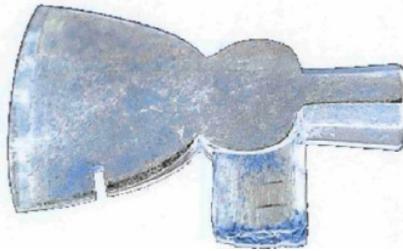
⁷⁵⁵ *Id.*

⁷⁵⁶ *Id.*

do so, and that led the court to affirm a finding of infringement following a bench trial based on an application of the Seventh Circuit’s standard likelihood-of-confusion factors.⁷⁵⁷

(iv) Opinions Finding Confusion Unlikely on Motions for Preliminary Injunctive Relief

In affirming the denial of a preliminary injunction, the First Circuit confirmed there was room in Fall River, Massachusetts, for two separate businesses invoking the unsolved 1892 murders of Lizzie Borden’s parents in that city.⁷⁵⁸ The plaintiff operated bed-and-breakfast services, hosted ghost tours, and conducted other “kindred activities” out of the house in which the murders occurred, and it owned federal registrations of the LIZZIE BORDEN verbal mark, as well as the following “realistic hatchet logo displaying a notched blade”:⁷⁵⁹



The plaintiff objected to the defendant’s operation of a coffee house immediately next door to the plaintiff’s building under the MISS LIZZIE’S COFFEE mark and using the slogan, “The Most Haunted Coffee Shop in the World!”;⁷⁶⁰ the signage for that building featured a “hatchet [with] a handle and smooth axe blade that spews blood.”⁷⁶¹

Although the plaintiff’s witnesses described instances of actual confusion, the court of appeals held the district court had not erred in finding confusion unlikely. Despite the parties’ concurrent use of the word “Lizzie” and hatchet imagery, the parties’ branding practices were dissimilar in context, in part because “[t]he [plaintiff’s] trademarked hatchet features only a notched blade, whereas [the defendant’s] bears a handle and a smooth blade. [The defendant’s] hatchet spews blood, whereas [the plaintiff’s] is

⁷⁵⁷ *Id.* at 742–46.

⁷⁵⁸ *See* US Ghost Adventures, LLC v. Miss Lizzie’s Coffee LLC, 121 F.4th 339 (1st Cir. 2024).

⁷⁵⁹ *Id.* at 345. The illustration in the text accompanying this footnote does not appear in the opinion but is instead taken from the drawing of U.S. Registration No. 4397555 (issued Sept. 3, 2023).

⁷⁶⁰ 121 F.4th at 345.

⁷⁶¹ *Id.* at 346.

spotless. Indeed, it appears that the only similarity between the hatchet logos is that they both depict hatchets.”⁷⁶² The parties may have provided hospitality services generally, but

[t]he district court supportably found that the parties sell and market different goods and services to different consumers: [the plaintiff] attracts sophisticated tourists who purchase tickets in advance and travel to Fall River to visit the historical site of the [plaintiff’s] Lizzie Borden House, whereas [the defendant] attracts passersby hoping for a caffeine kick or a bite to eat.⁷⁶³

The court was as unimpressed with the plaintiff’s anecdotal evidence of actual confusion as the district court had been, because both tribunals attributed that evidence to three sources other than service mark infringement, namely, that: (1) “both businesses operate in close physical proximity”;⁷⁶⁴ (2) “both trade off the Lizzie Borden story”;⁷⁶⁵ and (3) “many customers generally associate services related to a historical site, such as gift shops and cafes, with the nearby historical site itself.”⁷⁶⁶ Two additional considerations sinking the plaintiff’s case were the commercial weakness of its marks⁷⁶⁷ and a disclaimer of affiliation affixed to the defendant’s storefront.⁷⁶⁸

At the trial court level, an Ohio federal district court hearing a dispute between manufacturers of lawn care products found confusion unlikely between the plaintiff’s MIRACLE-GRO-branded packaging, representative examples of which appear in the top row below, and that of the defendant, samples of which appear in the bottom row:⁷⁶⁹

⁷⁶² *Id.* at 349 (citations omitted).

⁷⁶³ *Id.* at 349–50.

⁷⁶⁴ *Id.* at 350.

⁷⁶⁵ *Id.*

⁷⁶⁶ *Id.*

⁷⁶⁷ *Id.* at 351–52.

⁷⁶⁸ *Id.* at 352.

⁷⁶⁹ *See* *Scotts Co. v. Procter & Gamble Co.*, 789 F. Supp. 3d 539, 551 (S.D. Ohio 2025).



A key driver of that finding was the overall dissimilarity of the parties' packaging. The plaintiff defined its trade dress as comprising five elements, namely:

- (1) A green and yellow color combination;
- (2) With each color presented as a separate horizontal band and the top color taking up a smaller ratio than the bottom color;
- (3) With the two bands sharing a common border that runs horizontally along the package;
- (4) With a straight line dividing the two colored bands; and
- (5) A circular horizontally centered graphic element.⁷⁷⁰

Based on that definition, the plaintiff argued the parties' packaging was "nearly identical,"⁷⁷¹ but the court demurred, opting instead for "a more holistic comparison of the overall visual impression created by the product packaging."⁷⁷² In its view, "this is an instance where

⁷⁷⁰ *Id.* at 553.

⁷⁷¹ *Id.* at 575.

⁷⁷² *Id.*

the trade dresses at issue are ‘clearly distinguishable and would appear so to all but the most obtuse consumer.’”⁷⁷³

That was not the only obstacle to the plaintiff’s demonstration of likely success on the merits. Other problems the plaintiff failed to overcome were its own sales of other MIRACLE-GRO products in distinguishable packaging⁷⁷⁴ and the use by other industry participants of similar colors,⁷⁷⁵ both of which weakened what otherwise was the conceptual strength of the plaintiff’s trade dress.⁷⁷⁶ Although finding the parties’ goods related, the court also rejected the plaintiff’s argument that they were necessarily competitive; instead, it found, the plaintiff offered a weed *preventer* while the defendant sold a weed *killer*.⁷⁷⁷ The plaintiff’s failure to adduce either anecdotal or convincing survey evidence of actual confusion similarly weighed against its case,⁷⁷⁸ and the court also rejected its claim that the defendant had copied its trade dress with a bad faith intent to deceive.⁷⁷⁹ With no evidence that either party

⁷⁷³ *Id.* at 578 (quoting *Abercrombie & Fitch Stores, Inc. v. Am. Eagle Outfitters, Inc.*, 280 F.3d 619, 647 (6th Cir. 2002)).

⁷⁷⁴ Those included the following examples:



Id. at 555.

⁷⁷⁵ The following examples are among the third-party uses of similar packaging cited by the court:



Id. at 557.

⁷⁷⁶ *Id.* at 573–75. The court did, however, find that the plaintiff’s trade dress enjoyed “substantial commercial strength.” *Id.* at 573.

⁷⁷⁷ *Id.* at 575–76.

⁷⁷⁸ *Id.* at 578–79.

⁷⁷⁹ The plaintiff’s attempted showing of the defendant’s bad faith consisted of evidence that: (1) the defendant considered packaging designs distinguishable from the ones it adopted; (2) “some of the third-party reports prepared for [the defendant], as part of [its]

intended to expand its offerings to those directly competitive with the other's goods⁷⁸⁰ or that consumers necessarily exercised a low degree of care when making purchases,⁷⁸¹ the court's finding that the parties used overlapping channels of distribution⁷⁸² did not carry the day for the plaintiff.

In denying a preliminary injunction motion, a Pennsylvania federal district court hearing a different case found confusion unlikely by applying the Third Circuit's modified test for infringement appropriate for cases in which defendants assert nominative fair use.⁷⁸³ That test took into account: (1) the price of the parties' goods and other factors indicative of the care and attention expected of consumers when making purchases; (2) the length of time the defendant had used the mark without evidence of actual confusion; (3) the defendant's intent in adopting the mark; and (4) evidence of actual confusion.⁷⁸⁴ The court applied those factors in a case in which the plaintiff, a developer of technical standards used in model building codes, challenged the defendant's use of the plaintiff's flagship mark in promoting the defendant's free online copies of certain of the plaintiff's standards. Reviewing the preliminary injunction record, the court found consumers of the defendant's standards "likely to use significant care and attention when making a purchase," and that the first of the relevant factors therefore favored the defendant.⁷⁸⁵ The same was true of the third factor, which led the court to find that "[the defendant's] intent in using the [plaintiff's] mark is to accurately identify which privately authored standard has been incorporated into law. [The defendant] uses the mark to clarify, not to confuse."⁷⁸⁶ Finally, the brief period in which the defendant had used the plaintiff's mark under the second factor could not cure the plaintiff's failure to adduce evidence or testimony of actual confusion.⁷⁸⁷ With the plaintiff having failed to prove likely confusion in the first instance, there was no need to proceed to the defendant's invocation of nominative fair use as an affirmative defense.

packaging development process, featured images of [the plaintiff's] products"; and (3) the defendant launched its packaging after receiving a demand letter from the plaintiff. *Id.* at 581.

⁷⁸⁰ *Id.* at 581–82.

⁷⁸¹ *Id.* at 580.

⁷⁸² *Id.* at 579–80.

⁷⁸³ *See* Am. Soc'y for Testing & Materials v. UpCodes, Inc., 752 F. Supp. 3d 480 (E.D. Pa. 2024).

⁷⁸⁴ *Id.* at 511.

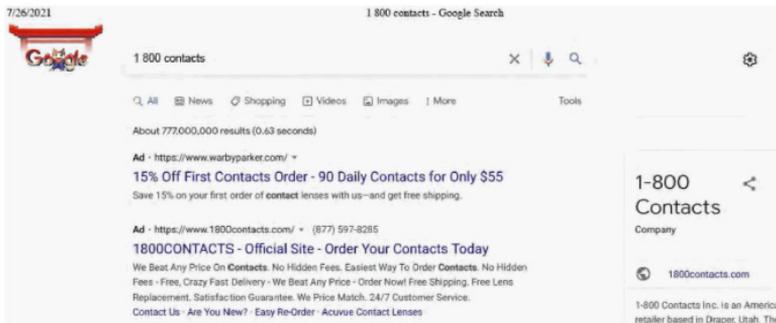
⁷⁸⁵ *Id.*

⁷⁸⁶ *Id.* at 511–12.

⁷⁸⁷ *Id.* at 511, 512.

(v) Opinions Finding Confusion Unlikely as a Matter of Law

The factual nature of the likelihood-of-confusion inquiry (at least in most jurisdictions) did not preclude some defendants from prevailing as a matter of law,⁷⁸⁸ and, indeed, two federal circuit courts of appeal affirmed the disposal even before discovery of challenges to defendants' purchases of plaintiffs' marks from Internet search engines as triggers for paid advertisements. In the first case producing that outcome, the plaintiff sought to protect its flagship 1-800 CONTACTS mark for the online sale of contact lenses.⁷⁸⁹ 1-800 Contacts' complaint included the following example of how an advertisement for Warby Parker's competitive services appeared when consumers searched for 1-800 Contacts' mark:⁷⁹⁰



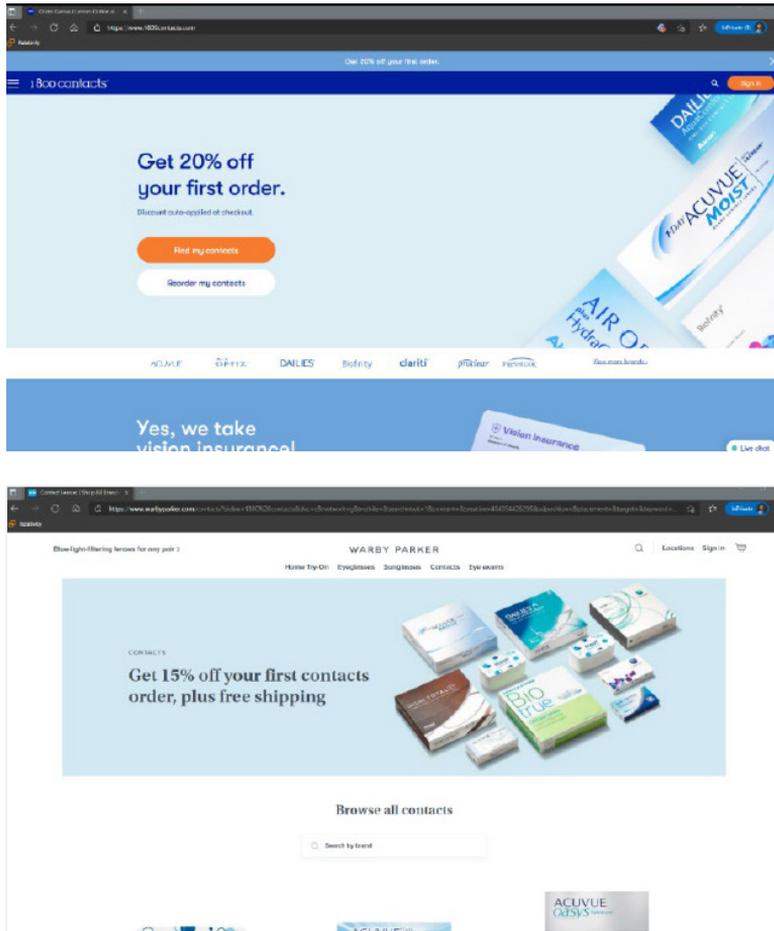
1-800 Contacts claimed that consumers accessing the link in the advertisement landed on a deep linked page of Warby Parker's website that deliberately imitated the appearance of 1-800 Contacts' website. For purposes of comparison, a screenshot of 1-800 Contacts' site appears below in the top row, while one of Warby Parker's site appears in the bottom row:⁷⁹¹

⁷⁸⁸ See, e.g., Lil' Joe Recs., Inc. v. Ross, 752 F. Supp. 3d 1287, 1308–09 (S.D. Fla. 2024) (granting unopposed defense motion for summary judgment).

⁷⁸⁹ See 1-800 Contacts, Inc. v. JAND, Inc., 119 F.4th 234 (2d Cir. 2024).

⁷⁹⁰ *Id.* at 242.

⁷⁹¹ *Id.* at 243–44.



Although acknowledging that a claim of likely confusion required a fact-intensive inquiry ordinarily not lending itself to disposition on a motion for judgment on the pleadings,⁷⁹² the court held the district court had properly granted just such a motion. Focusing on the absence of the 1-800 CONTACTS from Warby Parker's deep linked landing page, the court explained that:

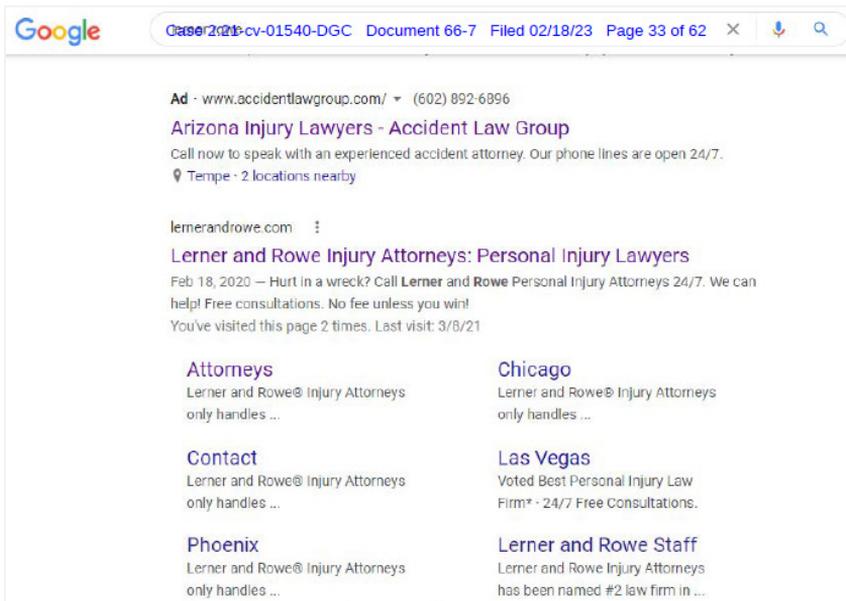
[T]he pleadings failed to plausibly allege that Warby Parker used 1-800's Marks *anywhere* during the search advertising process outside of its purchase at the initial, permissible keyword auction. Notably, Warby Parker did not use 1-800's Marks in the paid advertisement displayed on the search results page, in the domain name of the URL linked in the paid advertisement (www.warbyparker.com), or on the landing webpage displayed to consumers who clicked on the URL in the paid advertisement. Nor did 1-800 plausibly

⁷⁹² *Id.* at 255.

allege that Warby Parker used any other *protectable* marks in these remaining components of the search advertising campaign. Thus, the dissimilarity of the marks factor is dispositive in this case; 1-800 has not adequately alleged likelihood of consumer confusion.⁷⁹³

1-800 Contacts was not helped by its failure to aver the existence of survey evidence or anecdotal evidence of actual confusion,⁷⁹⁴ even if the court held that the operative complaint successfully established the strength of its marks, the competitive proximity and relative quality of the parties' goods and services, and Warby Parker's bad faith.⁷⁹⁵

The second opinion to similar effect came from the Ninth Circuit.⁷⁹⁶ In the appeal producing it, the parties were competitive law firms, and the defendant had purchased the plaintiff's LERNER & ROWE mark as a keyword. Each of the advertisements challenged by the plaintiff, a representative example of which appears below, was labeled as one, and appeared ahead of the "organic" search result for the plaintiff's firm:⁷⁹⁷



⁷⁹³ *Id.* (citation omitted).

⁷⁹⁴ *Id.* at 252.

⁷⁹⁵ *Id.* at 249–50.

⁷⁹⁶ *See Lerner & Rowe PC v. Brown Engstrand & Shely LLC*, 119 F.4th 711 (9th Cir. 2024), *cert. denied*, 145 S. Ct. 2732 (2025).

⁷⁹⁷ *Id.* at 724.

The district court entered summary judgment of nonliability, and the Ninth Circuit affirmed. The plaintiff was not without likelihood-of-confusion factors weighing in its favor, including the strength of its mark⁷⁹⁸ and at least some anecdotal evidence of actual confusion in the form of “236 phone calls that [the defendant’s] intake department received during which the caller mentioned [the plaintiff] by name when responding to a question about how the caller found [the defendant’s] phone number.”⁷⁹⁹ But the court determined that the number of proffered phone calls was de minimis and, in any case, was outweighed by survey evidence adduced by the defendant showing that only “between 0% and 3%” respondents were confused by the defendant’s advertisements.⁸⁰⁰ It also concluded that “savvy online shoppers would be able to differentiate between the parties’ links on Google,”⁸⁰¹ that the actual names of the parties’ firms were distinguishable,⁸⁰² that the plaintiff had failed to identify any evidence that the defendant had acted with a bad faith intent to deceive (as opposed to an intent to compete).⁸⁰³ In the final analysis, it held, “[t]he district court was correct to conclude that this is one of the rare trademark infringement cases susceptible to summary judgment.”⁸⁰⁴

In a somewhat confused application of Ninth Circuit law, the Federal Circuit also reached a finding of unlikely confusion as a matter of law.⁸⁰⁵ The counterclaim plaintiff in that case convinced a jury that the counterclaim defendant had infringed its registered THE COMFY mark for blanket throws and related online retail services. The parties sold closely related goods, but the appellate court concluded that the trial record failed to establish that the counterclaim defendant had used “comfy” as a source indicator. Although such a use is not a prerequisite for liability in the Ninth Circuit,⁸⁰⁶ and although the lack of a trademark use might have supported the counterclaim defendant’s entitlement to assert descriptive fair use as a defense,⁸⁰⁷ the court apparently considered it relevant to the mark-similarity inquiry instead. Then, despite the Ninth Circuit rule that a plaintiff’s registration of its mark on the

⁷⁹⁸ *Id.* at 719.

⁷⁹⁹ *Id.*

⁸⁰⁰ *Id.* at 720.

⁸⁰¹ *Id.* at 725.

⁸⁰² *Id.* at 726.

⁸⁰³ *Id.*

⁸⁰⁴ *Id.*

⁸⁰⁵ *See Top Brand LLC v. Cozy Comfort Co.*, 143 F.4th 1349 (Fed. Cir. 2025).

⁸⁰⁶ Indeed, the Federal Circuit previously had recognized that proposition in *VersaTop Support Systems, LLC v. Georgia Expo, Inc.*, 921 F.3d 1364, 1368–71 (Fed. Cir. 2019) (applying Ninth Circuit law).

⁸⁰⁷ *See* 15 U.S.C. § 1115(b)(4).

Principal Register shifts the burden of persuasion on the issue of mark validity to the defendant,⁸⁰⁸ the court curiously held that the counterclaim plaintiff “cannot remove the descriptive term ‘comfy’ from the public domain without a showing of secondary meaning, which it has not made.”⁸⁰⁹ The final nail in the coffin of the counterclaim plaintiff’s infringement cause of action was the court’s dismissal of putative anecdotal evidence of actual confusion in the form of consumer comments associated with an Amazon posting.⁸¹⁰ Having disposed of that issue, the court held the counterclaim defendant entitled to prevail as a matter of law, despite the jury’s finding of liability.⁸¹¹

(vi) Opinions Finding Confusion Unlikely After Trial

Although technically not the subject of a holding, one jury’s finding of unlikely confusion otherwise received favorable treatment by the Seventh Circuit as a point of comparison.⁸¹² That occurred on a counterclaim to protect the first package shown below against directly competitive uses of the second and third packages:⁸¹³



⁸⁰⁸ See, e.g., *Zobmondo Entm’t, LLC v. Falls Media, LLC*, 602 F.3d 1108, 1113–14 (9th Cir. 2010) (“Although the plaintiff in a trademark action bears the ultimate burden of proof that his or her mark is valid, federal registration provides ‘prima facie evidence’ of the mark’s validity and entitles the plaintiff to a ‘strong presumption’ that the mark is a protectable mark. . . . If the plaintiff establishes that a mark has been properly registered, the burden shifts to the defendant to show by a preponderance of the evidence that the mark is not protectable.” (quoting 15 U.S.C. §§ 1057(b), 1115(a); and then quoting *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596, 604 (9th Cir. 2005)); *Yellow Cab Co. of Sacramento v. Yellow Cab of Elk Grove, Inc.*, 419 F.3d 925, 927 (9th Cir. 2005) (“When a plaintiff pursues a trademark action involving a properly registered mark . . . the burden of proving that the mark is generic rests upon the defendant.”).

⁸⁰⁹ See *Top Brand*, 143 F.4th at 1366.

⁸¹⁰ *Id.* at 1366–67.

⁸¹¹ *Id.* at 1367.

⁸¹² See *Republic Techs. (NA), LLC v. BBK Tobacco & Foods, LLP*, 135 F.4th 572 (7th Cir. 2025).

⁸¹³ *Id.* at 583.



A jury found confusion likely between the first two packages but not between the first and the third. Although not appealed by the counterclaim plaintiff, the second of these determinations ultimately supported its victory with respect to the first because, as the court explained, “[t]his contrast suggests the jury considered carefully whether each specific package design was likely to confuse”⁸¹⁴

(vii) Opinions Deferring Resolution of the Likelihood-of-Confusion Inquiry

Absent credible claims to First Amendment protection, motions to dismiss allegations of likely confusion at the pleadings stage of cases rarely succeed. A Ninth Circuit opinion reflecting that general proposition struck a blow against a labor union using imitations of an employer’s marks as part of the union’s effort to organize the employer’s workers.⁸¹⁵ The employer at issue was Trader Joe’s, which had registered its flagship mark for various goods, including tote bags. The gravamen of its claim of infringement against the union was that, as reflected in the following comparison, the latter had sold tote bags prominently featuring a confusingly similar imitation of that mark:⁸¹⁶

⁸¹⁴ *Id.* at 585.

⁸¹⁵ *See* *Trader Joe’s Co. v. Trader Joe’s United*, 150 F.4th 1040 (9th Cir. 2025).

⁸¹⁶ *Id.* at 1047.



The district court not only dismissed the complaint for failure to state a claim, but it also ordered an award of attorneys' fees to the union. Consistent with its general hostility toward determinations of likely or unlikely confusion as a matter of law, however, the Ninth Circuit reversed that disposition after concluding that the complaint's averments established the strength of the TRADER JOE'S mark,⁸¹⁷ the competitive proximity of the parties' goods,⁸¹⁸ and the similarity of the parties' uses.⁸¹⁹ Although the remaining likelihood-of-confusion factors might have been neutral as far as the averments of the complaint were concerned, the court concluded that "[t]his is not one of the rare trademark infringement cases in which there is no plausible likelihood that a reasonably prudent consumer would be confused about the origin of the goods allegedly bearing . . . Trader Joe's distinctive marks."⁸²⁰ The district court therefore had erred in finding nonliability at the pleadings stage.⁸²¹

That was not the only unsuccessful motion to dismiss, and, indeed, a different one failed in litigation before a Texas federal district court.⁸²² That dispute was between purveyors of roses and was filed after the defendant allegedly promoted its flowers online by using the plaintiff's registered marks and even delivered flowers accompanied by one such mark. The defendant feebly argued that confusion was unlikely as a matter of law because its house mark appeared on its website. Although acknowledging that that argument potentially could carry the day at trial, the court found it ineffectual at the pleadings stage. In particular, the complaint's allegations that the defendant had used identical marks in

⁸¹⁷ *Id.* at 1049.

⁸¹⁸ *Id.* at 1049–50.

⁸¹⁹ *Id.* at 1051–52.

⁸²⁰ *Id.* at 1054.

⁸²¹ *Id.*

⁸²² See *David Austin Roses Ltd. v. GCM Ranch LLC*, 764 F. Supp. 3d 474 (N.D. Tex. 2025).

connection with directly competitive goods rendered that pleading's claim of infringement plausible.⁸²³

An equally plausible claim of likely confusion similarly led another court to deny a defense motion for judgment on the pleadings.⁸²⁴ The plaintiff owned the PEDIALYTE mark for a pediatric hydration product it sold in the packaging on the left, while the defendant used the REVITALYTE mark in connection with the adult rehydration product on the right:⁸²⁵



Leaning heavily on the “compare to” language on the plastic sleeve of its bottles, the defendant argued that its use of the plaintiff's PEDIALYTE mark was a nominative fair one and that the plaintiff otherwise had failed sufficiently to aver likely confusion between the parties' marks and trade dresses. The court found the former theory wanting, and, citing the complaint's references to the defendant's retweeting practices,⁸²⁶ the defendant's dissemination of “an ad where the Revitalyte mark was covered and the only mark visible was the Pedialyte mark,”⁸²⁷ and instances of actual confusion in the complaint, held that:

Overall, [the plaintiff] has provided multiple examples of [the defendant's] use of the Pedialyte mark, including the “compare to” language, references to Revitalyte as being a Pedialyte product, and examples of actual customer

⁸²³ *Id.* at 484.

⁸²⁴ *See* Abbott Lab's v. Revitalyte LLC, 744 F. Supp. 3d 894 (D. Minn. 2024).

⁸²⁵ The illustrations in the text accompanying this footnote do not appear in the opinion but are reproduced from the plaintiff's complaint. *See* Complaint at 3, Abbott Lab's v. Revitalyte LLC, 744 F. Supp. 3d 894 (D. Minn. 2024) (No. 23-1449).

⁸²⁶ *See id.* 903–04 (“[The plaintiff] has . . . put forth evidence of Revitalyte retweeting comments referring to Revitalyte as ‘the adult version of Pedialyte,’ ‘like Pedialyte but for adults,’ ‘barstool sports Pedialyte,’ ‘barstool sports brand [P]edialyte,’ ‘barstool sports branded [P]edialyte,’ and ‘Barstool [P]edialyte.’”).

⁸²⁷ *Id.* at 903.

confusion. Together, these allegations plausibly give rise to consumer confusion as to the origin or sponsorship of the product.⁸²⁸

Other opinions deferring final dispositions of allegations of likely confusion did not arise from motions to dismiss or for judgment on the pleadings, including one from the Federal Circuit in an application of Second Circuit law.⁸²⁹ The plaintiffs in that case asserted rights to the HOOKLESS mark for shower curtains with integrated coplanar rings—in other words, curtains not requiring hooks for attachment to shower rods—which they claimed the defendants had infringed by using the same word. The defendants responded to the plaintiffs’ allegations of misconduct by arguing they had used the word only to describe their competitive EZY HANG-branded products, but the district court still had found confusion likely based on a comparison of the plaintiffs’ verbal mark and the goods sold by the defendants. Unsurprisingly, the court of appeals took issue with that dubious methodology, holding that “under the Lanham Act, courts are required ‘to analyze the similarity of the products *in light of the way in which the marks are actually displayed* in their purchasing context.”⁸³⁰ It therefore sent the action back to the district court to consider the similarity between the parties’ respective HOOKLESS and EZY HANG marks using a “more thorough mark-to-mark comparison.”⁸³¹

Of course, opinions deferring final resolutions of the likelihood-of-confusion inquiry also arose from failed motions for summary judgment. The leading opinion to address such a motion came from the Ninth Circuit and arose from the parties’ use of nonfungible tokens featuring uninterested simians, or, in other words, bored apes.⁸³² The deliberate similarity between the parties’ NFTs is apparent from following comparison of one sold by the plaintiff, shown below on the left, and one sold by the defendants, shown on the right:⁸³³

⁸²⁸ *Id.* at 904.

⁸²⁹ *See* Focus Prods. Grp. Int’l, LLC v. Kartri Sales Co., 156 F.4th 1259 (Fed. Cir. 2025).

⁸³⁰ *Id.* at 1280 (quoting Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp., 426 F.3d 532, 538 (2d Cir. 2005)).

⁸³¹ *Id.* at 1281.

⁸³² *See* Yuga Labs, Inc. v. Ripps, 144 F.4th 1137 (9th Cir. 2025).

⁸³³ *Id.* at 1153.



In addition to challenging the sale of the defendants' NFTS in and of themselves, the plaintiff also averred that the defendants' RR/BAYC verbal mark infringed its own BAYC mark, with the letter string "BAYC" standing for "Bored Ape Yacht Club" in the case of each mark. The district court granted the plaintiff's motion for summary judgment, but the Ninth Circuit vacated that disposition.

The court of appeals employed a two-step process in doing so, the first of which was to examine whether the defendants' imitations of the plaintiff's NFTs—allegedly for “educational purposes [and] as protest and satirical commentary”⁸³⁴—qualified as protected nominative fair uses under that jurisdiction's familiar *New Kids on the Block* test.⁸³⁵ Then, having concluded that the trademark nature of the defendants' use disqualified them from claiming nominative fair use,⁸³⁶ the court applied its standard multifactor test for likely confusion.

Like the district court, the Ninth Circuit found no material dispute that several of the relevant factors favored liability, namely, the conceptual and commercial strength of BAYC and the plaintiff's NFTs as marks,⁸³⁷ and the near identity of the parties' goods.⁸³⁸ Nevertheless, and despite the clear similarity between the parties' NFTs and verbal marks, the court held a reasonable jury could find them distinguishable.⁸³⁹ It then disposed of the plaintiff's anecdotal and survey evidence of actual confusion on the theory that at least some potential consumers of the parties' goods knew the difference

⁸³⁴ *Id.* at 1154.

⁸³⁵ *See id.* at 1164 (“First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.” (quoting *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992))).

⁸³⁶ *Id.* at 1164–65.

⁸³⁷ *Id.* at 1168.

⁸³⁸ *Id.* at 1168–69.

⁸³⁹ *Id.* at 1169–70.

between the parties.⁸⁴⁰ Just as improbably, it found a factual dispute existed regarding the parties' marketing channels: While the parties distributed their respective NFTs through two overlapping channels and used Twitter for promotional purposes, most of the defendants' sales took place through a marketing channel not used by the plaintiff.⁸⁴¹ The defendants' momentum continued from there, with the court identifying additional record evidence and testimony favoring their position, namely, that "customers looking to purchase these products are likely sophisticated,"⁸⁴² and that the defendants "intended for consumers to recognize their sale of . . . NFTs as conceptual art or an extended satirical project distinct from and transparently derisive of the [plaintiff's] business."⁸⁴³ It therefore vacated the plaintiff's victory on summary judgment and remanded the matter for a full trial on the merits.⁸⁴⁴

The First Circuit similarly concluded that a factual dispute over the confusing similarity of the guitar configurations sold or potentially sold by the parties before it rendered the grant of a defense motion for summary judgment below inappropriate.⁸⁴⁵ It did so based on the testimony of three consumers of their confusion after viewing a photograph of the plaintiff's guitars on the defendant's site. Although the district court had discredited their testimony, "a reasonable jury may not have done the same."⁸⁴⁶ That was enough to merit a vacatur and remand, without any readily apparent consideration of any likelihood-of-confusion factors other than that of the similarity between the parties' respective uses.⁸⁴⁷

In a dispute between providers of HVAC services not producing an appellate opinion, a New York federal district court found on the parties' cross-motions for summary judgment that a factual dispute existed regarding the likelihood of confusion between the following marks, the first of which was used by the plaintiffs and the second by the defendants:⁸⁴⁸

⁸⁴⁰ *Id.* at 1170–71.

⁸⁴¹ *Id.* at 1172.

⁸⁴² *Id.*

⁸⁴³ *Id.* at 1173.

⁸⁴⁴ *Id.* at 1174.

⁸⁴⁵ *See* D'Pergo Custom Guitars, Inc. v. Sweetwater Sound, Inc., 111 F.4th 125 (1st Cir. 2024).

⁸⁴⁶ *Id.* at 134.

⁸⁴⁷ *Id.*

⁸⁴⁸ *See* Lion-Aire Corp. v. Lion Air Installation, Inc., 747 F. Supp. 3d 488, 499, 500 (E.D.N.Y. 2024).



The court found the plaintiffs' registered mark was "sufficiently strong" for that factor to support a finding of liability,⁸⁴⁹ as well that the marks were "strikingly similar" and "possess[ed] a strong visual and phonetic resemblance."⁸⁵⁰ Nevertheless, the court identified factual disputes on the questions of whether the parties directly competed with each other,⁸⁵¹ whether the plaintiffs' anecdotal evidence of actual confusion in the form of a misdirected Yelp review outweighed their failure to adduce survey evidence,⁸⁵² whether the defendants had chosen their mark in bad faith,⁸⁵³ and the significance of the quality of the parties' respective services.⁸⁵⁴ Moreover, "[t]he nature of the [parties'] businesses and services provided suggest that residential customers, faced with the pricey cost of installing HVAC units, would likely exhibit a high level of sophistication."⁸⁵⁵ The result was that neither cross-motion for summary judgment succeeded.

(2) Liability Arising from the Resale of Diverted or Altered Goods

If a good bearing a mark has been introduced into the stream of commerce under the authority of the mark's owner, the first-sale, or exhaustion, doctrine generally restricts the mark owner's ability to challenge the good's unauthorized resale under trademark law. In particular, liability under a likelihood-of-confusion theory generally turns on the plaintiff's ability to demonstrate either that: (1) the resold goods materially differ from their authorized counterparts and those differences are not adequately disclosed to consumers;⁸⁵⁶

⁸⁴⁹ *Id.* at 509.

⁸⁵⁰ *Id.* (quoting *RVC Floor Decor, Ltd. v. Floor & Decor Outlets of Am., Inc.*, 527 F. Supp. 3d 305, 323 (E.D.N.Y. 2021)).

⁸⁵¹ *Id.* at 510 ("Defendants argue not all HVAC services are the same. In particular, Defendants contend the parties are not competitors because 'Defendants only install one type of system known as a fan coil unit', which can only be accommodated in certain types of buildings that are 'set up with a fan coil unit system', and Plaintiffs do not 'perform any fan coil work.'").

⁸⁵² *Id.* at 512.

⁸⁵³ *Id.* at 512–13.

⁸⁵⁴ *Id.* at 513–14.

⁸⁵⁵ *Id.* at 514.

⁸⁵⁶ *See, e.g., Enesco Corp. v. Price/Costco*, 146 F.3d 1083, 1085–86 (9th Cir. 1998) (remanding for determination of adequacy of defendant's disclosure of repackaging of goods).

or (2) the differences are so material that no disclosures can cure the likely confusion arising from the continued affixation of the plaintiff's mark to them.⁸⁵⁷ Despite this relatively developed doctrinal framework, litigants in cases presenting resold goods often urge courts to apply the standard multifactor test for likely confusion instead of focusing on the materiality of any differences in those goods and the adequacy of any disclosures of them. This occurred when, accused of altering and reselling ROLEX-branded watches, a jeweler and its owner convinced the Georgia federal district court hearing the case against them to apply the Eleventh Circuit's standard factors over the plaintiff's objections.⁸⁵⁸ Although the defendants won that battle, they lost the war, as the court found liability as a matter of law even under the defendants' proposed framework.⁸⁵⁹

(3) Liability Arising from the Alleged Imitation of Marks in the Titles or Contents of Expressive or Creative Works

The test for liability first set forth in *Rogers v. Grimaldi*⁸⁶⁰ has played a significant role in trademark-based challenges to the titles and content of creative or expressive works since its articulation. Although applications of that test vary from court to court, the test generally requires plaintiffs to demonstrate that challenged imitations of the plaintiff's mark either have no artistic relevance to the underlying creative work or, if they do have any artistic relevance, they are explicitly misleading.⁸⁶¹ The proper test for liability under *Rogers*'s second prong is the subject of a circuit split: Although the Second Circuit holds it can be satisfied with a "particularly compelling" demonstration of likely confusion,⁸⁶² the

⁸⁵⁷ See, e.g., *MetroPCS Wireless, Inc. v. Virgin Mobile USA, L.P.*, No. 3:08-CV-1658-D, 2009 WL 3075205, at *4 (N.D. Tex. Sept. 25, 2009) ("[A]t least in the context of the sale of repaired or altered goods that still bear their original trademark, if it is deceptive to retain the trademark because the product is, after extensive repairs or alterations, essentially a new product, then the original trademark must be removed from the repaired or altered good.").

⁸⁵⁸ See *Rolux Watch U.S.A., Inc. v. Jewelry Unlimited, Inc.*, 757 F. Supp. 3d 1342 (N.D. Ga. 2024).

⁸⁵⁹ *Id.* at 1354–59; see also *id.* at 1363 ("The Court has already determined that [the plaintiff] has established a likelihood of confusion as a matter of law and therefore finds that Defendants are liable for false designation of origin. As such, summary judgment as to liability will be granted in [the plaintiff's] favor.").

⁸⁶⁰ 875 F.2d 994 (2d Cir. 1989).

⁸⁶¹ *Id.* at 999.

⁸⁶² See *Twin Peaks Prods., Inc. v. Publ'ns Int'l, Ltd.*, 996 F.2d 1366, 1379 (2d Cir. 1993) ("The question . . . is whether the title is misleading in the sense that it induces members of the public to believe the [defendant's expressive work] was prepared or otherwise authorized by [the plaintiff]. This determination must be made, in the first instance, by

Ninth Circuit treats the inquiry into whether a defendant has engaged in explicitly misleading conduct as a separate (and extrastatutory) one in addition to the likelihood-of-confusion inquiry⁸⁶³ mandated by Section 32 and Section 43(a) of the Lanham Act and extant under the common law.⁸⁶⁴

The Supreme Court's 2023 decision in *Jack Daniel's Properties, Inc. v. VIP Products LLC*⁸⁶⁵ holds *Rogers* unavailable if a defendant's use of an alleged imitation of a plaintiff's mark is as a designation of source for the defendant's own goods or services,⁸⁶⁶ and that rule left at least some trademark uses by defendants outside *Rogers*'s protection.⁸⁶⁷ Nevertheless, *Jack Daniel's* declined to address *Rogers*'s viability in cases in which a defendant has allegedly imitated the plaintiff's mark in the title or content of an expressive work and that imitation is not as a trademark or service mark. Addressing that question, the Ninth Circuit joined the general consensus that *Rogers* survives under those circumstances.⁸⁶⁸ It did so in a case brought by a West Hollywood drag queen with the following appearance:⁸⁶⁹



application of the venerable *Polaroid* [likelihood-of-confusion] factors. However, the finding of likelihood of confusion must be particularly compelling to outweigh the First Amendment interest recognized in *Rogers*.” (citation omitted)).

⁸⁶³ See, e.g., *Twentieth Century Fox Television v. Empire Distrib. Inc.*, 875 F.3d 1192, 1199 (9th Cir. 2017) (accusing plaintiff of “conflat[ing] the second prong of the *Rogers* test with the general . . . likelihood-of-confusion test, which applies outside the *Rogers* context of expressive works”).

⁸⁶⁴ See generally Theodore H. Davis Jr., *Constitutional Avoidance and Standards of Proof in Trademark Infringement Litigation: An Essay on Post-Jack Daniel's Applications of the Rogers Test for Liability*, 114 *Trademark Rep.* 541 (2024).

⁸⁶⁵ 599 U.S. 140 (2023).

⁸⁶⁶ *Id.* at 153, 155–56.

⁸⁶⁷ See, e.g., *Yuga Labs, Inc. v. Ripps*, 144 F.4th 1137, 1168–73 (9th Cir. 2025) (rejecting *Rogers*'s applicability and finding factual dispute as to likelihood of confusion under application of multifactored test); *Libertarian Nat'l Comm., Inc. v. Saliba*, 116 F.4th 530, 539–40 (6th Cir. 2024) (rejecting *Rogers*'s applicability and finding confusion likely between marks used in connection with political activities under standard multifactored test).

⁸⁶⁸ See *Hara v. Netflix, Inc.*, 146 F.4th 872 (9th Cir. 2025).

⁸⁶⁹ *Id.* at 875.

The basis of the plaintiff's claim of false endorsement under Section 43(a)(1)(A)⁸⁷⁰ was the defendants' incorporation of her image into a ten-second sequence in an animated television series named *Q-Force*, which featured LGBTQ+ spies working for the fictional American Intelligence Agency.⁸⁷¹



That sequence also appeared in an approximately one-minute trailer for the series.

In affirming the district court's grant of a defense motion for summary judgment, the Ninth Circuit focused on the Supreme Court's disclaimer in *Jack Daniel's* of any intent to opine on *Rogers's* propriety outside of *Jack Daniel's* scenarios.⁸⁷² "Accordingly," the court of appeals held, "we apply the guiding principle that when the challenged mark in an artistic work is 'used not to designate a work's source, but solely to perform some other expressive function,' the *Rogers* test applies."⁸⁷³ Because the plaintiff did not seriously contest that the work in question was expressive in nature and that the defendants had not used her image as a source indicator, the district court had properly employed *Rogers* when evaluating the merits of her claims: "If a background character with no dialogue in a ten-second scene of an animated series does not trigger the *Rogers* test, then it is hard to imagine when the *Rogers* test would ever apply."⁸⁷⁴

Moreover, having undertaken to apply *Rogers*, the district court also had not erred in dismissing the plaintiff's complaint for failure to state a claim. Considering the defendants' possible liability under *Rogers's* first prong, the court noted that the scene in which the plaintiff's image appeared took place in a drag bar, which meant that:

⁸⁷⁰ 15 U.S.C. § 1125(a)(1)(A).

⁸⁷¹ 146 F.4th at 876.

⁸⁷² *Id.* at 878 (citing *Jack Daniel's*, 599 U.S. at 145, 153, 155).

⁸⁷³ *Id.* at 879 (quoting *Jack Daniel's*, 599 U.S. at 154).

⁸⁷⁴ *Id.* at 882.

Recreating an animated version of a West Hollywood bar with references to drag queens and cocktails is artistically relevant to the plot and social commentary of *Q-Force*. The alleged use of [the plaintiff's] likeness is an artistic choice that supports the show's theme and geographic setting, and as discussed above, grounds the scene in a sense of realism.⁸⁷⁵

The plaintiff fared no better under *Rogers*'s second prong, with the court holding her operative complaint "devoid of any allegations purporting to show an 'overt claim' or 'explicit misstatement' that [the plaintiff] is the source of *Q-Force*."⁸⁷⁶ Instead, "[t]he [complaint] itself alleges that Defendants briefly used [the plaintiff's] likeness, along with three other animated drag queens, as a background character of a single scene. That is not enough to satisfy the second prong of *Rogers*,"⁸⁷⁷ even if the complaint also averred the existence of actual confusion over the plaintiff's relationship with the defendants' show.⁸⁷⁸ In the final analysis, therefore, the case represented a quintessential example of a *Rogers* scenario.⁸⁷⁹

The Ninth Circuit was not the only court to apply *Rogers* while holding that a plaintiff had failed to state a claim when challenging the content of an artistic work.⁸⁸⁰ In a different case with the same outcome, the plaintiff sponsored a HAAS-branded Formula One racing team, while the lead defendant, an individual, was the team's principal. After a falling out between the plaintiff and the lead defendant, the defendants published a book written by the lead defendant about his experiences on the plaintiff's team and featuring photographs, including the following, depicting marks owned by the plaintiff:⁸⁸¹

⁸⁷⁵ *Id.* at 883.

⁸⁷⁶ *Id.*

⁸⁷⁷ *Id.*

⁸⁷⁸ *Id.*

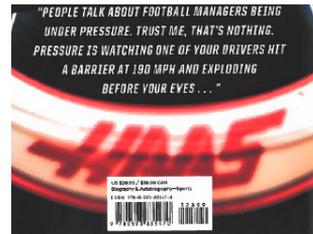
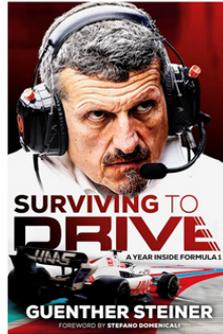
⁸⁷⁹ *Id.*

⁸⁸⁰ See *Haas Automation, Inc. v. Steiner*, 750 F. Supp. 3d 1107 (C.D. Cal. 2024), *appeal docketed*, No. 24-6344 (9th Cir. Oct. 17, 2024).

⁸⁸¹ *Id.* at 1113.



Above: With Gene Haas, announcing the formation of the Haas F1 team in 2014.



The plaintiff characterized the book's inclusion of the marks as infringing, but the court was not similarly inclined. Regarding the necessary threshold post-*Jack Daniel's* inquiry into whether the defendants used the plaintiff's marks to indicate the source of the book, the court held that:

Defendants' use of the marks is subject to the *Rogers* test because Defendants do not use [Plaintiff's marks] as marks. . . .

Compared to *Jack Daniel's*, where the Bad Daniels squeaky dog toy used the Jack Daniels marks as a source identifier, here, the use of [Plaintiff's marks] is not used to tell the consumer who published the book or the source of the book. Defendants do not use [Plaintiff's marks] as the title, publisher name, or as a source identifying moniker Instead, [that use] merely tells the consumer what the [b]ook is about and who the author worked for⁸⁸²

The court's ensuing application of *Rogers* led to the usual result, namely, a finding of nonliability as a matter of law. Reviewing *Rogers's* first prong, the court found the book's use of the plaintiff's marks artistically relevant to the book's content, especially because that use was "an artistic choice to provide additional context" about the lead defendant's experience on the plaintiff's team.⁸⁸³ The second *Rogers* prong similarly favored the defendants because there was "no explicit indication, overt claim, or explicit misstatement that the 'source of the work' is [Plaintiff]."⁸⁸⁴ "While there's an argument the photo on the cover implicitly suggests endorsement or sponsorship," the court observed, "there is no explicitly misleading statement or suggestion by way of [Plaintiff's marks]."⁸⁸⁵

⁸⁸² *Id.* at 1118.

⁸⁸³ *Id.*

⁸⁸⁴ *Id.* at 1119.

⁸⁸⁵ *Id.*

(C) Counterfeiting

The relationship between a merely infringing copy of a plaintiff's mark, on the one hand, and a counterfeit imitation of that mark, on the other, came into play in an opinion from the Third Circuit.⁸⁸⁶ The plaintiff before that court owned a federal registration of the COOL COMPRESSION mark for compression apparel, while the defendant used the words "cool compression" in connection with athletic clothing designed to absorb sweat and reduce body temperature. Those words did not appear on the defendant's goods or on hangtags but instead in internal documents explaining the defendant's goods to its employees and some of its third-party retail partners; moreover, those uses appeared only as part of longer product names that also included the defendant's NIKE house mark. The district court dismissed the plaintiff's allegations of counterfeiting for failure to state a claim, and the Third Circuit affirmed. According to the latter tribunal, "the marks were similar enough to constitute general trademark infringement but not 'substantially indistinguishable.' So [the plaintiff's] counterfeiting allegation was not plausible and the District Court correctly dismissed it."⁸⁸⁷

In contrast, at least some plaintiffs asserting counterfeiting causes of action managed to demonstrate their opponents' liability for that tort. Two such litigants did so after convincing the court hearing their case to forego an application of the standard multifactored test for likely confusion when weighing whether the defendants' uses were confusingly similar to those of the plaintiffs.⁸⁸⁸ "While courts typically look to the factors [in the standard multifactored test]," the court observed in granting the plaintiffs' motion for summary judgment, "such an examination is unnecessary in counterfeit cases, 'because counterfeits, by their very nature, cause confusion.'"⁸⁸⁹

Seeking to protect its federally registered ELLURA mark for a cranberry supplement to prevent urinary tract infections, another plaintiff brought an action for counterfeiting before a Georgia federal district court.⁸⁹⁰ After reviewing photographs of goods sold by the defendants and bearing the plaintiff's mark, the court accepted the plaintiff's representations that numerous characteristics of those goods established their unlawful status. These characteristics included: (1) the lack of expiration dates on the defendants' bottles; (2) the less crisp color white on those bottles;

⁸⁸⁶ See *Lontex Corp. v. Nike, Inc.*, 107 F.4th 139 (3d Cir. 2024).

⁸⁸⁷ *Id.* at 159 (quoting 15 U.S.C. § 1127).

⁸⁸⁸ See *Christian Dior Couture SA v. Lin*, 744 F. Supp. 3d 312 (S.D.N.Y. 2024).

⁸⁸⁹ *Id.* at 315 (quoting *Coach, Inc. v. Horizon Trading USA Inc.*, 908 F. Supp. 2d 426, 433 (S.D.N.Y. 2012)).

⁸⁹⁰ See *Solv Wellness, Inc. v. Does 1–10*, 788 F. Supp. 3d 1252 (N.D. Ga. 2025).

(3) a differing seal on the bottles; (4) fill levels of the defendant's capsules differing from those of the plaintiff's capsules; (5) the presence of "tiny white particles" in the defendants' capsules; and (6) the absence of cranberry extract from the defendants' goods.⁸⁹¹ The plaintiff's showings on these issues sufficiently established its likelihood of success on the merits, justifying a temporary restraining order against the defendants.⁸⁹²

Another Georgia federal district court confirmed that the material alteration of goods bearing a registered mark can render that mark an unlawful counterfeit even if the defendant making the alterations attempts to disclose their existence to consumers.⁸⁹³ The goods at issue were ROLEX-branded watches, which had been altered in various ways, including the addition of parts not approved by that mark's owner. In granting the plaintiff's motion for summary judgment, the court held that:

To state a claim for trademark counterfeiting . . . , a plaintiff must allege that "(1) the defendants counterfeited a registered mark and applied such counterfeit mark to labels, signs, or advertisements used in commerce and (2) such use is likely to cause confusion, mistake or deception among the consuming public." The Eleventh Circuit has construed [Section 32(1)] "to require simply the likely confusion of the purchasing public," which encompasses both point-of-sale and post-sale confusion.⁸⁹⁴

The parties differed on whether the appropriate test for likely confusion was the multifactor one applied by the Eleventh Circuit in standard infringement actions (as the defendants argued) or, alternatively, whether the defendants had adequately disclosed the differences between their altered goods and the goods' authorized counterparts (as the plaintiff argued). Ultimately, however, the court concluded that it need not decide which was the correct analysis because the plaintiff had demonstrated a claim for trademark counterfeiting under both.⁸⁹⁵

Yet another Georgia federal district court required a relatively forgiving showing by a plaintiff asserting a counterfeiting cause of action.⁸⁹⁶ Rather than having examined the physical goods sold by the defendant, the plaintiff instead averred in its complaint and in

⁸⁹¹ *Id.* at 1255.

⁸⁹² *Id.* at 1256.

⁸⁹³ *See* *Rolux Watch U.S.A., Inc. v. Jewelry Unlimited, Inc.*, 757 F. Supp. 3d 1342 (N.D. Ga. 2024).

⁸⁹⁴ *Id.* at 1358 (first quoting *Cole-Parmer Instrument Co. v. Pro. Lab'ys, Inc.*, 568 F. Supp. 3d 1307, 1314 (S.D. Fla. 2021); and then quoting *United States v. Torkington*, 812 F.2d 1347, 1352 (11th Cir. 1987)).

⁸⁹⁵ *Id.* at 1361.

⁸⁹⁶ *See* *Solv Wellness, Inc. v. Does 1–10*, 788 F. Supp. 3d 1252 (N.D. Ga. 2025).

materials supporting its motion for a default judgment that it had reviewed goods associated with its mark on an e-commerce store operated by its adversary. “Because the allegations in the Complaint are deemed admitted by virtue of Defendant’s failure to answer or respond,” the court held while granting that motion, “default judgment under Rule 55 of the Federal Rules of Civil Procedure is appropriately entered against it.”⁸⁹⁷

A default judgment also resulted in a finding of liability for the counterfeiting of federally registered service marks, as opposed to trademarks.⁸⁹⁸ Those marks were registered for hair restoration services, and, in light of the defendant’s failure to appear, the court found that, between the complaint’s averments and a declaration, the plaintiff had successfully established the defendant’s liability because:

- (1) Defendant intentionally used Plaintiff’s mark in its advertisements;
- (2) at the time of use, Defendant knew that the mark belonged to Plaintiff;
- (3) Defendant’s use of the mark was related to its competing business of hair restoration services; and
- (4) it adequately alleges that Defendant’s infringing use of the marks caused likely (and actual) consumer confusion.⁸⁹⁹

A final notable reported opinion addressing allegations of counterfeiting came from an intermediate New York appellate panel.⁹⁰⁰ That tribunal affirmed a trial court’s refusal to seal the criminal counterfeiting conviction of a petitioner who had gone on to “establish[] and run several multi-million dollar business ventures, thereby showing that the conviction has not served as a barrier to employment or opportunity or acted as an impediment to the rehabilitative effects of the criminal justice system.”⁹⁰¹ That the petitioner had had no other brushes with the law did not mandate a contrary conclusion, especially because “when the [petitioner] was asked about his offense, he attempted to minimize his conduct rather than taking responsibility for it.”⁹⁰²

⁸⁹⁷ *Id.* at 1307.

⁸⁹⁸ *See* *Advanced Hair Restoration LLC v. Parsa Mohebi, M.D., Inc.*, 793 F. Supp. 3d 1306 (W.D. Wash. 2025).

⁸⁹⁹ *Id.* at 1317.

⁹⁰⁰ *See* *People v. Kumar*, 220 N.Y.S.3d 126 (Ct. App. 2024).

⁹⁰¹ *Id.* at 127.

⁹⁰² *Id.*

(D) Actual or Likely Dilution

(1) Mark Fame and Distinctiveness

To qualify for protection against dilution under federal law, a mark must be famous as of the defendant's date of first use.⁹⁰³ Under Section 43(c)(2)(A),⁹⁰⁴ this means the mark must have been "widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner,"⁹⁰⁵ a determination Congress has indicated should turn on the following nonexclusive factors:

- (i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.
- (ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.
- (iii) The extent of actual recognition of the mark.
- (iv) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.⁹⁰⁶

In contrast, the dilution statutes of some states, such as that of New York,⁹⁰⁷ require only a threshold showing of mark distinctiveness. As always, these prerequisites generated reported opinions applying them.

(a) Opinions Finding Marks Famous and Distinctive

One plaintiff's successful claim of mark fame owed much to its opponent's failure to contest the issue on a motion for a default judgment.⁹⁰⁸ That plaintiff claimed protectable rights to the **ADVANCED** and **ADVANCED HAIR RESTORATION** marks for hair restoration services. Despite the rather pedestrian nature of those marks, the court credulously found them sufficiently famous to qualify for protection under federal law.⁹⁰⁹

⁹⁰³ 15 U.S.C. § 1125(c)(1).

⁹⁰⁴ *Id.* § 1125(c)(2)(A).

⁹⁰⁵ *Id.*

⁹⁰⁶ *Id.* § 1125(c)(2)(A)(i)-(iv).

⁹⁰⁷ N.Y. Gen. Bus. Law § 360-l.

⁹⁰⁸ *See Advanced Hair Restoration LLC v. Parsa Mohebi, M.D., Inc.*, 793 F. Supp. 3d 1306 (W.D. Wash. 2025).

⁹⁰⁹ *Id.* at 1317.

***(b) Opinions Declining to Find Marks
Famous and Distinctive***

A counterclaim plaintiff's assertion that its registered MEDAIR mark for medical air mattresses was famous under federal law fell short as a matter of law.⁹¹⁰ "In practice," the court observed while weighing the parties' cross-motions for summary judgment, "courts generally have limited famous marks to those that receive multi-million dollar advertising budgets, generate hundreds of millions of dollars in sales annually, and are almost universally recognized by the general public,' such as 'Hot Wheels,' 'Buick,' 'Budweiser,' or 'Barbie.'"⁹¹¹ Although the counterclaim plaintiff's mark was registered on the Principal Register, and although the counterclaim plaintiff introduced evidence and testimony of its "rapidly increasing sales numbers," those considerations did not create a factual dispute on the issue, especially because the counterclaim defendant, and not the counterclaim plaintiff, enjoyed priority of rights to its mark.⁹¹²

***(c) Opinions Deferring Resolution of the
Mark-Fame and Mark-Distinctiveness Inquiries***

Because of the fact-intensive nature of the inquiry into whether a plaintiff's mark is sufficiently famous (under federal law and that of some states) or sufficiently distinctive (under the law of some states) to qualify for protection against likely or actual dilution, some motions to dismiss for failure to state claims failed to accomplish their intended purpose. An example of such an outcome came in an action to protect several marks, including CHICAGO TRIBUNE, THE DENVER POST, DENVER POST MEDIA, THE MERCURY NEWS, and NYDAILYNEWS.COM, for various news-related goods and services, against various acts of alleged misconduct.⁹¹³ One of the multiple defendants challenged the sufficiency of the plaintiffs' allegations of mark fame under Section 43(c)(2)(A), but the court found them "a far cry from the threadbare and conclusory statements that doomed the trademark dilution cases cited by [the moving defendant] in its motion."⁹¹⁴ Specifically, it observed that:

The trademark dilution plaintiffs allege that (i) each of their publications has been in circulation for more than 100 years;

⁹¹⁰ See *Med. Depot, Inc. v. Med Way US, Inc.*, 774 F. Supp. 3d 554 (E.D.N.Y. 2025), *appeal withdrawn*, No. 25-1049, 2025 WL 2269807 (2d Cir. July 30, 2025).

⁹¹¹ *Id.* at 576 (quoting *Heller Inc. v. Design Within Reach, Inc.*, 09-CV-1909 (JGK), 2009 WL 2486054, at *3 (S.D.N.Y. Aug. 14, 2009)).

⁹¹² *Id.*

⁹¹³ See *N.Y. Times Co. v. Microsoft Corp.*, 777 F. Supp. 3d 283 (S.D.N.Y. 2025).

⁹¹⁴ *Id.* at 324.

(ii) several of the Diluted Trademarks are federally registered; (iii) they collectively own over 40,000 copyright registrations for works published under the Diluted Trademarks; (iv) their publications are circulated throughout all 50 states; (v) their news stories are featured by major national news outlets and have received significant attention and praise from news outlets such as CNN, MSNBC and Fox News; (vi) their publications have achieved national and international fame for their reporting of highly significant events in both U.S. and world history; (vii) they invest hundreds of millions of dollars in operating their publications; (viii) millions of consumers access the . . . plaintiffs' publications in print and digital format, which are circulated under the Diluted Trademarks; (ix) their publications have widespread circulation across a general audience in the United States; and (x) their publications have received widespread recognition for their achievements including numerous Pulitzer Prizes, which constitute the most prestigious and highly publicized national journalism award. In particular, the New York Daily News has received 11 Pulitzers; The Chicago Tribune has received eight; The Denver Post has received nine; and The Mercury News has received two.⁹¹⁵

The denial of a motion to dismiss also occurred in a dispute presenting a claim that the following mark was famous when used in connection with lawn-care products:⁹¹⁶



Citing the first of Section 43(c)(2)(A)'s statutory factors, the court noted favorably the plaintiff's averments of the mark's use beginning in 1995 and a spend of tens of millions of dollars on advertising throughout the United States.⁹¹⁷ The plaintiff's claims with respect to the second factor were "less detailed," but they still passed muster because they discussed the "financial value and geographical extent associated with the volume and extent of sales

⁹¹⁵ *Id.* (citations omitted).

⁹¹⁶ *See* *Scotts Co. v. SBM Life Sci. Corp.*, 749 F. Supp. 3d 865, 870 (S.D. Ohio 2024).

⁹¹⁷ *Id.* at 874–75.

under the mark[].”⁹¹⁸ Likewise, allegations that the mark was “an invaluable symbol of the source of products bearing the . . . [m]ark” and that consumers immediately associated the mark with the plaintiff were enough to satisfy the third statutory factor.⁹¹⁹ And, regarding the fourth factor, federal registrations covering the mark also disfavored a grant of the motion to dismiss.⁹²⁰

Finally, reviewing the grant of a different motion to dismiss, the Fifth Circuit distinguished between the degree of mark fame required for a cause of action under Section 43(c) of the Lanham Act, on the one hand, and one under Texas law, on the other.⁹²¹ The marks at issue were RUGGLES, RUGGLES GREEN, and RUGGLES BLACK for restaurant services, which the plaintiff conceded did not qualify as famous under federal law. The plaintiff did, however, claim mark fame in the Houston area under Texas law, a status depending on much the same considerations as under Section 43(c)(2)(A).⁹²² In an examination of those considerations, the court held that the district court had erred in dismissing the plaintiff’s Texas-law cause of action for likely dilution:

[The plaintiff’s] allegations that he has cooked thousands of meals, that he once appeared on a box of rice, that [one of his restaurants] was listed as a top restaurant for foodies, that his restaurants have been open since the early 1980s, and he has had an ‘extensive, continuous, and long-standing use and promotion of the Ruggles mark in Houston’ make it facially plausible that [the plaintiff’s] Ruggles mark is famous in the Houston area. Therefore, we affirm the district court’s Rule 12(b)(6) dismissal of [the plaintiff’s] federal trademark dilution claim, but we reverse the dismissal of [the plaintiff’s] state trademark dilution claim.⁹²³

⁹¹⁸ *Id.* at 875.

⁹¹⁹ *Id.*

⁹²⁰ *Id.*

⁹²¹ See *Molzan v. Bellagreen Holdings, L.L.C.*, 112 F.4th 323 (5th Cir. 2024).

⁹²² As the court explained:

In determining whether a mark is famous [under Texas law], a court may consider the following factors: (1) the duration, extent, and geographic reach of the advertisement and publicity of the mark, (2) the amount, volume, and geographic extent of sales of goods or services offered under the mark, (3) the extent of actual recognition of the mark in Texas, and (4) whether the mark is registered in Texas or with the U.S. Patent and Trademark Office.

Id. at 335 (citing Tex. Bus. & Com. Code § 16.103(b)).

⁹²³ *Id.*

(2) Actual or Likely Dilution

(a) Actual or Likely Dilution by Blurring

In a trade dress dispute between manufacturers of lawn care products, an Ohio federal district court applied the Sixth Circuit’s test for liability under Section 43(c):

“The senior mark must be (1) famous; and (2) distinctive. Use of the junior mark must (3) be in commerce; (4) have begun subsequent to the senior mark becoming famous; and (5) cause dilution of the distinctive quality of the senior mark.” But as to that fifth element, while *confusion* is not an issue, the *similarity* of the competing trade dresses does matter. And, notably, “[t]he ‘similarity’ test for dilution claims is more stringent than in the infringement milieu.”⁹²⁴

In denying the plaintiff’s bid for a preliminary injunction, the court found the parties’ packaging, representative examples of which appear below, highly dissimilar in appearance:⁹²⁵



The plaintiff therefore had failed to demonstrate a likelihood of success on the merits of its cause of action for likely dilution.⁹²⁶

(b) Actual or Likely Dilution by Tarnishment

The owner of the PEDIALYTE mark for a pediatric hydration product, which also claimed trade dress rights to the bottle in which

⁹²⁴ *Scotts Co. v. Procter & Gamble Co.*, 789 F. Supp. 3d 539, 582 (S.D. Ohio 2025) (alteration in original) (first quoting *Autozone, Inc. v. Tandy Corp.*, 373 F.3d 786, 802 (6th Cir. 2004); then quoting *id.* at 802–03; and then quoting *id.* at 805–06).

⁹²⁵ *Id.* at 551.

⁹²⁶ *Id.* at 582.

that product was sold, challenged the purveyor of an adult hydration product sold under the REVITALYTE mark but then faced a defense motion for judgment on the pleadings.⁹²⁷ The court summarized the plaintiff's allegations of likely dilution by tarnishment as follows:

[The plaintiff's] trademark has been portrayed in a way that harms the reputation of the Pedialyte mark, as Revitalyte's advertisements feature references to heavy drinking by young adults, encourage excessive consumption of alcohol, and often feature other conduct that could be described as vulgar and crass, including the use of expletives and suggestive placement of the product. These allegations plausibly give rise to a claim of trademark dilution.⁹²⁸

The court therefore denied the defendant's attempt to escape liability at the pleadings stage.

(3) Liability for Cybersquatting

The Anticybersquatting Consumer Protection Act (ACPA) authorizes both in rem and in personam actions in challenges to domain names allegedly misappropriating trademarks and service marks.⁹²⁹ If a prior arbitration proceeding under the Uniform Dispute Resolution Policy ("UDRP") has resulted in the suspension, transfer, or disabling of a domain name, the ACPA also authorizes what is effectively a mechanism for the domain name registrant to appeal the outcome of the UDRP action by bringing a cause of action for reverse domain name hijacking.⁹³⁰

(a) *In Rem* Actions

As has been increasingly the case in recent years, there were no readily apparent reported opinions arising from in rem actions under the ACPA.

(b) *In Personam* Actions

Where in personam actions are concerned, the ACPA generally provides for civil liability if a plaintiff can prove (1) the defendant registered, trafficked in, or used a domain name; (2) the domain name is identical or confusingly similar to a protected mark owned by the plaintiff; and (3) the defendant acted with a bad-faith intent to profit from that mark. The last of these requirements is governed by nine factors found in Section 43(d)(1)(B)(i) of the Lanham Act,⁹³¹

⁹²⁷ See *Abbott Lab's v. Revitalyte LLC*, 744 F. Supp. 3d 894 (D. Minn. 2024).

⁹²⁸ *Id.* at 905 (citation omitted).

⁹²⁹ See 15 U.S.C. § 1125(d).

⁹³⁰ See *id.* § 1114(2)(D)(v).

⁹³¹ *Id.* § 1125(d)(1)(B)(i)(I)-(IX).

and is subject to a carve-out found in Section 43(d)(1)(B)(ii), which provides that “[b]ad faith intent . . . shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.”⁹³²

For the most part, plaintiffs generally prevailed in in personam actions under the ACPA. For example, having prevailed in a prior UDRP proceeding against the registrant of the lambo.com domain name, the manufacturer of LAMBORGHINI-branded automobiles not only successfully defended its victory in an action for reverse domain name hijacking brought by the registrant but did so as a matter of law.⁹³³ Although the registrant had never used the domain name in conjunction with an active website, he had ill-advisedly offered to sell it for prices ranging from \$1,129,298.00 to \$75 million.⁹³⁴ He also did not help himself with the dubious claims that “he was drawn to the name ‘Lambo’ as a play on the word ‘Lamb,’ with an outlier generic aptitude and intelligence, hence ‘Lambo-O’ and [that] the name ‘Lambo’ resonated with him on a personal level and perfectly encapsulated his identity and ethos.”⁹³⁵

In another action producing a predictable finding of cybersquatting, the lead plaintiff was a franchisor and owner of the MUFFLER MAN mark for automotive maintenance and repair services.⁹³⁶ During the pendency of a franchise agreement allowing the defendants to use that mark under license, the defendants registered and used the mufflermanservice.com domain name to promote their business. Upon the agreement’s termination, the defendants continued to use the domain name in connection with a new directly competitive company 2.3 miles from their previous location, leading the lead plaintiff to pursue a temporary restraining order under the ACPA. The court held that relief appropriate, finding that “[the lead plaintiff] has demonstrated that it is likely to establish that its trademark is valid and distinct, that [the defendants’] domain name is confusingly similar, and that ‘bad faith’ is likely present. Thus [the lead plaintiff] is likely to succeed on its ACPA claims.”⁹³⁷ Indeed, the court was sufficiently convinced of the lead plaintiff’s ultimate likelihood of success on the merits that it did not require the posting of a bond.⁹³⁸

⁹³² *Id.* § 1125(d)(1)(B)(ii).

⁹³³ *See Blair v. Automobili Lamborghini SpA*, 754 F. Supp. 3d 849 (D. Ariz. 2024), *aff’d*, No. 24-6839, 2025 WL 2871821 (9th Cir. Oct. 9, 2025).

⁹³⁴ *Id.* at 854.

⁹³⁵ *Id.* at 857 (citation omitted).

⁹³⁶ *See Muffler Man Supply Co. v. TSE Auto Serv., Inc.*, 739 F. Supp. 3d 598 (E.D. Mich. 2024).

⁹³⁷ *Id.* at 603 (citations omitted).

⁹³⁸ *Id.* at 604–05.

Finally, another in personam finding of liability came in a case in which, having encountered the AMPLIFY CAR WASH ADVISORS and AMPLIFY marks in the car-wash financial-services industry, the principal of a competitor of the owner of those marks rushed out and registered *amplifycarwash.com* as a domain name, which the defendants used to redirect visitors to their own site.⁹³⁹ The plaintiff prevailed on its ACPA cause of action as a matter of law, in no small part based on testimony from the lead defendant's principal that he "always believed [it] to be [a] common marketing practice . . . to buy derivations on other versions of your name or associated names or competitor names";⁹⁴⁰ he also added more than a few inches to the defendants' figurative grave by testifying that "[t]he big thing why we have these [domain names] is to prevent others from having them"⁹⁴¹ and that his intent was to sell the disputed domain name to the plaintiff.⁹⁴² Unsurprisingly, his testimony produced a finding of liability for cybersquatting against not only his company but against himself personally.⁹⁴³

Nevertheless, one set of defendants escaped a finding of liability for cybersquatting—at least in the short term—in an opinion from the Ninth Circuit.⁹⁴⁴ The plaintiff in the appeal before that court sold "widely recognized" nonfungible tokens under the BORED APE, BORED APE YACHT CLUB, and BAYC marks, while the defendants sold a "nearly identical" collection of NFTs under the RYDER RIPPS BORED APE YACHT CLUB mark.⁹⁴⁵ Challenging the defendants' actual sale of their NFTs on a website accessible at the *rrbayc.com* domain name and the potential sale of their goods at another site accessible at *apemarket.com*, the plaintiff asserted a cause of action for cybersquatting, on which it initially prevailed as a matter of law on summary judgment.

The Ninth Circuit took issue with that disposition on the defendants' appeal. Addressing the defendants' use of the *rrbayc.com* domain name, the court found a factual dispute as to whether the domain name's "rrbayc" component was confusingly similar to the plaintiff's BAYC mark because "[t]he addition of 'rr' creates similar visual and auditory difference and changes the meaning of the domain name in the same way by referring to [the] name [of the lead defendant, Ryder Ripps]."⁹⁴⁶ Moreover, the same

⁹³⁹ See *Amplify Car Wash Advisors LLC v. Car Wash Advisory LLC*, 770 F. Supp. 3d 625 (S.D.N.Y. 2025).

⁹⁴⁰ *Id.* at 634 (alterations in original).

⁹⁴¹ *Id.*

⁹⁴² *Id.*

⁹⁴³ *Id.* at 641–43.

⁹⁴⁴ See *Yuga Labs, Inc. v. Ripps*, 144 F.4th 1137 (9th Cir. 2025).

⁹⁴⁵ *Id.* at 1148–49.

⁹⁴⁶ *Id.* at 1175.

was true of the relationship between the plaintiff's BORED APE mark and the apemarket.com domain name, of which the court concluded:

While this mark is arbitrary, there is only partial overlap with Defendants' domain name—use of the word “Ape.” But there are also differences on both sides of the equation: on [the plaintiff's] side, the adjective “BORED” modifies “APE”; on Defendants' side, “ape” is used as an adjective modifying “market.” Defendants' domain does not include the word “BORED” or the “BORED APE” mark, and no evidence shows that the words “ape” or “market,” individually or together, are likely to confuse consumers.⁹⁴⁷

The court therefore vacated the grant of the plaintiff's motion for summary judgment and remanded the action for a full trial on the issues of confusing similarity and the defendants' intent.⁹⁴⁸

b. Liability for Passing Off and Reverse Passing Off

According to the Supreme Court in *Dastar Corp. v. Twentieth Century Fox Film Corp.*⁹⁴⁹ “[p]assing off (or palming off, as it is sometimes called) occurs when a producer misrepresents his own goods or services as someone else's. ‘Reverse passing off,’ as its name implies, is the opposite: The producer misrepresents someone else's goods or services as his own.”⁹⁵⁰ Reported opinions over the past year addressed both torts, with *Dastar* casting a large shadow over them.

i. Passing Off

Although findings of passing off independent of trademark or service mark infringement are relatively rare, a Florida federal district court reached one in a case in which the parties competed in the market for printed circuit boards.⁹⁵¹ The plaintiffs alleged the defendants not only had appropriated the plaintiffs' model numbers but also had affirmatively represented to the defendants' customers that certain of the defendants' own models had been manufactured by the plaintiffs. The plaintiffs failed to substantiate those allegations regarding certain of the disputed models,⁹⁵² but they succeeded regarding others, and that success established the

⁹⁴⁷ *Id.*

⁹⁴⁸ *Id.*

⁹⁴⁹ 539 U.S. 23 (2003).

⁹⁵⁰ *Id.* at 28.

⁹⁵¹ See *Shenzhen Kinwong Elec. Co. v. Kukreja*, 778 F. Supp. 3d 1255 (S.D. Fla. 2025), *amended in part*, No. 18-cv-61550-ALTMAN/Hunt, 2025 WL 2337095 (S.D. Fla. Aug. 13, 2025).

⁹⁵² *Id.* at 1296–98.

defendants' liability for passing off.⁹⁵³ In finding liability, the court rejected the defendants' argument that the absence of complaints from their customers meant that actionable passing off had not occurred because "these customers' views are somewhat irrelevant. After all, the victim in a passing-off scheme isn't necessarily the consumer—it's the entity whose goods are passed off."⁹⁵⁴

ii. Reverse Passing Off

Interpretations of *Dastar* in the reverse passing off context typically come into play in two contexts. The first is if a complaint advances a cause of action for a false designation of origin under Section 43(a)(1)(A) of the Act.⁹⁵⁵ The second is if a plaintiff avers that a defendant has falsely claimed to own or to have originated a particular work or technology in violation of Section 43(a)(1)(B)'s prohibition on false advertising.⁹⁵⁶

Two federal district court opinions demonstrated *Dastar*'s significance to the disposition of causes of action grounded in Sections 43(a)(1)(A) and 43(a)(1)(B). The first originated in New York and sounded in the allegedly false claim that the defendants owned the copyright covering the iconic circa-1990s LOVE sculpture, licenses to use the appearance of which the defendants offered to third parties.⁹⁵⁷



One theory of liability advanced by the plaintiff was that the defendants' assertion of copyright ownership constituted a false designation of the sculpture's design in violation of Section

⁹⁵³ *Id.* at 1298–1301.

⁹⁵⁴ *Id.* at 1300.

⁹⁵⁵ 15 U.S.C. § 1125(a)(1)(A).

⁹⁵⁶ *Id.* § 1125(a)(1)(B).

⁹⁵⁷ See *McKenzie v. Artists Rts. Soc'y, Inc.*, 757 F. Supp. 3d 427 (S.D.N.Y. 2024).

The illustration in the text accompanying this footnote does not appear in the opinion but is instead reproduced from the complaint. See Complaint at 8, *McKenzie v. Artists Rts. Soc'y, Inc.*, 757 F. Supp. 3d 427 (S.D.N.Y. 2024) (No. 22 Civ. 1619 (JHR)).

43(a)(1)(A), but the court held that theory fatally defective because “*Dastar* applies to claims ‘for false representation of “affiliation” between the author and a distributor of communicative products,’ even if through ‘a false assertion of license.’”⁹⁵⁸ The court was just as hostile to the plaintiff’s claim that the defendants’ conduct constituted a false statement of fact under Section 43(a)(1)(B) because the defendants had at most misrepresented their ability to license the sculpture, rather than falsely described an inherent quality or characteristic of it.⁹⁵⁹ The court therefore dismissed both causes of action for failure to state a claim.

A Georgia federal district court similarly dismissed for failure to state a claim the reverse passing off cause of action under Section 43(a)(1)(A) of the lyricist for a popular hip-hop song, which led off with the line, “[r]un that back Turbo.”⁹⁶⁰ Although the plaintiff also sang the song, the lead defendant provided its beat and produced it. The lead defendant registered the phrase as a mark for various entertainment-related services, and he and others targeted by the plaintiff’s complaint licensed the phrase’s use to multiple third parties for incorporation into other songs. That led the plaintiff to file suit asserting, among other things, that the defendants had engaged in reverse passing off by unlawfully misrepresenting themselves as the phrase’s origin. Weighing the defendants’ motion to dismiss, the court observed as an initial matter that “[t]o state a reverse-passing-off claim, a plaintiff ‘must allege the following: (1) that the item at issue originated with the plaintiff; (2) that the origin of the work was falsely designated by the defendant; (3) that the false designation of origin was likely to cause consumer confusion; and (4) that the plaintiff was harmed by’ such designation of origin.”⁹⁶¹ It then identified two reasons why the plaintiff’s allegations failed to satisfy the first two prongs of that test. First,

such a claim arises from the core allegation that a plaintiff originated an item at issue, but the defendant passed the item off as its own. [Plaintiff] alleges just the opposite—that the [defendants] created the subsequent songs. And [Plaintiff] repeatedly alleges they claim sole ownership of the subsequent songs. [Plaintiff’s] claim to the introductory tag cannot revive this claim as he conceded [the lead Defendant] trademarked it. The facts alleged simply don’t give rise to a

⁹⁵⁸ *McKenzie*, 757 F. Supp. 3d at 436 (quoting *Agence France Presse v. Morel*, 769 F. Supp. 2d 295, 307 (S.D.N.Y. 2011)).

⁹⁵⁹ *Id.* at 436–37.

⁹⁶⁰ *See Britt v. Durham*, 770 F. Supp. 3d 1390, 1395 (N.D. Ga. 2025).

⁹⁶¹ *Id.* at 1402 (quoting *Del Monte Fresh Produce Co. v. Dole Food Co.*, 136 F. Supp. 2d 1271, 1290 (S.D. Fla. 2001)).

plausible allegation that [the lead Defendant] seeks to pass off Plaintiff's item as his own.⁹⁶²

And, second, although the plaintiff claimed to have originated the disputed phrase, that did not render him the origin of the subsequent songs in which it appeared under license from the defendants.⁹⁶³

Nevertheless, not all plaintiffs with reverse passing off claims left court unhappy. In a past circa-2009 case, the Federal Circuit applied Ninth Circuit law to dispose of a reverse-passing-off-based challenge to representations that a product was “innovative” by holding the challenge barred by *Dastar*; according to the court in that earlier case, “[the plaintiff’s] arguments . . . amount to an attempt to avoid the holding in *Dastar* by framing a claim based on false attribution of authorship as a misrepresentation of the nature, characteristics, and qualities of a good.”⁹⁶⁴ In contrast, however, the same court more recently applied Tenth Circuit law to hold actionable under Section 43(a)(1)(B) an inaccurate representation that a particular model shoe sold by the defendant was patented.⁹⁶⁵ On one level, the arguably inconsistent outcomes might be attributable to differences between Ninth Circuit and Tenth Circuit law. On another, however, and as the court pointed out, the defendant’s advertising in the second case contained additional statements that the defendant’s shoes had “numerous tangible benefits” common to all goods sold by the defendant.⁹⁶⁶ That distinguished the underlying factual scenario in the appeal before the court from the one in its earlier case because:

Dastar cautions that a false claim of origin, and nothing more, is a claim of authorship and does not give rise to a cause of action under Section 43(a)(1)(A) or (B). But, here, the false claim that a product is patented does not stand alone. [The plaintiff] presents allegations and evidence that the falsity of [the defendant’s] promotional statements is rooted in the nature, characteristics, or qualities of [the defendant’s] products. . . .

. . . .

. . . We hold that a cause of action arises from Section 43(a)(1)(B) where a party falsely claims that it possesses a patent on a product feature and advertises that product feature in a manner that causes consumers to be misled

⁹⁶² *Id.* (citation omitted).

⁹⁶³ *Id.*

⁹⁶⁴ *Baden Sports, Inc. v. Molten USA, Inc.*, 556 F.3d 1300, 1307 (Fed. Cir. 2009).

⁹⁶⁵ *See Crocs, Inc. v. Effervescent, Inc.*, 119 F.4th 1 (Fed. Cir. 2024), *cert. denied*, No. 25-75, 2025 WL 2824166 (U.S. Oct. 6, 2025).

⁹⁶⁶ *Id.* at 6.

about the nature, characteristics, or qualities of its product.⁹⁶⁷

c. Liability for False Association

An appeal to the First Circuit from the dismissal on a motion for judgment on the pleadings of a counterclaim for false association under Section 43(a) came up empty.⁹⁶⁸ The prevailing counterclaim defendant in that appeal was a medical certification board that had once certified the counterclaim plaintiff, a physician, in the field of internal medicine. After concluding he had improperly circulated board exam questions to a test-preparation service, the counterclaim defendant withdrew that certification and subsequently displayed the counterclaim plaintiff's name on its website in conjunction with notices reading "Revocation Recommended," "Not Certified," and "INITIAL CERTIFIED Internal Medicine 2009."⁹⁶⁹ Weighing the counterclaim plaintiff's argument that the district court had erroneously dismissed his claim of false association, the court initially noted that that cause of action required plausible allegations "showing a likelihood of consumer confusion 'as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person.'"⁹⁷⁰ "Claims under this subsection," it continued, "typically involve 'attempts to appropriate the goodwill associated with a competitor[,] for example, by misappropriating a trademark or falsely implying an endorsement.'"⁹⁷¹ The counterclaim plaintiff's averments failed to satisfy that test because they did "not remotely relate to any risk of consumers of his medical services being misled into misunderstanding the origin of those services, or those of any competitors, or misapprehending his affiliation with the [defendants]."⁹⁷² The district court therefore had correctly disposed of the counterclaim plaintiff's cause of action at the pleadings stage.

d. Liability for False Designation of Geographic Origin

A relatively rare reported opinion to address the claimed tort of a false designation of geographic origin under Section 43(a)(1)(A) of the Act⁹⁷³ required the plaintiff to prove the defendants' use in

⁹⁶⁷ *Id.* at 6, 6–7.

⁹⁶⁸ *See* *Am. Bd. of Internal Med. v. Salas Rushford*, 114 F.4th 42 (1st Cir. 2024).

⁹⁶⁹ *Id.* at 63.

⁹⁷⁰ *Id.* at 64 (quoting *Flynn v. AK Peters, Ltd.*, 377 F.3d 13, 19 (1st Cir. 2004)).

⁹⁷¹ *Id.* (alteration in original) (quoting *Flynn*, 377 F.3d at 19).

⁹⁷² *Id.*

⁹⁷³ 15 U.S.C. § 1125(a)(1)(A).

commerce of designations likely to cause confusion concerning, or otherwise to misrepresent, the geographic origin of the defendants' dairy and other products as being the state of Hawai'i.⁹⁷⁴ Several accused representations and other things were at issue, including the statement that "we [the lead defendant] operate statewide and . . . manufacture fresh milk, dairy, juice and nectar products in Hawai'i"⁹⁷⁵ the "Hawaii's Dairy," "MOOhalo," and "Made with Aloha" taglines,⁹⁷⁶ and a stylized cow named Lani Moo, which wore a lei, a garland wreath, and floral print clothing.⁹⁷⁷ The plaintiff's claims of falsity rested on the theory that the milk in the lead defendant's products came from cows residing in jurisdictions other than Hawai'i. The court, however, did not regard the challenged designations as representations of the location(s) of the cows in the first instance. It therefore granted the defendants' motion for summary judgment on the plaintiff's cause of action under Section 43(a)(1)(A),⁹⁷⁸ as well as under state law.⁹⁷⁹

e. Liability for False Advertising

Most courts applied what has become the standard five-part test for false advertising, under which plaintiffs must prove:

- (1) A false or misleading statement of fact about a product;
- (2) Such statement either deceived or had the capacity to deceive a substantial segment of potential consumers;
- (3) The deception was material, in that it is likely to influence the consumer's purchasing decision; (4) The product is in interstate commerce; and (5) The plaintiff has been or is likely to be injured as a result of the statement at issue.⁹⁸⁰

⁹⁷⁴ Haw. Foodservice All., LLC v. Meadow Gold Dairies Haw., LLC, 736 F. Supp. 3d 909, 919 (D. Haw. 2024).

⁹⁷⁵ *Id.*

⁹⁷⁶ *Id.*

⁹⁷⁷ *Id.* at 916.

⁹⁷⁸ *Id.* at 919.

⁹⁷⁹ *Id.* at 920–21.

⁹⁸⁰ *Molzan v. Bellagreen Holdings, L.L.C.*, 112 F.4th 323, 334 (5th Cir. 2024) (quoting *IQ Prods. Co. v. Pennzoil Prods. Co.*, 305 F.3d 368, 375 (5th Cir. 2002)); *see also* *Realtex Semiconductor Corp. v. MediaTek, Inc.*, 769 F. Supp. 3d 1067, 1095 (N.D. Cal. 2025); *LLT Mgmt. LLC v. Emory*, 766 F. Supp. 3d 576, 599 (E.D. Va. 2025), *reconsideration denied sub nom.* *Pecos River Talc LLC v. Emory*, No. 4:24-cv-75, 2025 WL 1249947 (E.D. Va. Apr. 30, 2025); *GovernmentGPT Inc. v. Axon Enter.*, 769 F. Supp. 3d 959, 988 (D. Ariz. 2025); *G. W. Aru, LLC v. W. R. Grace & Co.-Conn.*, 761 F. Supp. 3d 827 (D. Md. 2025), *notice of appeal docketed*, No. 25-2151 (Fed. Cir. Sept. 25, 2025); *7EDU Impact Acad. Inc. v. You*, 760 F. Supp. 3d 981, 1005 (N.D. Cal. 2024); *Rolex Watch U.S.A., Inc. v. Jewelry Unlimited, Inc.*, 757 F. Supp. 3d 1342, 1363 (N.D. Ga. 2024); *Joel E. Cape, PLC v. Cape L. PC*, 757 F. Supp. 3d 846, 851 (W.D. Ark. 2024); *Advance Dx, Inc. v.*

One court held averments under this test subject to the heightened pleading requirements of Rule 9(b) of the Federal Rules of Civil Procedure⁹⁸¹ before additionally pointing out that “federal patent law bars the imposition of liability [for false advertising] [under federal or state law] for publicizing a patent in the marketplace unless the plaintiff can show that the patent holder acted in bad faith.”⁹⁸² And a Kansas federal district court applied a simpler test for liability by holding that “[t]o state a claim for false advertising, plaintiff must plausibly allege that in connection with the ‘commercial advertising or promotion’ of its product, defendant made a material ‘false or misleading representation of fact.’”⁹⁸³

i. False Statements of Fact in Commercial Advertising or Promotion

(A) *Actionable Statements of Fact*

(1) The Existence of Statements in the First Instance

A complaint failing to accuse a named defendant or defendants of having made an actionable false statement in the first instance invites motions for both summary judgment⁹⁸⁴ and to dismiss for failure to state a claim. One operative pleading allegedly lacking such an accusation survived the latter type of motion, albeit only on appeal.⁹⁸⁵ The plaintiff, an individual restaurateur, accused several of his former associates of falsely advertising that their restaurants were affiliated with him. Focusing on the complaint’s references to consumer reviews associating the defendants’ restaurants with the plaintiff, the district court held as a matter of law that the defendants were not responsible for the reviews. As the Fifth Circuit pointed out on appeal, however, that holding overlooked the complaint’s references to statements by the defendants themselves,

YourBio Health, Inc., 753 F. Supp. 3d 53, 66 (D. Mass. 2024); *Scotts Co. v. SBM Life Sci. Corp.*, 749 F. Supp. 3d 865, 881 (S.D. Ohio 2024); *Wesley Fin. Grp. v. Westgate Resorts, Ltd.*, 746 F. Supp. 3d 1342, 1350 (M.D. Fla. 2024); *Haw. Foodservice All.*, 736 F. Supp. 3d at 919.

⁹⁸¹ See *Realtek Semiconductor Corp.*, 769 F. Supp. 3d at 1096 (“[A] plaintiff must allege the ‘who, what, when, where, and how’ of each alleged misrepresentation.” (quoting *Vess v. Ciba-Geigy Corp. USA*, 317 F.3d 1097, 1106 (9th Cir. 2003))); see also *Ketonatural Pet Foods, Inc. v. Hill’s Pet Nutrition, Inc.*, 756 F. Supp. 3d 1128, 1151–51 (D. Kan. 2024) (noting existence of split among federal district courts on issue of whether Rule 9(b) requires averments of falsity with particularity), *appeal docketed*, No. 24-3185 (10th Cir. Dec. 4, 2024).

⁹⁸² *Realtek Semiconductor Corp.*, 769 F. Supp. 3d at 1096 (second alteration in original) (quoting *Golan v. Pingel Enters.*, 310 F.3d 1360, 1370 (Fed. Cir. 2002)).

⁹⁸³ *Ketonatural Pet Foods*, 756 F. Supp. 3d at 1144 (quoting *Bimbo Bakeries USA, Inc. v. Sycamore*, 29 F.4th 630, 643 (10th Cir. 2022)).

⁹⁸⁴ See, e.g., *Haw. Foodservice All., LLC v. Meadow Gold Dairies Haw., LLC*, 736 F. Supp. 3d 909, 922–23 (D. Haw. 2024) (granting defense motion for summary judgment).

⁹⁸⁵ See *Molzan v. Bellagreen Holdings, L.L.C.*, 112 F.4th 323 (5th Cir. 2024).

including that their restaurants had operated since 2008—the year the plaintiff’s restaurant had opened—and that the food served by their restaurants had not changed, even if the names of those businesses had.⁹⁸⁶ Taken as true for the defendants’ motion to dismiss, those allegations sufficiently established the actionable nature of the defendants’ statements.

Another unsuccessful motion to dismiss came in a challenge to an article authored by a group of pathologists (who moonlighted as expert witnesses for personal-injury attorneys) claiming to have identified 75 “new” mesothelioma patients—meaning those not addressed by an earlier article—who had been exposed to cosmetic talc but to no other known sources of asbestos.⁹⁸⁷ Sued by the successor in interest to a manufacturer of cosmetic talc, those defendants moved to dismiss the plaintiff’s cause of action for “injurious falsehood/product disparagement” under New Jersey law on the theory that, as the court summarized it, “the word ‘known’ as used in the article transforms their statements from facts to opinions, because it conveys that they—the authors—did not scientifically verify whether the subjects had been exposed to non-talc asbestos.”⁹⁸⁸ Construing the complaint’s allegations in the plaintiff’s favor, the court declined to find the challenged statement a nonactionable opinion because “a factfinder can determine, based on proof at trial, whether any of the 75 study subjects had non-talc asbestos exposures that were ‘known’ to the defendants at the time they published the article, and whether any of the 75 subjects were common to the defendants’ study and the earlier study.”⁹⁸⁹

(2) Puffery

In a largely—but not entirely—pro-defendant opinion, the Ninth Circuit confirmed that “false advertising doesn’t extend to statements of opinion and puffery—that is, ‘exaggerated advertising, blustering, and boasting upon which no reasonable buyer would rely’” and that, at least under its case law, “[w]hen ‘the question of truth or falsity is a close one,’ we should ‘err on the side of nonactionability.’”⁹⁹⁰ The statements at issue were by a competitor to a software developer, the latter of which responded to a declaratory judgment action by asserting counterclaims for false

⁹⁸⁶ *Id.* at 344.

⁹⁸⁷ See *LLT Mgmt. LLC v. Emory*, 766 F. Supp. 3d 576 (E.D. Va. 2025), *reconsideration denied sub nom.* *Pecos River Talc LLC v. Emory*, No. 4:24-cv-75, 2025 WL 1249947 (E.D. Va. Apr. 30, 2025).

⁹⁸⁸ *Id.* at 600.

⁹⁸⁹ *Id.*

⁹⁹⁰ *Oracle Int’l Corp. v. Rimini St., Inc.*, 123 F.4th 986, 1000 (9th Cir. 2024) (first quoting *Southland Sod Farms v. Stover Seed Co.*, 108 F.3d 1134, 1145 (9th Cir. 1997); and then quoting *Partington v. Bugliosi*, 56 F.3d 1147, 1159 (9th Cir. 1995)).

advertising. The court described them as falling “into three subgroups: (1) statements about the relative security of the services offered by [the parties]; (2) statements that [the counterclaim defendant] offers ‘holistic’ security; and (3) statements about the need for software patching.”⁹⁹¹

The court held the district court had erroneously found the first category of allegedly false statements actionable, reasoning that:

Comparative assertions about effectiveness, riskiness, and security are the kinds of generalized statements of product superiority that we have routinely found to be nonactionable. Here, neither [the counterclaim plaintiff] nor the district court provided any objective, quantifiable metric to measure software’s security, risk to vulnerabilities, or security protocols’ effectiveness to prove the falsity of [the counterclaim defendant’s] statements. Indeed, the possibility of exploitation by hackers always exists. No product can offer complete “security” or eliminate all “risk.” Without an objective measure of the difference between perfect security and the security programs offered by [the parties’] products, any statement about comparative security is necessarily tinged with subjectivity.⁹⁹²

The same was true for the third category of disputed statements, namely, those questioning consumers’ need to avail themselves of the counterclaim plaintiff’s software patches. Such statements, the court concluded, “resemble[d] the ‘type of generalized boasting upon which no reasonable buyer would rely.’”⁹⁹³ The district court therefore had erred in basing findings on liability on the first and third categories of the counterclaim defendant’s statements.

Nevertheless, the court held that the district court had properly found in the counterclaim plaintiff’s favor where the counterclaim defendant’s claims to offer “holistic” security to its customers were concerned. Because “industry standards can provide objective meaning to otherwise subjective or ambiguous terms in particular contexts,”⁹⁹⁴ the district court was right to reference those standards in determining that “‘holistic security’ is a term of art within the world of software security that refers to ‘a comprehensive approach to security at all layers of a system, and includes security patching at the software level.’”⁹⁹⁵ This meant that “[e]ither the [counterclaim defendant’s] product provides protection at multiple layers or it doesn’t. The district court found that [the counterclaim defendant]

⁹⁹¹ *Id.*

⁹⁹² *Id.* at 1001.

⁹⁹³ *Id.* at 1002 (quoting *Southland Sod Farms*, 108 F.3d at 1145).

⁹⁹⁴ *Id.*

⁹⁹⁵ *Id.*

doesn't offer multi-level security.”⁹⁹⁶ “And,” the appellate court concluded, “since [the counterclaim defendant] doesn't refute either the definition or the facts here, we affirm the district court.”⁹⁹⁷

A different set of defendants had better luck challenging allegations of false advertising against them.⁹⁹⁸ Those defendants sold body cameras containing a module that allegedly allowed the hacking of recorded content, and their advertising of those goods included the following statements: (1) “WINNING RIGHT: We maintain transparency and operate equitably”; (2) “[w]e're Transparent”; and (3) “[w]e will win and retain your business by providing great products and an awesome user experience, not by restricting your ability to leave”; and (4) “[w]e use data to drive ideas and constantly put ethical rigor behind how we design.”⁹⁹⁹ The court was skeptical of the viability of the plaintiff's challenge in part because the statements did not relate to the defendants' products.¹⁰⁰⁰ It ultimately granted the defendants' motion to dismiss for failure to state a claim because “[g]eneral, unspecified claims about transparency, operation and design, as well as ethical standards have frequently been regarded as inactionable under the Lanham Act.”¹⁰⁰¹

(3) Opinions

Accused of disseminating references to an allegedly flawed scientific comparison of its medical testing device to that of a competitor, one defendant unsuccessfully sought to escape the suit against it by arguing in a motion to dismiss that the conclusions of the study underlying the comparison were nonactionable opinions.¹⁰⁰² The court turned to Massachusetts defamation law to hold as an initial matter that:

“In determining whether a statement reasonably could be understood as fact or opinion, a court must examine the statement in its totality in the context in which it was uttered or published, and must consider all the words used, not merely a particular phrase or sentence.” “Factors to be considered include the specific language used; whether the statement is verifiable; the general context of the statement;

⁹⁹⁶ *Id.*

⁹⁹⁷ *Id.*

⁹⁹⁸ *See* GovernmentGPT Inc. v. Axon Enter. Inc., 769 F. Supp. 3d 959 (D. Ariz. 2025).

⁹⁹⁹ *Id.* at 989.

¹⁰⁰⁰ *Id.*

¹⁰⁰¹ *Id.* at 990.

¹⁰⁰² *See* Advance Dx, Inc. v. YourBio Health, Inc., 753 F. Supp. 3d 53 (D. Mass. 2024).

The complaint averred that the study had used “a simulated internal control instead of the internal control recommended by [the plaintiff].” *Id.* at 61.

and the broader context in which the statement appeared, . . . as well as any cautionary terms used by the person publishing the statement.”¹⁰⁰³

The court then concluded that the plaintiff had adequately averred the existence of an actionable statement of fact under that test. For one thing, although a nonparty had undertaken the original study without a commercial purpose, the defendant had used the study to promote sales of its goods; “[u]nlike a typical scientific journal,” the court concluded, “the medium in this case is not meant to communicate insights into matters of scientific debate, despite the fact that the Study may have been first published by [the nonparty] for exclusively scientific reasons.”¹⁰⁰⁴ Especially because the complaint additionally recited that the study’s results were objectively false, the defendant’s motion was meritless.¹⁰⁰⁵

(B) Actionable Commercial Advertising or Promotion

Ninth Circuit doctrine led a California federal district court to dismiss a challenge to “a handful of private statements to [the plaintiff’s] actual or prospective customers” by defendants to the effect that the plaintiff had brought meritless allegations of patent infringement against them.¹⁰⁰⁶ In determining that that challenge failed to state a claim, that court observed as an initial matter that:

A false advertising claim only applies to “commercial advertising or promotion,” which is defined by the Ninth Circuit as (1) commercial speech by the defendant; (2) for the purpose of influencing consumers to buy defendant’s goods or services; and (3) that is disseminated sufficiently to the relevant purchasing public to constitute “advertising” or “promotion” within that industry.¹⁰⁰⁷

Regarding the third prerequisite for liability, the court held that “[t]o be sufficiently disseminated’ to constitute advertising or promotion for the purposes of the Lanham Act, ‘the actions must be part of an organized campaign to penetrate the relevant market, which typically involves widespread dissemination within the relevant industry.’”¹⁰⁰⁸ Because the complaint failed to aver “facts

¹⁰⁰³ *Id.* at 62 (alteration in original) (first quoting *Levinsky’s, Inc. v. Wal-Mart Stores, Inc.*, 127 F.3d 122, 129 (1st Cir. 1997); and then quoting *Scholz v. Delp*, 41 N.E.3d 38, 46 (Mass. 2015)).

¹⁰⁰⁴ *Id.*

¹⁰⁰⁵ *Id.*

¹⁰⁰⁶ *See Realtek Semiconductor Corp. v. MediaTek, Inc.*, 769 F. Supp. 3d 1067 (N.D. Cal. 2025).

¹⁰⁰⁷ *Id.* at 1095 (quoting 15 U.S.C. § 1125(a)(1)(B)).

¹⁰⁰⁸ *Id.* at 1097 (alteration in original) (quoting *Ariix, LLC v. NutriSearch Corp.*, 985 F.3d 1107, 1121 (9th Cir. 2021)).

sufficient to plausibly suggest that [the defendants'] misstatements were disseminated widely to the relevant purchasing public or within the industry," the court dismissed its federal false advertising cause of action, albeit without prejudice.¹⁰⁰⁹

A Kansas federal district court similarly granted a motion to dismiss by applying the Tenth Circuit's four-part test for commercial advertising and promotion:

To constitute commercial advertising or promotion . . . , the statements must be (1) commercial speech; (2) by or on behalf of defendant who is in commercial competition with plaintiff; (3) for the purpose of influencing consumers to buy defendant's products; and (4) disseminated sufficiently to the relevant purchasing public to constitute "advertising" or "promotion" within the industry.¹⁰¹⁰

It did so in a case in which a producer of grain-free pet foods challenged a campaign allegedly coordinated by a competitor selling grain-based pet foods. The plaintiff's complaint targeted the defendant's myriad suggestions of a connection between grain-free foods and canine heart disease, including statements: (1) by individual veterinarians (allegedly bankrolled by the defendant) in scholarly journals, blog posts, and mainstream media; (2) by the veterinarians to pet owners; (3) by the defendant to veterinarians in educational programs; (4) by the defendant on a Facebook page; and (5) by the defendant and a foundation established by the defendant on their respective web sites.¹⁰¹¹

Evaluating whether the plaintiff's averments established commercial speech by the defendant under the first prong of the four-part test, the court adopted a subsidiary three-part test on that issue, holding that "[i]n determining whether speech is commercial or noncommercial, the Court considers three factors: (1) whether the communication is an advertisement, (2) whether it references a specific product and (3) the economic motivation of the speaker."¹⁰¹² Regarding the first factor, whether the challenged communications were advertisements, the court then concluded:

Plaintiff does not allege false statements in a specific advertisement or advertising campaign and in fact, none of the allegedly false statements expressly promote defendant's products relative to plaintiff's products or relative to the products of other grain-based pet food manufacturers. The first factor . . . largely focuses on whether the statements

¹⁰⁰⁹ *Id.*

¹⁰¹⁰ *Ketonatural Pet Foods, Inc. v. Hill's Pet Nutrition, Inc.*, 756 F. Supp. 3d 1128, 1145 (D. Kan. 2024), *appeal docketed*, No. 24-3185 (10th Cir. Dec. 4, 2024).

¹⁰¹¹ *Id.* at 1144.

¹⁰¹² *Id.* at 1145.

were for the purpose of attracting customers or promoting the sale of a product. Plaintiff cites allegedly false statements in blog posts, media interviews, medical discussions between veterinarians and pet owners and educational courses. Plaintiff does not allege that defendant sent promotional materials directly to consumers, encouraging them to purchase its product, or that product packaging contained the alleged misrepresentations. Plaintiff alleges that defendant spoke directly to consumers through its private Facebook page (where consumers could become members) but asserts no factual allegations that those statements promoted the sale of defendant's products.

Plaintiff has not plausibly alleged that the statements in question proposed a transaction or offered certain goods or services, let alone for defendant's products.¹⁰¹³

The plaintiff fared no better under the second and third factors, with the court determining with respect to the former that “[p]laintiff does not allege that defendant’s misrepresentations ever referenced specific products of plaintiff, defendant or other manufacturers in the pet food market”¹⁰¹⁴ and with respect to the latter that “[p]laintiff has failed to plausibly allege that defendant . . . and the individual veterinarians made the allegedly false statements (1) in advertisements that referenced specific products or (2) for the purpose of influencing consumers to purchase defendant’s products.”¹⁰¹⁵ “Accordingly,” the court observed, “even taking plaintiff’s allegations as true, the Court cannot reasonably infer that the statements propose a consumer transaction to purchase defendant’s products. Plaintiff has therefore failed to allege this element of a false advertising claim.”¹⁰¹⁶

In contrast, some courts rejected motions to dismiss.¹⁰¹⁷ One did so in a case in which the successor to a manufacturer of cosmetic talc challenged statements in an article from a scientific journal that the authors, who regularly testified as experts in tort litigation against the plaintiff, had identified 75 new mesothelioma patients whose only known asbestos exposure was from cosmetic talc.¹⁰¹⁸ In

¹⁰¹³ *Id.* at 1148 (footnote omitted).

¹⁰¹⁴ *Id.* at 1149.

¹⁰¹⁵ *Id.*

¹⁰¹⁶ *Id.*

¹⁰¹⁷ *See, e.g.,* *Advance Dx, Inc. v. YourBio Health, Inc.*, 753 F. Supp. 3d 53, 66 (D. Mass. 2024) (denying motion to dismiss with cursory observation that “[a]s for [the first] element . . . of the test [for liability], [the defendant] repeatedly promoted the [alleged misrepresentations] to consumers, industry professionals, and third parties at trade shows and in [the defendant’s] marketing materials”).

¹⁰¹⁸ *See* *LLT Mgmt. LLC v. Emory*, 766 F. Supp. 3d 576 (E.D. Va. 2025), *reconsideration denied sub nom.* *Pecos River Talc LLC v. Emory*, No. 4:24-cv-75, 2025 WL 1249947 (E.D. Va. Apr. 30, 2025).

denying the defendants' standing-based bid for judgment as a matter of law prior to discovery, the court noted that the plaintiff did not accuse the defendants of having disparaged the talc produced by the plaintiff's predecessor to influence consumers to buy the talc. "However," it ultimately concluded, "the Complaint *does* plausibly allege the defendants made their statements in order to influence their *own* customers—plaintiffs' attorneys—to hire them to provide expert opinions in tort litigation."¹⁰¹⁹ That was enough to require the denial of the defendants' motion.

Factual disputes at the summary judgment stage of cases also led courts to defer resolving claims of actionable commercial advertising and promotion. One did so in a battle between competing producers of particles used as catalysts in petroleum refining.¹⁰²⁰ The challenged representations—which the court found literally false—occurred in e-mails to "certain customers" of the defendant.¹⁰²¹ The order denying the plaintiff's summary judgment motion rather unhelpfully did not recite either the number of e-mails at issue or the number of potential recipients of them. Instead, it held a trial necessary to determine whether the defendant's e-mails were actionable:

[I]t is not clear that [the e-mails] constituted "commercial advertising or promotion" within the meaning of [Section 43(a)(1)(B)]. Emails sent to a targeted subset of potential customers as part of a coordinated sales campaign may be sufficiently disseminated to constitute "commercial advertising or promotion." Viewing the evidence in the light most favorable to [the defendant], however, a reasonable jury could find that [the defendant's] claims . . . were too sporadic and limited to constitute commercial advertising.¹⁰²²

(C) *Falsity*

"To establish the falsity element," one court held, "a plaintiff may either show that the statement is 'literally false,' or else that the statement is 'impliedly false,' meaning that the statement, 'although literally true, [is] likely to mislead and to confuse

¹⁰¹⁹ *Id.* at 598.

¹⁰²⁰ See *G. W. Aru, LLC v. W. R. Grace & Co.-Conn.*, 761 F. Supp. 3d 827 (D. Md. 2025), notice of appeal docketed, No. 25-2151 (Fed. Cir. Sept. 25, 2025).

¹⁰²¹ *Id.* at 849.

¹⁰²² *Id.* (quoting 15 U.S.C. § 1125(a)(1)(B)).

consumers given the merchandising context.”¹⁰²³ Other holdings were to identical effect.¹⁰²⁴

(1) Opinions Finding Falsity

Findings of literally false advertising are relatively rare, and such findings as a matter of law are even more infrequent. A Maryland federal district court nevertheless found on a plaintiff’s motion for summary judgment that a manufacturer of carbon monoxide-carbon dioxide combustion promoters used in the petroleum refining process had falsely promoted its goods at a competitor’s expense.¹⁰²⁵ The court identified a two-step test for literal falsity:

First, the Court must determine “the unambiguous claims made by the advertisement,” and second, it must determine “whether those claims are false.” “A literally false message may be either explicit or conveyed by necessary implication when, considering the advertisement in its entirety, the audience would recognize the claim as readily as if it had been explicitly stated.” If, however, the claim is ambiguous “or merely suggestive” then it cannot be literally false.¹⁰²⁶

That test was not as restrictive as it might seem, however, because the court went on to explain that:

The literal falsity test is slightly relaxed when the allegedly false claims purport to be validated by testing:

When an advertising claim of favorable fact either expressly or impliedly asserts that the fact is testor study-validated, the fact of the validation becomes an integral and critical part of the claim. Such a claim may therefore be proven literally false by showing only that the test asserted to validate it did not in fact do so. On the other hand, where the claim is made baldly, with no assertion of test or study validation, its literal falsity may only be proven by proof that the favorable fact baldly asserted is false.

¹⁰²³ *G. W. Aru*, 761 F. Supp. 3d at 843–44 (alteration in original) (quoting *PBM Prods., LLC v. Mead Johnson & Co.*, 639 F.3d 111, 120 (4th Cir. 2011)).

¹⁰²⁴ *See, e.g.*, *Lehrman v. Lovo, Inc.*, 790 F. Supp. 3d 348, 371 (S.D.N.Y. 2025); *Rolex Watch U.S.A., Inc. v. Jewelry Unlimited, Inc.*, 757 F. Supp. 3d 1342, 1363 (N.D. Ga. 2024); *Ketonatural Pet Foods, Inc. v. Hill’s Pet Nutrition, Inc.*, 756 F. Supp. 3d 1128, 1149 (D. Kan. 2024), *appeal docketed*, No. 24-3185 (10th Cir. Dec. 4, 2024).

¹⁰²⁵ *See G. W. Aru*, 761 F. Supp. 3d at 844–52.

¹⁰²⁶ *Id.* at 844 (first quoting *PBM Prods., LLC v. Mead Johnson & Co.*, 639 F.3d 111, 120 (4th Cir. 2011); and then quoting *id.* at 120; and then quoting *Scotts Co. v. United Indus.*, 315 F.3d 264, 274 (4th Cir. 2002)).

Claims purporting to be test-validated are sometimes referred to as “tests prove” or “establishment” claims.¹⁰²⁷

Some of the challenged representations were comparative in nature and, unusually, rested on alleged data from tests conducted by a customer of the defendant instead of the defendant itself. The defendant attempted to introduce additional data on the efficacy of the parties’ respective goods post-dating the challenged representations, but the court rejected that strategy, holding that “[t]he issue is not whether [the customer’s test results] contain[] all of the relevant data that would be necessary for making the comparative performance claims; the issue is what data [the defendant] *actually relied on* when it made those claims.”¹⁰²⁸ Things got worse for the defendant from there after its designated corporate witness conceded that the customer’s data not only failed to demonstrate the superiority of the defendant’s goods but actually proved the opposite in several respects. With the court additionally rejecting the defendant’s last-ditch effort to blame the inaccurate representations on its customers—as the court put it, “[q]uestions of who prepared the underlying data, what caused the errors, and whether a defendant knew the statements were false at the time, are of no moment to the question of falsity”—the plaintiff was entitled to a finding of literal falsity as a matter of law.¹⁰²⁹

Another opinion to reach findings of falsity as a matter of law came from a Georgia federal district court.¹⁰³⁰ That tribunal heard an action by the owner of the ROLEX mark for jewelry, including watches, which objected to representations by two resellers of refurbished watches originally manufactured by the plaintiff that their goods were (1) “100% Genuine Pre-Owned”;¹⁰³¹ and (2) “100% authentic as made by the manufacturer All watches will come with original paperwork and manufacturer’s box, as provided by the manufacturer upon purchase.”¹⁰³² Based in part on testimony from a witness employed by a nonparty, Gemological Appraisal Laboratories, that that organization would not consider any watch with aftermarket parts “genuine,” the court found the first of the defendants’ representations literally false.¹⁰³³ Moreover, “at least some of the statements have a tendency to deceive consumers—as

¹⁰²⁷ *Id.* (quoting *C.B. Fleet Co. v. SmithKline Beecham Cons. Healthcare, L.P.*, 131 F.3d 430, 435 (4th Cir. 1997)).

¹⁰²⁸ *Id.* at 846.

¹⁰²⁹ *Id.* at 847.

¹⁰³⁰ *See* *Rolex Watch U.S.A., Inc. v. Jewelry Unlimited, Inc.*, 757 F. Supp. 3d 1342 (N.D. Ga. 2024).

¹⁰³¹ *Id.* at 1364.

¹⁰³² *Id.* (alteration in original).

¹⁰³³ *Id.*

evidenced by some customer statements that they believe they were getting a true, genuine Rolex.”¹⁰³⁴

(2) Opinions Declining to Find Falsity

The First Circuit affirmed a finding that allegations of falsity were so fatally deficient that they merited dismissal on a motion for judgment on the pleadings.¹⁰³⁵ The counterclaim plaintiff in the case appealed to that court was a physician who once had been certified by the counterclaim defendant, a medical certification board. When the counterclaim defendant suspected, and then determined, that the counterclaim plaintiff had disseminated unauthorized copies of the counterclaim defendant’s exam questions, it revoked his certification and displayed his name on its website in conjunction with notices reading, “Revocation Recommended,” “Not Certified,” and “INITIAL CERTIFIED Internal Medicine 2009.”¹⁰³⁶ The court deemed those recitations literally true; what’s more, to the extent the notices were misleading in context, the counterclaim plaintiff had failed to allege that consumers had been misled by them.¹⁰³⁷ The court therefore affirmed the grant of the counterclaim defendant’s motion.

Another opinion producing the same outcome arose from the publication in a scientific journal of an article by a group of pathologists—who also happened to work as expert witnesses for personal-injury attorneys—representing that they would testify to have identified mesothelioma patients with exposure to cosmetic talc but not other sources of asbestos.¹⁰³⁸ The plaintiff, whose predecessor had manufactured just such a product, claimed to have been damaged by the need to defend tort actions asserting that the talc caused mesothelioma. Although the plaintiff’s cause of action for “injurious falsehood/product disparagement” under New Jersey law survived the defendants’ motion to dismiss, that for false advertising under Section 43(a) did not in light of its failure to allege falsity. As the court explained, the complaint alleged that “the article advertised to the plaintiffs’ bar that the defendants would testify to ‘judges and juries’ that they had identified 75 new people with mesothelioma whose only known asbestos exposure was to cosmetic talc.”¹⁰³⁹ The plaintiff’s problem was that the challenged statement “was true—the defendants ‘routinely relied on their

¹⁰³⁴ *Id.*

¹⁰³⁵ *See* Am. Bd. of Internal Med. v. Salas Rushford, 114 F.4th 42 (1st Cir. 2024).

¹⁰³⁶ *Id.* at 51.

¹⁰³⁷ *Id.* at 65.

¹⁰³⁸ *See* LLT Mgmt. LLC v. Emory, 766 F. Supp. 3d 576 (E.D. Va. 2025), *reconsideration denied sub nom.* Pecos River Talc LLC v. Emory, No. 4:24-cv-75, 2025 WL 1249947 (E.D. Va. Apr. 30, 2025).

¹⁰³⁹ *Id.* at 599.

[a]rticle’ in cases against [the plaintiff] and ‘other talc defendants.’”¹⁰⁴⁰ The complaint therefore failed to state a claim for federal false advertising.

A successful motion to dismiss similarly transpired in a case in which a producer of grain-free pet food objected to suggestions by a manufacturer of otherwise competitive grain-based dog food that a link existed between grain-free food and a condition known as canine dilated cardiomyopathy (CDM).¹⁰⁴¹ Responding to the defendant’s challenge to its averments of literal falsity, the plaintiff urged the court to adopt the “lenient standard” other courts applied in cases weighing the lawfulness of commercial claims based on scientific evidence:

Under this standard, when an advertisement cites test or survey results, plaintiff need only show “that the tests referred to were not sufficiently reliable to permit one to conclude with reasonable certainty that they established the proposition for which they were cited.” Therefore, [a] plaintiff challenging “tests prove” or “establish” claims does not need to affirmatively prove that defendant’s assertions are false, but only that the studies do not support the conclusions. Under this approach, plaintiff may survive a motion to dismiss—and state a claim for literal falsity—by alleging that “the margin of error was too high, the sample size was insufficient, the participants were not sufficiently screened, the questions and responses were too narrow, and the structure, execution, and methodology were flawed.”¹⁰⁴²

Unfortunately for the plaintiff, the challenged representations did not expressly recite that scientific tests had proved a causal connection between grain-based foods such as those produced by the plaintiff and CDM. “Moreover,” the court continued, “plaintiff does not plead facts which plausibly establish falsity, *i.e.* that defendant made representations that were false or misleading by representing that [grain-free] diets increase the risk of canine DCM.”¹⁰⁴³ This meant that “[e]ven taking plaintiff’s point that current science may not affirmatively establish causation, the Court cannot plausibly infer that [grain-free] diets *do not* cause DCM.”¹⁰⁴⁴ Dismissal for failure to state a claim resulted.

¹⁰⁴⁰ *Id.* (first alteration in original).

¹⁰⁴¹ *See* *Ketonatural Pet Foods, Inc. v. Hill’s Pet Nutrition, Inc.*, 756 F. Supp. 3d 1128 (D. Kan. 2024), *appeal docketed*, No. 24-3185 (10th Cir. Dec. 4, 2024).

¹⁰⁴² *Id.* at 1150–51 (first quoting *Rhone-Poulenc Rorer Pharms., Inc. v. Marion Merrell Dow, Inc.*, 93 F.3d 511, 514–15 (8th Cir. 1996); and then quoting *Fed. Exp. Corp. v. United Parcel Serv., Inc.*, 765 F. Supp. 2d 1011, 1020 (W.D. Tenn. 2010)).

¹⁰⁴³ *Id.* at 1151.

¹⁰⁴⁴ *Id.*

An Arizona federal district court also dismissed an inartfully drafted complaint accusing several defendants of false advertising.¹⁰⁴⁵ The lead defendant produced body cameras, which it promoted in part by representing that “[w]e . . . allow for bulk exports of your evidence data out of [a digital evidence management system] in case you want to try another system.”¹⁰⁴⁶ The plaintiff conceded the statement was literally true but argued it was misleading because it did not disclose the difficulties consumers might encounter when attempting to transfer their data. The court rejected that argument, holding that “the statement itself does not promise a seamless transition, it simply maintains that [lead defendant] offers customers the ability to bulk export its data if it wishes to try another service.”¹⁰⁴⁷ It also rejected the plaintiff’s backup contention that the statement falsely suggested that the lead defendant’s body cameras would necessarily work with other company’s digital evidence management systems, leading to the dismissal of the plaintiff’s false advertising claim as a matter of law.¹⁰⁴⁸

Finally, when two voice-over actors discovered a text-to-speech subscription service marketing “cloned” imitations of their voices attributed to fictional announcers—“Kyle Snow” and “Sally Coleman”—they filed suit asserting various theories, including false advertising under Section 43(a).¹⁰⁴⁹ The plaintiffs claimed the defendant’s attribution of the imitation voices to the fictional individuals constituted actionable false statements, but the court held in dismissing their complaint that “Plaintiffs have not adequately pleaded falsity. On the contrary, Plaintiffs point to numerous examples of [Defendant] marketing the voices as what they truly are—synthetic ‘clones’ of real actors’ voices. Plaintiffs do not allege that [Defendant] claimed to be selling Plaintiffs’ actual voices.”¹⁰⁵⁰

(3) Opinions Deferring Resolution of the Falsity Inquiry

Motions to dismiss allegations of false advertising on the theory that those allegations neglect to aver falsity adequately sometimes succeed, but they often fail.¹⁰⁵¹ The latter outcome held in a case

¹⁰⁴⁵ See *GovernmentGPT Inc. v. Axon Enter.*, 769 F. Supp. 3d 959 (D. Ariz. 2025).

¹⁰⁴⁶ *Id.* at 989.

¹⁰⁴⁷ *Id.* at 991.

¹⁰⁴⁸ *Id.*

¹⁰⁴⁹ See *Lehrman v. Lovo, Inc.*, 790 F. Supp. 3d 348, 371 (S.D.N.Y. 2025).

¹⁰⁵⁰ *Id.*

¹⁰⁵¹ See, e.g., *Scotts Co. v. SBM Life Sci. Corp.*, 749 F. Supp. 3d 865, 881 (S.D. Ohio 2024) (holding, in cursory analysis, that defendant’s alleged representations about the efficacy of its herbicide products, warranted denial of its motion to dismiss).

arising from the defendant's promotion of its medical device test by repurposing a scientific study conducted by a nonparty.¹⁰⁵² The plaintiff's objections to the study's results rested on the nonparty's use of an allegedly inappropriate control. The defendant's motion to dismiss pointed out that the plaintiff did not allege that the results themselves were misstated or that the nonparty had departed from its chosen protocol. Although acknowledging the accuracy of the defendant's claimed deficiencies, the court observed that "[the defendant] essentially invites the Court to analyze the issue of whether the Study is false considering that the data underlying the Study, in [the defendant's] view, was correct and the methodology was applied correctly."¹⁰⁵³ "This argument is rejected," it held, "because actual falsity or correctness of the Study is beyond this Court's consideration at the motion to dismiss stage."¹⁰⁵⁴

After accusing a competitor of falsely advertising certain characteristics of its carbon-monoxide-to-carbon-dioxide combustion promoters, another plaintiff moved for summary judgment of liability, only to have the court identify factual disputes precluding that outcome, at least regarding some of the defendant's representations.¹⁰⁵⁵ Having noted the relatively easier task of proving liability in cases involving "tests prove" claims, the court determined that a reasonable jury could find the defendant's advertising did not rest on such a claim: "If a jury found that the [defendant's] claims are not in form of a 'tests prove' claim, then the burden would be on [the plaintiff] to prove 'that the favorable fact baldly asserted is false' [and not merely unsupported by scientific test data]."¹⁰⁵⁶ What's more, and in any case, the data in the summary judgment record at least arguably supported the accuracy of the challenged representations.¹⁰⁵⁷

The same plaintiff's bid for a finding of falsity as a matter of law regarding another set of representations by the defendant concerning the proportion of palladium and platinum on the surface

¹⁰⁵² See *Advance Dx, Inc. v. YourBio Health, Inc.*, 753 F. Supp. 3d 53 (D. Mass. 2024).

¹⁰⁵³ *Id.* at 66.

¹⁰⁵⁴ *Id.*

¹⁰⁵⁵ See *G. W. Aru, LLC v. W. R. Grace & Co.-Conn.*, 761 F. Supp. 3d 827 (D. Md. 2025), *notice of appeal docketed*, No. 25-2151 (Fed. Cir. Sept. 25, 2025).

The representations at issue related to the significance of either palladium or platinum on the surface of the defendant's goods and the goods' resulting ability to "provide the same [carbon monoxide] promotion activity at a lower metals level, with an additional benefit of lower [nitrous oxide] emissions." *Id.* at 848.

¹⁰⁵⁶ *Id.* at 848–49 (quoting *C.B. Fleet Co. v. SmithKline Beecham Cons. Healthcare, L.P.*, 131 F.3d 430, 435 (4th Cir. 1997)).

¹⁰⁵⁷ *Id.* at 849.

of the defendant's goods also fell short.¹⁰⁵⁸ The plaintiff leaned heavily on an admission in the defendant's amended answer that the metals in question were uniformly distributed throughout the goods. That admission had secured a preliminary injunction for the plaintiff earlier in the case, but summary judgment was a different animal altogether, especially in light of a cause of action for patent infringement advanced by the plaintiff in the same case:

To prevail on its patent infringement claim, [the plaintiff] must prove that [the defendant's] combustion promoter particle has a higher concentration of noble metals in the outer region of the particle as compared to the center. To prevail on the false advertisement claim, however, [the plaintiff] must prove something that is close to the exact opposite—that [the defendant's] particles do *not* have a higher concentration of noble metals [e.g., palladium and platinum] on the particle's "outer surface." There is nothing wrong with pleading in the alternative, but the very fact that [the plaintiff] is intent on pursuing both theories suggests that summary judgment on the question of the distribution of noble metals in [the defendant's] products is premature.¹⁰⁵⁹

ii. Actual or Likely Deception

Reported opinions in disputes over allegedly false advertising recognized several ways in which plaintiffs could demonstrate the disputed advertising had actually deceived, or likely would deceive, consumers. For example, one court held that "[i]f the plaintiff can show that the statement is literally false, then 'a violation may be established without evidence of consumer deception.' But if the statement is merely impliedly false, then the plaintiff 'must demonstrate, by extrinsic evidence, that the challenged [advertisements] tend to mislead or confuse consumers.'"¹⁰⁶⁰ Another acknowledged the possibility of a presumption of deception in cases presenting intentionally misleading misconduct.¹⁰⁶¹ Court finding plaintiffs unable to make either showing, however, required them to demonstrate actual or likely deception through extrinsic

¹⁰⁵⁸ *Id.* ("The [challenged] advertisement . . . tout[s] the advantages of having a high percentage of noble metals on the outer surface of the [defendant's] combustion promoter particle.").

¹⁰⁵⁹ *Id.* at 850–51 (footnote omitted) (citation omitted).

¹⁰⁶⁰ *Id.* at 843–44 (second alteration in original) (quoting *PBM Prods.*, 639 F.3d at 1120).

¹⁰⁶¹ *See* *Am. Bd. of Internal Med. v. Salas Rushford*, 114 F.4th 42, 66 (1st Cir. 2024) (acknowledging possibility of intentionally misleading conduct obviating the need for proof of actual or likely deception).

evidence,¹⁰⁶² ideally through survey evidence, although one court accepted a plaintiff's proffered anecdotal evidence of actual confusion for that purpose.¹⁰⁶³

A First Circuit opinion demonstrated the dangers of inartfully drafted complaints on the issue of actual or likely deception.¹⁰⁶⁴ It did so in an appeal in which a physician once certified by the lead counterclaim defendant had had his certification revoked and his name displayed on the lead counterclaim defendant's website in conjunction with notices reading "Revocation Recommended," "Not Certified," and "INITIAL CERTIFICATION Internal Medicine 2009."¹⁰⁶⁵ Having initially determined that the counterclaim plaintiff had failed to allege the challenged representations were not literally false, the court focused on what it considered the "most glaring deficiency" of the counterclaim plaintiff's claim of false advertising.¹⁰⁶⁶ It pointed out that the complaint "contains no allegations whatsoever indicating that any consumers have actually been misled by the challenged statements."¹⁰⁶⁷ Although it might not be necessary for the counterclaim plaintiff to recite the details of any survey it sought to conduct, the court held that "we have . . . made clear that plaintiffs must make *some* allegations of actual consumer deception or intentional deception to state a legally sufficient claim for relief."¹⁰⁶⁸ The district court therefore not only had disposed of the counterclaim plaintiff's case as a matter of law, but it also had properly denied him leave to amend its complaint.¹⁰⁶⁹

In another case leading to the dismissal of allegations of actual deception, the plaintiffs were voice-over actors challenging the digital "cloning" of their voices by a technology company; that company then marketed generative AI-produced announcements using the cloned voices by attributing the announcements to entirely fictional individuals.¹⁰⁷⁰ The court did not accept the plaintiffs' argument that their averments of actual confusion sufficiently supported a claim that the attribution of the announcements to the defendant's faux contractors were impliedly false in context. "[H]ere," the court held, "Plaintiffs do not allege

¹⁰⁶² See, e.g., *id.* (noting option of adducing survey evidence of actual or likely deception); *Rolux Watch U.S.A., Inc. v. Jewelry Unlimited, Inc.*, 757 F. Supp. 3d 1342, 1363 (N.D. Ga. 2024) ("If an advertisement is not literally false, then the plaintiff must demonstrate that consumers were actually deceived." (quoting *Intertape Polymer Corp. v. Inspired Techs., Inc.*, 725 F. Supp. 2d 1319, 1333 (M.D. Fla. 2010))).

¹⁰⁶³ See *Rolux Watch U.S.A.*, 757 F. Supp. 3d at 1364.

¹⁰⁶⁴ See *Am. Bd. of Internal Med.*, 114 F.4th 42 (1st Cir. 2024).

¹⁰⁶⁵ *Id.* at 51.

¹⁰⁶⁶ *Id.* at 65.

¹⁰⁶⁷ *Id.*

¹⁰⁶⁸ *Id.* at 66.

¹⁰⁶⁹ *Id.* at 66–67.

¹⁰⁷⁰ See *Lehrman v. Lovo, Inc.*, 790 F. Supp. 3d 348 (S.D.N.Y. 2025).

that any consumers would be or were confused by [Defendant’s] advertising, as opposed to being confused by the similarity of the synthetic voices to Plaintiffs’ voices when heard in the wild. In fact, Plaintiffs actually allege that [Defendant’s] advertising was clear on the *lack* of connection between Plaintiffs and [Defendant’s] voice clones.”¹⁰⁷¹ The plaintiffs’ putative class action suit on behalf of all other similarly situated individuals therefore failed to state a claim for false advertising.

Those outcomes were not characteristic of all challenges to the adequacy of plaintiffs’ averments of actual or likely deception, however. In a dispute producing the opposite outcome, namely, the denial of a motion to dismiss, the plaintiff accused the defendant of publicizing the results of a test the plaintiff believed had used an inappropriate control.¹⁰⁷² The court’s evaluation of the plaintiff’s averments of actual or likely deception was succinct and to the point: “[this] Element . . . of the test is also satisfied as [the plaintiff] alleges that the statements contained in the Study actually deceived or had a tendency to deceive a substantial segment of [the defendant’s]. This assertion is sufficient at the motion to dismiss stage.”¹⁰⁷³

iii. Materiality

“A statement is material when it is ‘likely to influence a consumer decision.’ A false statement can be material when it relates to an ‘inherent quality or characteristic’ of a product.”¹⁰⁷⁴ And, as one court noted without expressly adopting it, some courts recognize a presumption of materiality in cases presenting instances of literally false advertising.¹⁰⁷⁵

At least at the pleadings stage, the plaintiff in one case hurdled the materiality prerequisite with ease.¹⁰⁷⁶ The parties produced competing at-home medical testing devices, and the defendant had promoted its devices using the results of a study conducted by a nonparty, which the plaintiff claimed used an inappropriate control. In denying the defendant’s challenge to the sufficiency of the plaintiff’s allegations of materiality, the court observed that “[the

¹⁰⁷¹ *Id.* at 372.

¹⁰⁷² *See* *Advance Dx, Inc. v. YourBio Health, Inc.*, 753 F. Supp. 3d 53 (D. Mass. 2024).

¹⁰⁷³ *Id.* at 67 (citation omitted).

¹⁰⁷⁴ *G. W. Aru, LLC v. W. R. Grace & Co.-Conn.*, 761 F. Supp. 3d 827, 852 (D. Md. 2025) (first quoting *Verisign, Inc. v. XYZ.COM LLC*, 848 F.3d 292, 298–99 (4th Cir. 2017); and then quoting *De Simone v. VSL Pharms., Inc.*, 395 F. Supp. 3d 617, 627 (D. Md. 2019), *aff’d sub nom. De Simone v. Alfasigma USA, Inc.*, 847 F. App’x 174 (4th Cir. 2021)), *notice of appeal docketed*, No. 25-2151 (Fed. Cir. Sept. 25, 2025).

¹⁰⁷⁵ *Id.* (“There is a circuit split on the question of whether a false advertising plaintiff must demonstrate materiality when a challenged statement is literally false . . .”).

¹⁰⁷⁶ *See* *Advance Dx, Inc. v. YourBio Health, Inc.*, 753 F. Supp. 3d 53 (D. Mass. 2024).

defendant's] misrepresentation is likely to influence the purchasing decisions of both [the plaintiff's] and [the defendant's] current and prospective customers, which makes [the defendant's] misrepresentation material. This satisfies [the materiality prong] of the test [for liability]."¹⁰⁷⁷

Nevertheless, although once an uncommon obstacle to findings of liability for false advertising, the requirement of materiality has increasingly become a more common obstacle. One example of that arguable trend presented itself in the denial of summary judgment to a producer of carbon monoxide–carbon dioxide combustion promoters used in the petroleum refining process.¹⁰⁷⁸ That plaintiff objected to alleged misrepresentations by a competitor about the comparative performance of the parties' goods, the distribution of metal in those goods, and the emission of nitrous oxide from them. In addressing that motion, the court credited the plaintiff's proffered testimony by industry professionals that information on those subjects was material to their purchasing decisions. At the same time, however, it also noted the defendant's "countervailing evidence that tends to show that the relevant customers are sophisticated industrial firms that would likely do their own testing before implementing a new product."¹⁰⁷⁹ The result was a factual dispute as to materiality requiring resolution at trial.¹⁰⁸⁰

iv. Interstate Commerce

As usual, plaintiffs pursuing claims of false advertising under federal law generally demonstrated that their opponents had disseminated challenged representations in interstate commerce. An underlying reason is that "the use of the internet to communicate a message suffices to satisfy the interstate commerce element of a Lanham Act violation."¹⁰⁸¹ That proposition supported at least one plaintiff's case even if though its complaint otherwise failed to recite misconduct extending across state lines.¹⁰⁸²

v. Damage and Causation

Most reported opinions addressing the damage and causation prerequisite for liability did not reach definitive rulings on the issue. For example, in determining at the pleadings stage that a manufacturer of an at-home medical testing device had adequately averred damage and causation, one court applied the test for Article

¹⁰⁷⁷ *Id.* at 67.

¹⁰⁷⁸ *See G. W. Aru*, 761 F. Supp. 3d 827.

¹⁰⁷⁹ *Id.* at 853.

¹⁰⁸⁰ *Id.*

¹⁰⁸¹ *Id.*

¹⁰⁸² *See Advance Dx, Inc. v. YourBio Health, Inc.*, 753 F. Supp. 3d 53, 68 (D. Mass. 2024).

III standing articulated by the Supreme Court in *Lexmark International, Inc. v. Static Control Components, Inc.*,¹⁰⁸³ holding that “a plaintiff’s injury should fall within the ‘zone of interests’ protected by the Lanham Act and should be proximately caused by a violation of the Lanham Act.”¹⁰⁸⁴ It did so while rejecting a motion to dismiss allegations of false advertising asserted by the manufacturer of an at-home medical testing device against a competitor promoting its own device using the results of an allegedly improperly conducted test. Crediting the plaintiff’s allegations that the test results had caused it to suffer a reputational injury, the court held *Lexmark* satisfied and denied the defendant’s motion to dismiss.¹⁰⁸⁵

A second reported opinion denying a motion to dismiss originated in a suit by an Arkansas law firm and its principal operating under the CAPE and CAPE LAW marks against a legal referral service and its principal using the same marks.¹⁰⁸⁶ The plaintiffs accused the defendants of falsely advertising themselves as providing legal services and capable of filing suit and sending demand letters within 20 minutes of being retained; in fact, the plaintiffs claimed, the defendants merely matched their customers with attorneys. The plaintiffs also averred having received “over 1,000” communications from dissatisfied customers of the defendants complaining that, among other things: (1) their credit cards had been charged without authorization; (2) they had received no legal services for their payments; (3) the defendants failed to make expected appearances on their behalf; (4) they had had poor case outcomes; and (5) the defendants failed to communicate with, or update, them.¹⁰⁸⁷ The defendants feebly and ineffectually argued that any reputational damage suffered by the plaintiffs resulted from the defendants’ alleged service mark infringement instead of false advertising, but the court rejected that argument, finding it “plausible that the alleged reputational injury flows directly from [the defendants’] alleged deception that caused consumers to withhold trade from [the plaintiffs’ firm].”¹⁰⁸⁸

Finally, a Georgia federal district court denied a plaintiff’s motion for summary judgment of liability after finding a factual

¹⁰⁸³ 572 U.S. 118 (2014).

¹⁰⁸⁴ See *Advance Dx*, 753 F. Supp. 3d at 68 (quoting *Lexmark*, 572 U.S. at 129).

¹⁰⁸⁵ *Id.* at 68–69.

¹⁰⁸⁶ See *Joel E. Cape, PLC v. Cape L. PC*, 757 F. Supp. 3d 846 (W.D. Ark. 2024).

¹⁰⁸⁷ *Id.* at 850; see also *id.* at 850–51 (“The confusion between [the parties] does not end with customers. When [the lead plaintiff] has sent demand letters, some of the responses have been sent back to [the plaintiffs]. Additionally, corporate recruiters and employment agencies have contacted [the individual plaintiff] when attempting to respond to [the defendants’] job postings.” (citation omitted)).

¹⁰⁸⁸ *Id.* at 851.

dispute over the existence of damage suffered by the plaintiff.¹⁰⁸⁹ The falsity of the challenged advertising lay in inaccurate statements by the defendants that the refurbished and altered ROLEX-branded watches they sold were: (1) “100% Genuine Pre-Owned”;¹⁰⁹⁰ and (2) “100% authentic as made by the manufacturer” and accompanied by their “original paperwork and manufacturer’s box, as provided by the manufacturer upon purchase.”¹⁰⁹¹ In denying the plaintiff’s bid for liability as a matter of law, the court rejected its showing of reputational harm caused by the defendants’ misrepresentations:

[The plaintiff] has not presented evidence of economic injury stemming from Defendants’ advertisements. Rather, it focuses solely on its purported reputational injuries. But the Court concludes that the evidence presented is insufficient to conclude as a matter of law that [the plaintiff] suffered reputational harm at the hands of the advertisements. This causation element “can be established when the movant provides evidence linking the false advertisement to the consumers’ decisions not to purchase the movant’s product.”

To prove reputational injury, [the plaintiff] relies on customer disappointment resulting from customers who bring watches purchased from [the defendants] to [the plaintiff’s] authorized retailers for service and learn that the watch is not covered under [the plaintiff’s] warranty. But [the plaintiff] presents only a few examples where such a complaint has been made, and none of those complaints directed animosity towards [the plaintiff]. . . . [The plaintiff] provides no support, and the Court cannot find any, for the proposition that the sort of reputational harm [the plaintiff] allegedly suffered is sufficient for summary judgment to be awarded in its favor.¹⁰⁹²

In contrast, a Florida federal district court dismissed a cause of action for false advertising for want of actionable damage and causation.¹⁰⁹³ The plaintiff asserting that claim was a timeshare exit company, which helped consumers escape unwanted timeshares, while the defendants sold those very products. Responding to the plaintiff’s apparent success in targeting their customers, the defendants launched a consumer-protection initiative under the

¹⁰⁸⁹ See *Rolux Watch U.S.A., Inc. v. Jewelry Unlimited, Inc.*, 757 F. Supp. 3d 1342 (N.D. Ga. 2024).

¹⁰⁹⁰ *Id.* at 1364.

¹⁰⁹¹ *Id.*

¹⁰⁹² *Id.* at 1365 (quoting *Snac Lite, LLC v. Nuts ‘N More, LLC*, No. 2:14-cv-01695, 2016 WL 6778268, at *10 (N.D. Ala. Nov. 16, 2016)) (citations omitted).

¹⁰⁹³ See *Wesley Fin. Grp. v. Westgate Resorts, Ltd.*, 746 F. Supp. 3d 1342 (M.D. Fla. 2024).

auspices of the “Coalition for a Responsible Exit,” which encouraged dissatisfied timeshare owners to contact their developers before turning to companies such as the plaintiff. According to the plaintiff, that initiative included representations that “owners who chose to relinquish their timeshare have been able to do so with very little effort and have been able to relieve themselves of all future maintenance fee obligations”;¹⁰⁹⁴ according to the plaintiff, the defendants did not actually make those exits available to purchasers unable to meet certain requirements, such as not having outstanding balances with their developers. En route to granting the defendants’ motion to dismiss, the court held that:

While the statement that “owners who chose to relinquish their timeshare have been able to do so,” considered alone, could lead owners with loan balances to believe that they too can relinquish their timeshares, the surrounding context mentioning “qualified owners” or “qualifying accounts” would indicate to a reasonable consumer that certain criteria will limit the exit’s availability, since “qualified owners” does not mean or imply “most owners.”

. . . [The defendants’] [s]tatements . . . may lead hopeful owners to inquire further about the [defendants’ exit products], but it is implausible to say that those statements cause owners to not hire [the plaintiff] or seeking its services when that inquiry leads to a dead end. As [the plaintiff] alleges the ads are misleading only because [the defendants] advertise[] “exits” unavailable to owners with outstanding loan balances, those ads only direct owners to ask about the [defendants’ exit products], and that inquiry does not keep those owners from later hiring an exit company, the alleged “deception” causes no decision by those owners to withhold trade from [the plaintiff] or any other exit company. As [the plaintiff] cannot sufficiently allege the misleading statements are the proximate cause of any lost sales, even accepting all facts pled as true and construing them in [the plaintiff’s] favor, it cannot state a Lanham Act claim.¹⁰⁹⁵

Much the same analysis led to the dismissal of the plaintiff’s claim of false advertising under Florida law.¹⁰⁹⁶

¹⁰⁹⁴ *Id.* at 1351.

¹⁰⁹⁵ *Id.* at 1351–53 (citation omitted).

¹⁰⁹⁶ *Id.* at 1356.

f. Violations of Persona-Based Rights Under Federal and State Law

i. Opinions Finding Violations of Persona-Based Rights

Although certain reported opinions addressed the aftermath of plaintiffs' victories in actions to protect aspects of their identities,¹⁰⁹⁷ none reached actual findings of liability in those cases.

ii. Opinions Declining to Find Violations of Persona-Based Rights

Numerous plaintiffs asserting persona-based causes of action, whether for false endorsement under Section 43(a)(1)(A) of the Lanham Act or for violations of rights of publicity under state law, met with hostile judicial receptions, often as a matter of law. Two plaintiffs victimized by that fate were voiceover actors (and putative representatives of a class of similarly situated individuals) who accused a generative AI company of cloning their voices and then marketing announcements using the cloned voices by attributing them to fictitious announcers.¹⁰⁹⁸ Interpretations of Section 43(a)(1)(A) have long recognized the possibility of liability for false endorsement for the misappropriation of plaintiffs' voices and vocal styles.¹⁰⁹⁹ As the court observed in granting the defendant's motion to dismiss the plaintiffs' cause of action under that statute, however, the identifiability of the plaintiffs' voices was central to findings of liability in those cases.¹¹⁰⁰ Because the plaintiffs had "not explicitly pleaded secondary meaning, nor the factors typically considered in establishing it," their averments concerning their voices could not support a claim under Section 43(a)(1)(A). "To allow any artist, actor, or other creative tradesperson to sue their doppelgangers for trademark infringement, as Plaintiffs' theory would allow," the court held, "would 'create[e] a cause of action for, in effect, plagiarism,' and would be incompatible with the careful ways that courts have circumscribed the Lanham Act to avoid unduly burdening competition and free expression."¹¹⁰¹

That court was not the only New York-based tribunal to dismiss persona-based claims. When a fashion model learned of her brief

¹⁰⁹⁷ See, e.g., *Pinder v. Nautilus Ins. Co.*, 764 F. Supp. 3d 1341 (S.D. Ga. 2024) (denying insurance carrier's motion to dismiss claim for coverage of defense of false-endorsement action).

¹⁰⁹⁸ See *Lehrman v. Lovo, Inc.*, 790 F. Supp. 3d 348, 372 (S.D.N.Y. 2025).

¹⁰⁹⁹ See, e.g., *Waits v. Frito Lay, Inc.*, 978 F.2d 1093, 1102 (9th Cir. 1992) (affirming jury finding of false endorsement and violation of right of publicity under California law).

¹¹⁰⁰ See, e.g., *id.*

¹¹⁰¹ *Lehrman*, 790 F. Supp. 3d at 370 (alteration in original) (quoting *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 37 (2003)).

appearances in a documentary on Ralph Lauren and the trailer for it, she filed suit under New York's statutory causes of action for violations of her persona-based rights¹¹⁰² on the theory that the documentary was a disguised advertisement for Lauren's clothing.¹¹⁰³ Neither the trial court nor a state appellate panel tasked with reviewing the trial court's dismissal of her complaint found that claim convincing. To begin with, the latter tribunal pointed out that the statutes at issue did not reach coverage of newsworthy topics, which Lauren's life and career "plainly" were;¹¹⁰⁴ "[i]n fact," it added, "courts have recognized the newsworthiness of publications and other works concerning the fashion industry."¹¹⁰⁵ Beyond that, the plaintiff had appeared "for a total of 38 seconds over the course of the 108-minute documentary and for one second in the 90-second trailer,"¹¹⁰⁶ which qualified the two appearances as nonactionable "isolated" or "fleeting or incidental" ones.¹¹⁰⁷ The court therefore not only affirmed the dismissal of the plaintiff's complaint but also declined to disturb the trial court's award of attorneys' fees to the defendant.¹¹⁰⁸

An attempted action under Indiana's statutory right of publicity¹¹⁰⁹ also produced the dismissal of a complaint for failure to state a claim.¹¹¹⁰ The cause of action for violations of that right can be asserted on a posthumous basis, but a plaintiff doing so must own at least half of the right.¹¹¹¹ That restriction came into play after the grandson of the deceased founder of a Christian evangelistic association and a foundation the grandson had formed challenged the alleged misuse of his grandfather's name, image, and likeness by other members of his family. The failure of the complaint filed by those plaintiffs to aver the required degree of ownership in the grandfather's persona-based rights led the district court to dismiss their putative statutory cause of action even prior to discovery. The Seventh Circuit affirmed that disposition of their claims, holding further that the district court had properly denied the plaintiffs leave to amend their complaint to include such an averment.¹¹¹²

¹¹⁰² See N.Y. Civ. Rights Law §§ 50, 51.

¹¹⁰³ See *Khozissova v. Ralph Lauren Corp.*, 214 N.Y.S.3d 331 (N.Y. App. Div. 2024).

¹¹⁰⁴ *Id.* at 333.

¹¹⁰⁵ *Id.* at 334.

¹¹⁰⁶ *Id.*

¹¹⁰⁷ *Id.* (quoting *Candelaria v. Spurlock*, No. 08 Civ. 1830(BMC)(RER), 2008 WL 2640471, at *2 (E.D.N.Y. July 3, 2008)).

¹¹⁰⁸ *Id.*

¹¹⁰⁹ Ind. Code § 32-36-1 *et seq.*

¹¹¹⁰ See *Sumrall v. LeSea, Inc.*, 104 F.4th 622 (7th Cir. 2024).

¹¹¹¹ Ind. Code § 32-36-1-18(a).

¹¹¹² *Sumrall*, 104 F.4th at 630.

So too did an application of Illinois Right of Publicity Act (IRPA), a statute prohibiting the unauthorized use of another's identity for "commercial purposes,"¹¹¹³ produce yet another defense victory on a motion to dismiss.¹¹¹⁴ The plaintiff objected to unflattering references to him (which included his photograph) posted on a Facebook group styled as "Are We Dating the Same Guy?," the purpose of which was to help "women . . . empower each other and keep each other safe from toxic men."¹¹¹⁵ "In effect," the court observed of him, "Plaintiff has sued anyone remotely associated with those posts for all possible, imaginable claims, including the woman who dated him and her parents, women commenting on posts, the operators of the Facebook group, and Facebook itself."¹¹¹⁶ For purposes of his claim under the IRPA, the plaintiff claimed that Meta's display of his image generated user engagement and advertising revenue and that the other defendants had used it for crowdsourcing funds and collecting money from supporters of the Facebook group.

"To state a claim for a violation of IRPA," the court held while granting the defendants' motion to dismiss, "the plaintiff must allege: (1) an appropriation of the plaintiff's identity, (2) without the plaintiff's written consent, and (3) for defendant's commercial purpose."¹¹¹⁷ The third of those prerequisites proved the plaintiff's Achilles heel because "the fact that his name and photo appear in a Facebook group is not enough to allege an IRPA claim. His 'identity must help sell something—whether it is that product or a separate product or service.'"¹¹¹⁸ The plaintiff's attack on Meta based on the theory that third-party posts about him necessarily drove user engagement, thereby increasing Meta's advertising revenue, failed to get the job done because "[a]ccepting that argument would expand the bounds of the IRPA to include any time a website includes an individual's identity and happens to contain separate advertisements. This is not what the IRPA protects against."¹¹¹⁹ The initiation by certain individual defendants of a fundraiser to support the group likewise did not expose them to liability because "the fact that on a separate website, seven months prior to the posting of [the plaintiff's] likeness on Facebook, three Defendants established a fundraiser that never referenced him, does not establish that those

¹¹¹³ 765 Ill. Comp. Stat. § 1075/30.

¹¹¹⁴ See *D'Ambrosio v. Rajala*, 783 F. Supp. 3d 1077 (N.D. Ill. 2025).

¹¹¹⁵ *Id.* at 1085.

¹¹¹⁶ *Id.* at 1084.

¹¹¹⁷ *Id.* at 1087 (quoting *Huston v. Hearst Commc'ns, Inc.*, 53 F.4th 1097, 1099 (7th Cir. 2022)).

¹¹¹⁸ *Id.* (quoting *Huston*, 53 F.4th at 1102).

¹¹¹⁹ *Id.* at 1088.

three Defendants used his identity for a commercial purpose.”¹¹²⁰ Finally, the plaintiffs’ allegations against those individual defendants either posting about him or maintaining a home network through which the posts were made lacked allegations that “they were trying to sell, advertise, or promote anything through their use of the Facebook group.”¹¹²¹ The lack of a commercial purpose underlying the conduct of any of the defendants therefore resulted in the failure of the plaintiff’s statutory cause of action as a matter of law.

An Ohio federal district court also got into the act by granting a motion to dismiss causes of action brought under that state’s statutory right of publicity cause of action¹¹²² and its common-law equivalent.¹¹²³ The individual real estate property owners advancing those causes of action objected to the defendant’s operation of a website offering property reports that included owners’ full names and addresses. The downfall of the plaintiffs’ case was the court’s initial determination that both causes of action required showings that the plaintiffs’ identities had commercial value.¹¹²⁴ The court then held that “[t]o determine whether a name has commercial value, Ohio courts look to two critical factors: ‘(1) the distinctiveness of the identity; and (2) the degree of recognition of the person among those receiving the publicity.’”¹¹²⁵ The absence of allegations bearing on those issues in the complaint meant that pleading failed to state a claim under either cause of action.¹¹²⁶

Other plaintiffs losing persona-based cases as a matter of law did so on motions for summary judgment instead of at the pleadings stage of their matters. For example, after one plaintiff’s aircraft-cleaning company had a falling out with a university airport from which the company had leased space, that plaintiff and his company asserted various causes of action against the university, including a claimed violation of the individual defendant’s right of publicity.¹¹²⁷ That claim rested on social media postings by the university featuring a photograph of the individual plaintiff cleaning a plane as well as a news story identifying the individual plaintiff as the owner of his company. The court found the individual plaintiffs

¹¹²⁰ *Id.* at 1089.

¹¹²¹ *Id.*

¹¹²² Ohio Rev. Code § 2741.01 *et seq.*

¹¹²³ *See* LaFleur v. Yardi Sys., Inc., 765 F. Supp. 3d 640 (N.D. Ohio 2025).

¹¹²⁴ *Id.* at 649–50.

¹¹²⁵ *Id.* at 651 (quoting Hudson v. Datanyze, LLC, No. 23-3998, 2025 WL 80806, at *6 (6th Cir. Jan. 13, 2025)).

¹¹²⁶ *Id.* at 656–57.

¹¹²⁷ *See* Imperial Aviation Servs. LLC v. Ohio State Univ., 252 N.E.3d 185 (Ohio Ct. App. 2024).

theory of liability with respect to the photograph fatally wanting as a matter of law based on the challenged use's incidental nature: "No reasonable person," it opined, "could find that the usage of [the individual plaintiff's] likeness, as a person cleaning an airplane, on [the university's] social media posts was more than incidental to the informational purpose of those posts."¹¹²⁸ Because the news article merely mentioned the individual plaintiff and his company as a sponsor of an educational program offered by the university, the court then reached the same conclusion regarding it.¹¹²⁹

Two applications of Illinois law similarly led to findings of nonliability as a matter of law on defense motions for summary judgment. One plaintiff suffering that outcome objected to the maintenance of her personal information on the defendant's platform, which allowed subscribers to perform real-time searches on individuals like the plaintiff and which she claimed therefore violated her statutory right of publicity.¹¹³⁰ The defendant's successful bid for summary judgment of nonliability turned on the definition of those quoted words, namely, "the public use or holding out of an individual's identity (i) on or in connection with the offering for sale or sale of a product, merchandise, goods, or services; [or] (ii) for purposes of advertising or promoting products, merchandise, goods, or services."¹¹³¹ Although the plaintiff accused the defendant of having displayed the plaintiff's name and other identifying information in search results, the record established to the court's satisfaction that the only person to search for the plaintiff's name was her own attorney. That circumstance did not prevent the plaintiff from claiming standing,¹¹³² but the court held the results of such a search nonactionable, especially because the defendant otherwise had not made the required "public use" of the plaintiff's name or information in any way: "This Court cannot endorse a reading of [the statutory cause of action] that permits a plaintiff to obtain relief based on her own attorney making a direct request for, and then obtaining, the plaintiff's identifying information."¹¹³³ The defendant's summary judgment motion therefore was well-founded.

The litigation producing the second successful defense motion for summary judgment under Illinois law arose from similar facts.¹¹³⁴ The defendant targeted by that action operated an online searchable database of high-school yearbooks, which the plaintiffs claimed held out their names, identities, images, and likenesses to

¹¹²⁸ *Id.* at 195.

¹¹²⁹ *Id.*

¹¹³⁰ See *Hoffower v. Seamless Contacts Inc.*, 736 F. Supp. 3d 605 (N.D. Ill. 2024).

¹¹³¹ 765 Ill. Comp. Stat. § 1075/5.

¹¹³² *Hoffower*, 736 F. Supp. at 612–13.

¹¹³³ *Id.* at 616.

¹¹³⁴ See *Braundmeier v. Ancestry.Com Operations, Inc.*, 764 F. Supp. 3d 749 (N.D. Ill. 2025).

advertise and solicit the defendant's paid products and services. As in the case discussed immediately above, however, the plaintiffs were reduced to arguing that their attorney's ability to access their information meant the defendant had held the objectionable items and information out for commercial purposes. And, as also in that case, "such evidence, without more, is insufficient to raise a genuine factual dispute regarding whether [the defendant] 'held out' [the plaintiffs] identities. Summary judgment in [the defendant's] favor is therefore warranted."¹¹³⁵

A final noteworthy defense motion to dismiss disposed of the right of publicity causes of action under Oklahoma law¹¹³⁶ asserted by survivors of the notorious Tulsa Race Massacre of 1921.¹¹³⁷ The defendants included the City of Tulsa, the County of Tulsa, and certain individual officials of those entities. According to the plaintiffs, their litigation opponents were unlawfully benefitting from the massacre by promoting the geographic area in which it occurred as a tourist attraction. The Supreme Court of Oklahoma affirmed the dismissal of those claims as a matter of law, explaining that:

Plaintiffs' allegations do not support a claim for the unauthorized use of another person's right of publicity under [the relevant statute], as Plaintiffs do not point to any facts showing the Defendants used Plaintiffs' name or likeness. Without alleging any specific acts of Defendants' unauthorized use of Plaintiffs' names or likenesses, the pleadings are insufficient under the statutory claim of misappropriation of name and likeness to support Plaintiffs' claim.¹¹³⁸

iii. Opinions Deferring Resolution of Claims of Violations of Persona-Based Rights

In an opinion clearly authored by a fan of the Philadelphia Phillies, a Pennsylvania federal district court disposed of multiple attacks on the persona-based claims by a corporate plaintiff under the law of that state.¹¹³⁹ As alleged by its complaint, that plaintiff was the assignee of the group rights to the names, images, and likenesses (NILs) of professional major-league baseball (MLB) players and objected to uses of those NILs such as the following to

¹¹³⁵ *Id.* at 756.

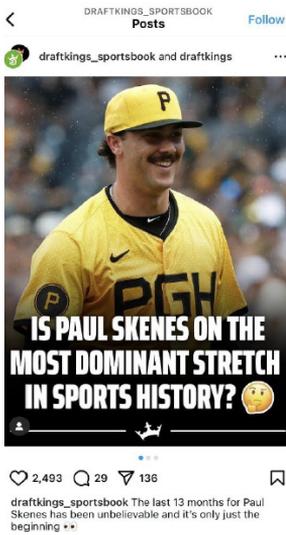
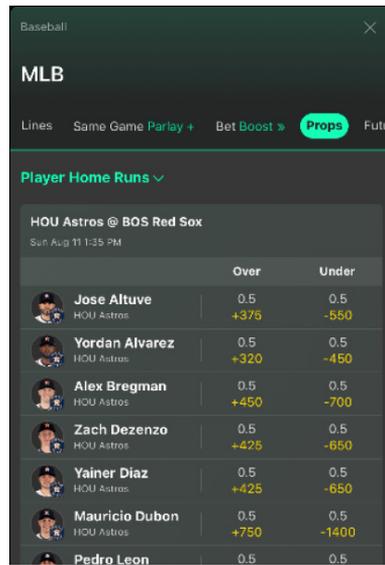
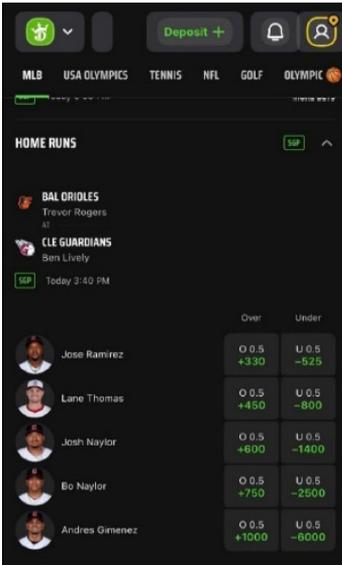
¹¹³⁶ 12 Okla. Stat. § 1449.

¹¹³⁷ See *Randle v. City of Tulsa*, 556 P.3d 612 (Okla. 2024), *reh'g denied* (Sept. 9, 2024).

¹¹³⁸ *Id.* at 622.

¹¹³⁹ See *MLB Players Inc. v. DraftKings, Inc.*, 771 F. Supp. 3d 513 (E.D. Pa. 2025), *mot. to certify appeal denied*, No. 24-4884-KSM, 2025 WL 1462547 (E.D. Pa. May 21, 2025).

promote the defendants’ online and mobile sports prop bet platforms.¹¹⁴⁰



One threshold issue required resolution before the court addressed the adequacy of the plaintiff’s averments on the merits. Although crediting one defendant’s argument that the right of privacy was a personal one that could not be assigned, the court distinguished between liability under that tort, on the one hand, and that under a right-of-publicity cause of action, on the other, ultimately holding

¹¹⁴⁰ *Id.* at 521, 523.

that “[b]ecause [the plaintiff] brings a right of publicity claim that is distinct from a personal invasion of privacy claim, the Court finds that the right is assignable and may be enforced by [the plaintiff].”¹¹⁴¹

The court then addressed the defendants’ arguments that the plaintiff had failed to state a claim under either the Pennsylvania right-of-publicity statute¹¹⁴² or Pennsylvania common law. Regarding the former, the court held that “[b]ased on the plain language of the statute, the only necessary elements in this claim are: (1) the plaintiff must be a natural person; (2) their name or likeness must have commercial value; (3) another person must have used their name or likeness for a commercial or advertising purpose; and (4) that other person must have lacked proper authorization to use the name or likeness in the manner it was used.”¹¹⁴³ Rather improbably, one of the defendants argued that the plaintiff’s averments failed to establish the commercial value of the players’ NILs under the second prong of the test, but the court concluded otherwise:

Here, in addition to arguing that each individual player’s NIL has a “valuable interest” developed over a lifetime of effort, [the plaintiff] has plausibly alleged a valuable interest in MLB players’ NILs when used as a group (i.e., three or more players appearing in the course of a calendar year): “[the plaintiff] regularly negotiates *group licensing agreements* authoring use of MLB players’ rights in a range of commercial products and services.” This conclusion makes sense. For example, it is reasonable to assume that there is value in Bryce Harper’s headshot on its own, but that headshot holds independent value to the extent it appears as part of a group of headshots (say, with those of Trea Turner and Bryson Stott) or as part of the Philadelphia Phillies roster.¹¹⁴⁴

The same defendant argued, equally unsuccessfully, that its uses of the players’ NILs did not satisfy the third prerequisite for liability under the statute because those uses qualified for “public interest” and “newsworthiness” exceptions to liability. The court’s rejection of that argument rested on interpretations of similar exceptions under the law of other states and on the court’s conclusion that “the statute’s text refers to ‘news reports and news presentations,’ not

¹¹⁴¹ *Id.* at 526.

¹¹⁴² 42 Pa. Cons. Stat. § 8316(a).

¹¹⁴³ *MLB Players*, 771 F. Supp. 3d at 532–33 (quoting *Buckley v. Universal Sewing Supply, Inc.*, Civil No. 1:19-CV-794, 2020 WL 7240978, at *4 (M.D. Pa. Dec. 9, 2020)).

¹¹⁴⁴ *Id.* at 534–35.

more generally to information that is ‘newsworthy,’” respectively.¹¹⁴⁵

That left the question of whether the plaintiff had adequately alleged a violation of Pennsylvania’s common-law right of publicity, which the court held governed by Section 46 of the Restatement (Third) of Unfair Competition’s provision that “[o]ne who appropriates the commercial value of a person’s identity by using without consent the person’s name, likeness, or other indicia of identity for purposes of trade is subject to liability”¹¹⁴⁶ In denying the motion to dismiss, the court rejected a defense argument that adoption of the Pennsylvania statute had abrogated the common-law cause of action. Although acknowledging that another decision had recognized that abrogation, the court declined to extend that outcome to the right-of-publicity context.¹¹⁴⁷

Finally, the court rejected the defendants’ argument that their conduct was free speech protected by the First Amendment. Although surveying various doctrinal frameworks it might properly bring to bear on the inquiry, the court found it unnecessary to choose among them at the pleadings stage. Instead, it concluded, “this Court finds it is too early in the litigation to address the weighty issues necessary for First Amendment balancing. If appropriate, Defendants may raise their First Amendment defenses again at summary judgment.”¹¹⁴⁸

At least at the pleadings stage, the owner of the MIDJOURNEY AI-branded generative AI platform similarly failed to escape a class action lawsuit alleging false endorsement.¹¹⁴⁹ The plaintiffs accused Midjourney of using their artistic works as “training images” for its platform. They further alleged that the defendant’s CEO had posted a list identifying 4,700 artists whose styles Midjourney could emulate and also that Midjourney had used their names in connection with Midjourney’s “showcase” of works generated on the platform. The court concluded those allegations sufficiently detailed to survive Midjourney’s motion to dismiss: “Whether or not a reasonably prudent consumer would be confused or misled by the [list of names] and showcase to conclude that the included artists were endorsing the Midjourney product can be tested at summary judgment.”¹¹⁵⁰

A different motion to dismiss failed to bear fruit in an action brought by an Arkansas attorney named Joel Cape and his law firm

¹¹⁴⁵ *Id.* at 540–41 (quoting 42 Pa. Cons. Stat. § 8316(e)(2)(ii)).

¹¹⁴⁶ Restatement (Third) of Unfair Competition § 46 (1995).

¹¹⁴⁷ *MLB Players*, 771 F. Supp. 3d at 546–47 (citing *Kelly v. Peerstar, LLC*, No. 3:18-cv-126, 2020 WL 5077940, at *9 (W.D. Pa. Aug. 26, 2020)).

¹¹⁴⁸ *Id.* at 552.

¹¹⁴⁹ *See Andersen v. Stability AI Ltd.*, 744 F. Supp. 3d 956 (N.D. Cal. 2024).

¹¹⁵⁰ *Id.* at 978.

after a legal referral service began operating under the CAPE and CAPE LAW service marks.¹¹⁵¹ That allegedly led “over 1,000” customers of the defendants to complain mistakenly about the low quality of the defendants’ services to the plaintiffs; the complaint also accused the defendants of having inexplicably identified the attorney as one of their employees on the LinkedIn page for their business. Despite those presumptively true averments, the defendants ambitiously moved to dismiss the attorney’s right of publicity cause of action under Arkansas law.¹¹⁵² The court denied that motion, deciding that “the alleged LinkedIn association makes it plausible that [the defendants] used Joel Cape’s ‘readily identifiable’ name or likeness. The LinkedIn affiliation provides the identifying context that might otherwise be lacking had [the defendants] only used the generic word ‘cape,’ with no other connection to Joel Cape.”¹¹⁵³ That was not all, however: “This context is further bolstered by the fact that [the lead defendant] presents itself as a law firm, and Joel Cape is an attorney who owns a firm with a similar name.”¹¹⁵⁴

In another opinion declining to grant a defense motion to dismiss—at least in part—a New York federal district court held that a putative class of New York-based voice-over actors could assert a claim under that state’s statutory causes of action for violations of their rights of publicity.¹¹⁵⁵ The defendant targeted by those plaintiffs was a “text-to-speech subscription service that allows its clients to generate voice-over narrations at a fraction of the cost of the traditional model,” which allegedly offered for sale synthesized imitations of their voices.¹¹⁵⁶ The court concluded that the absence from the statutes in question of express references to the conduct undertaken by the defendant did not mean the statutes did not cover it.¹¹⁵⁷ As it held:

[W]hen confronted with new technologies, “[t]he appropriate course . . . is to employ the theory of statutory construction that general terms encompass future developments and technological advancements.” Here, as in the visual context, construing the [statutes] to exclude digital clones would frustrate the statutory purpose, and, for all practical purposes, enable commercial entities to appropriate individuals’ identities without restraint. In fact, allowing such appropriation by means of AI might be even more

¹¹⁵¹ See *Joel E. Cape, PLC v. Cape L. PC*, 757 F. Supp. 3d 846 (W.D. Ark. 2024).

¹¹⁵² Ark. Code Ann. §§ 4-75-1101 *et seq.*

¹¹⁵³ *Joel E. Cape, PLC*, 757 F. Supp. 3d at 852 (citation omitted).

¹¹⁵⁴ *Id.*

¹¹⁵⁵ N.Y. Civ. Rights Law §§ 50, 51.

¹¹⁵⁶ See *Lehrman v. Lovo, Inc.*, 790 F. Supp. 3d 348, 355 (S.D.N.Y. 2025).

¹¹⁵⁷ *Id.* at 380–81.

pernicious, because, allegedly, a functioning voice clone capable of saying anything, forever, can be created using a small snippet of original audio.¹¹⁵⁸

With the plaintiffs having adequately alleged that the defendant's allegedly unlawful conduct had transpired both within New York and in the course of advertising and trade,¹¹⁵⁹ the defendant's motion to dismiss failed to achieve its intended result.

g. Violations of Rights Under Non-Persona-Based Rights Under State-Law Causes of Action

i. Preemption of State-Law Causes of Action

(A) Preemption by the Lanham Act

With the very limited exceptions of Section 39(b), which restricts the ability of states and their political subdivisions to require changes to the display of registered marks,¹¹⁶⁰ and Section 43(c)(6),¹¹⁶¹ which provides that ownership of a federal registration will defeat allegations of actual or likely dilution under state law, the Lanham Act does not expressly preempt state law. Nevertheless, a New York federal district court dismissed a cause of action for unfair competition under the statutory law of that state¹¹⁶² in a case in which the plaintiffs averred that Google had refused advertising for genuine copies of the plaintiffs' branded books while accepting advertising for pirated copies of those books featuring unauthorized copies of the plaintiffs' marks.¹¹⁶³ The court noted that the plaintiffs' cause of action required something more than just likely confusion, namely, substantial harm to the public.¹¹⁶⁴ The plaintiffs' failure to allege such a harm might well have—and possibly *should* have—led to a dismissal for failure to state a prima facie case under state law, but the court rather inexplicably concluded that that failure mandated a holding of preemption instead.¹¹⁶⁵ Unsurprisingly, it neglected to cite to any authority directly supporting that disposition.

¹¹⁵⁸ *Id.* (first alteration in original) (quoting *Lohan v. Take-Two Interactive Software, Inc.*, 97 N.E.3d 389, 394 (N.Y. 2018)).

¹¹⁵⁹ *Id.* at 383.

¹¹⁶⁰ 15 U.S.C. § 1121(b).

¹¹⁶¹ *Id.* § 1125(c)(6).

¹¹⁶² N.Y. Gen. Bus. Law § 349.

¹¹⁶³ *See Cengage Learning, Inc. v. Google LLC*, 786 F. Supp. 3d 611 (S.D.N.Y. 2025).

¹¹⁶⁴ *Id.* at 633.

¹¹⁶⁵ *Id.* at 634.

(B) Preemption by the Copyright Act

Section 301(a) of the Copyright Act bars “all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright,”¹¹⁶⁶ and at least some defendants successfully escaped state-law causes of action for unfair competition by invoking that statute. One such litigant was accused of copying a competitor’s packaging for herbicide and insecticide products.¹¹⁶⁷ In granting the defendant’s motion to dismiss the plaintiff’s unfair competition cause of action under Ohio law, the court held that:

State laws are preempted by 17 U.S.C. § 301(a) of the Copyright Act if two prerequisites are met. “First, the work at issue must fall within the scope of the ‘subject matter of copyright’ as defined in Sections 102 and 103 of the Copyright Act.” Second, the rights granted under state law must be “equivalent to any exclusive rights within the scope of federal copyright as set out in 17 U.S.C. § 106.” These are respectively referred to as the “subject matter” and “equivalency” elements. The “subject matter” element is not at issue here, as [the plaintiff] only contests that the rights it asserts are not equivalent to its federal copyright rights.¹¹⁶⁸

Having thus framed the issue, the court found that the plaintiff’s trade dress–based accusation that the defendant had adopted confusingly similar packaging rendered the plaintiff’s state-law cause of action qualitatively identical to its cause of action for copyright infringement.¹¹⁶⁹ Preemption therefore held.

Another defendant availing itself of Section 301(a)’s preemptive effect was online giant Google, which several publishers accused of violating New York law¹¹⁷⁰ by accepting advertising for allegedly pirated e-books while refusing advertising for the plaintiff’s genuine e-books.¹¹⁷¹ In granting Google’s motion to dismiss, the court framed the relevant inquiry by holding that “Section 301 of the Copyright Act preempts a state law claim if: ‘(i) the work at issue comes within the subject matter of copyright and (ii) the right being asserted is equivalent to any of the exclusive rights within the general scope of

¹¹⁶⁶ 17 U.S.C. § 301(a).

¹¹⁶⁷ See *Scotts Co. v. SBM Life Sci. Corp.*, 749 F. Supp. 3d 865 (S.D. Ohio 2024).

¹¹⁶⁸ *Id.* at 878 (first quoting *Slep-Tone Ent. Corp. v. Arrowood*, No. 2:10-CV-592, 2011 WL 4482082, at *4 (S.D. Ohio Sept. 26, 2011); and then quoting *Wrench LLC v. Taco Bell Corp.*, 256 F.3d 446, 453 (6th Cir. 2001)).

¹¹⁶⁹ *Id.* at 879.

¹¹⁷⁰ N.Y. Gen. Bus. Law § 349.

¹¹⁷¹ See *Cengage Learning, Inc. v. Google LLC*, 786 F. Supp. 3d 611 (S.D.N.Y. 2025).

copyright.”¹¹⁷² Because the challenged books qualified for copyright protection, the court’s analysis focused on the second prong of the test for preemption. Although the plaintiffs asserted that their state-law cause of action required proof of consumer deception, thereby falling outside the scope of the subject matter of copyright protection, the court was unconvinced:

To the extent that Plaintiffs allege that Google’s policy misleadingly represents to textbook sellers and purchasers that all digital books are banned from its website, the parties agree that Google’s stated policy is a neutral policy applicable to all ebook sellers. The Amended Complaint also states that the policy “ban[s] ads for *all* standalone digital books (i.e., ads that advertise an ebook price or lead to a landing page selling only a digital book, other than audiobooks).” Google’s stated policy itself is therefore not the source of any deception. To the extent, however, that the Plaintiffs allege that deception arises from the *enforcement* (or nonenforcement) of that policy—that is, from the continued advertising of infringing works on the Google Shopping platform notwithstanding Google’s stated policy—this theory of deception is “substantively redundant” of Plaintiffs’ copyright claim.¹¹⁷³

ii. State-by-State Causes of Action

(A) California

An Arizona federal district court dismissed a cause of action under the California Unfair Competition Law (“UCL”)¹¹⁷⁴ for failure to state a claim.¹¹⁷⁵ The defendants produced and sold body cameras that the plaintiff claimed would allow content recorded by the cameras to be hacked, possibly by foreign governments; according to the plaintiff, the defendants’ failure to disclose that vulnerability constituted false advertising under federal law and also violated the ACL. Weighing the defendants’ motion, the court initially held that “[t]he UCL prohibits ‘any unlawful, unfair or fraudulent business act or practice and unfair deceptive, untrue or misleading advertising.’ ‘An act can be alleged to violate any or all of the three prongs of the UCL—unlawful, unfair, or fraudulent.’”¹¹⁷⁶ The

¹¹⁷² *Id.* at 631–32 (quoting *Saint-Amour v. Richmond Org., Inc.*, 388 F. Supp. 3d 277, 290 (S.D.N.Y. 2019)).

¹¹⁷³ *Id.* at 633 (alterations in original) (quoting *Freeplay Music, Inc. v. Cox Radio, Inc.*, 409 F. Supp. 2d 259, 264 (S.D.N.Y. 2005)) (citations omitted).

¹¹⁷⁴ Cal. Bus. & Prof. Code § 17200 *et. seq.*

¹¹⁷⁵ *See* *GovernmentGPT Inc. v. Axon Enter.*, 769 F. Supp. 3d 959 (D. Ariz. 2025).

¹¹⁷⁶ *Id.* at 991 (first quoting Cal. Bus. & Prof. Code § 17200; and then quoting *Berryman v. Merit Prop. Mgmt., Inc.*, 62 Cal. Rptr. 3d 177, 186 (Ct. App. 2007)).

complaint failed to satisfy the first option because the plaintiff lacked standing to prosecute its underlying cause of action for false advertising under federal law and because its claim that the defendants otherwise had engaged in unlawful conduct under state law was “threadbare and cursory.”¹¹⁷⁷ That document also did not establish the unfairness of the defendants’ advertising because it neglected to plead the “substantial consumer injury” required for liability and instead simply asserted that the alleged failure to disclose reduced competition generally.¹¹⁷⁸ Finally, addressing the final option, the court held that any allegations of fraud had not been pleaded with the particularity required by Rule 9(b) of the Federal Rules of Civil Procedure.¹¹⁷⁹

(B) Colorado

Objecting to advertising by a Colorado-based former employee that it had sold sensitive personal information of its customers, one plaintiff sought a temporary restraining order and preliminary injunction against the further dissemination of his allegedly false allegations.¹¹⁸⁰ One claimed basis of that relief was the Colorado Consumer Protection Act (“CCPA”).¹¹⁸¹ That cause of action failed to gain traction after the court concluded the statute did not authorize injunctive relief in civil enforcement actions except in cases in which plaintiffs sought relief on behalf of entire classes of similarly situated entities and individuals, not just themselves. That the Colorado General Assembly had amended the CCPA since earlier holdings to similar effect without abrogating them reinforced the court’s conclusion that the requested relief was unavailable.¹¹⁸²

(C) Illinois

When a seller of commercial-grade carpet cleaning products concluded that a competitor’s goods contained illegal amounts of chemicals, it filed suit under the Illinois Uniform Deceptive Trade Practices Act¹¹⁸³ and Consumer Fraud and Deceptive Business Act¹¹⁸⁴ on the theory that the competitor’s labeling unlawfully failed

¹¹⁷⁷ *Id.* at 992.

¹¹⁷⁸ *Id.*

¹¹⁷⁹ *Id.* (citing Fed. R. Civ. P. 9(b) and holding that “[n]oticeabl[y] absent [from the complaint] is demonstrable reliance or particularized allegations regarding [the lead defendant’s] fraudulent acts”).

¹¹⁸⁰ *See Allstate Ins. Co. v. Cruz*, 733 F. Supp. 3d 1098 (D. Colo. 2024).

¹¹⁸¹ Colo. Rev. Stats. §§ 6-1-101 *et seq.*

¹¹⁸² *Allstate*, 733 F. Supp. 3d at 1110–11.

¹¹⁸³ 815 Ill. Comp. Stat. § 510/1 *et seq.*

¹¹⁸⁴ *Id.* § 505/1.

to disclose those chemicals.¹¹⁸⁵ In affirming the dismissal of the plaintiff's complaint for failure to state claims under those statutes, the Supreme Court of Illinois confirmed that relief under the former act was limited to an injunction and that, in any case, the plaintiff had failed to exhaust its administrative remedies before challenging what the court considered an environmental violation.¹¹⁸⁶ Then, regarding the latter act, the court held that the plaintiff had failed to aver its own reliance on the defendant's allegedly deceptive labels, a circumstance preventing the plaintiff from establishing the damage and proximate cause required for liability.¹¹⁸⁷ The trial court therefore had properly dismissed the plaintiff's causes of action under both acts.

(D) Massachusetts

After having held a festival under the mark THE NANTUCKET WINE & FOOD FESTIVAL for decades, two plaintiffs found themselves threatened with a competing event promoted as the NANTUCKET FOOD AND WINE EXPERIENCE.¹¹⁸⁸ In entering a preliminary injunction, the court found it unnecessary to address the plaintiffs' claims under the Lanham Act because of their entitlement to relief under the Massachusetts statutory cause of action for commercial disparagement.¹¹⁸⁹ The court found liability under that cause of action based upon proof that the defendants had:

- (1) published a false statement to a person other than the plaintiff;
- (2) "of and concerning" the plaintiff's products or services;
- (3) with knowledge of the statement's falsity or with reckless disregard of its truth or falsity;
- (4) where pecuniary harm to the plaintiff's interests was intended or foreseeable;
- and (5) such publication resulted in special damages in the form of pecuniary loss.¹¹⁹⁰

The plaintiffs' claims under the statute challenged various representations by the defendants that, among other things, they

¹¹⁸⁵ See *Tri-Plex Tech. Servs., Ltd. v. Jon-Don, LLC*, 241 N.E.3d 454 (Ill. 2024).

¹¹⁸⁶ *Id.* at 460, 460–61.

¹¹⁸⁷ According to the court, "[a] plaintiff who asserts a private cause of action under . . . the Consumer Fraud Act must allege the following elements: '(1) a deceptive act or practice by the defendant, (2) the defendant's intent that the plaintiff rely on the deception, (3) the occurrence of the deception in the course of conduct involving trade or commerce, and (4) actual damage to the plaintiff (5) proximately caused by the deception.'" *Id.* at 461–62 (quoting *Oliveira v. Amoco Oil Co.*, 776 N.E.2d 151, 160 (Ill. 2002)).

¹¹⁸⁸ See *Nantucket Wine & Food Festival, LLC v. Gordon Cos.*, 759 F. Supp. 3d 259 (D. Mass. 2024).

¹¹⁸⁹ See Mass. Gen. Laws ch. 93A.

¹¹⁹⁰ *Nantucket Wine & Food Festival*, 759 F. Supp. 3d at 277 (quoting *HipSaver, Inc. v. Kiel*, 984 N.E.2d 755, 763 (Mass. 2013)).

had purchased and “revitalized” and “rebranded”¹¹⁹¹ the plaintiffs’ event and that their own yet-to-be-held festival was “longstanding” and “one of the longest running food and wine events in the U.S.”¹¹⁹² The inaccuracy of those claims satisfied the first prong of the test for liability,¹¹⁹³ and the (mistaken) perception among consumers that the defendants’ references to the long-standing operation of their festival were actually to the plaintiffs’ festival satisfied the second.¹¹⁹⁴ The patent falsity of the defendants’ advertising easily supported findings under the third prong that the plaintiffs likely could demonstrate that the defendants had acted “with at least reckless disregard as to the truth or falsity of those statements,”¹¹⁹⁵ and, with respect to the fourth prong, that “[s]tating that a competitor no longer operates independently could foreseeably cause that competitor to lose business.”¹¹⁹⁶ That left the plaintiffs’ showing under the fifth prong, which the court found satisfied by proof that the defendants’ false statements had been disseminated widely,¹¹⁹⁷ that the confusion generated by the statements likely represented “only the tip of the iceberg,”¹¹⁹⁸ and that the defendants’ conduct had delayed the plaintiffs’ receipt of required regulatory approvals for their festival.¹¹⁹⁹

(E) New Hampshire

The New Hampshire Consumer Protection Act makes actionable “any unfair method of competition or any unfair or deceptive act or practice in the conduct of any trade or commerce” occurring within the state’s borders.¹²⁰⁰ A prerequisite for liability, however, is that a defendant act with a bad faith intent, and that requirement tripped up one plaintiff seeking to recover under the Act after a defendant incorporated a photograph of necks and headstocks of the Plaintiff’s guitars into the defendant’s guitar buying guide.¹²⁰¹ Following a bench trial, the district court found in the defendant’s favor after determining the use of the photograph was the “largely inadvertent” action of an employee looking for a photograph of

¹¹⁹¹ *Id.* at 267.

¹¹⁹² *Id.* at 269.

¹¹⁹³ *Id.* at 277–78.

¹¹⁹⁴ *Id.* at 278–79.

¹¹⁹⁵ *Id.* at 279.

¹¹⁹⁶ *Id.* at 279–80.

¹¹⁹⁷ *Id.* at 280.

¹¹⁹⁸ *Id.*

¹¹⁹⁹ *Id.*

¹²⁰⁰ See N.H. Rev. Stat. Ann. § 358-A:2.

¹²⁰¹ See *D’Pergo Custom Guitars, Inc. v. Sweetwater Sound, Inc.*, 111 F.4th 125 (1st Cir. 2024).

guitar necks,¹²⁰² and the First Circuit found nothing in the trial record rendering that finding clearly erroneous. It therefore affirmed the defendant's victory, despite the photograph's inclusion in the defendant's promotional materials for approximately four years and notwithstanding expert testimony proffered by the plaintiff that the defendant had altered the photograph and failed to attribute its authorship to the photographer who had taken it, which the expert opined was evidence of intentional misconduct.¹²⁰³

(F) *New Jersey*

In a case in which the successor in interest to a manufacturer of cosmetic talc objected to an article authored by a group of pathologists turned expert witnesses, the court set forth the following test for liability for “injurious falsehood/product disparagement” under New Jersey law, which the parties apparently agreed was identical to the tort of trade libel: “To plead a claim for product disparagement or trade libel . . . , a plaintiff must allege (1) publication (2) with malice (3) of a false statement of fact (4) about the plaintiff's product or property (5) that causes special damages.”¹²⁰⁴ The gravamen of the plaintiff's cause of action was that the article falsely represented the defendants had identified a set of malignant mesothelioma patients with no known exposure to asbestos except through cosmetic talc. Although the defendants contested the adequacy of the plaintiff's averments under the third, fourth, and fifth prongs of the test for liability, the court found their challenge without merit, and it therefore denied their motion to dismiss for failure to state a claim.¹²⁰⁵

(G) *New York*

The protection available against unfair competition under New York law is limited in certain respects, beginning with the common-law cause of action for the tort. As courts routinely confirm, it is not merely enough to demonstrate likely confusion between two marks; instead, the plaintiff also must aver and prove bad faith conduct by the defendant.¹²⁰⁶ Moreover, in making that demonstration, the plaintiff must do more than argue that the defendant knew of the plaintiff's use before adopting its own; instead, “[f]or a plaintiff to

¹²⁰² *Id.* at 132.

¹²⁰³ *Id.*

¹²⁰⁴ *LLT Mgmt. LLC v. Emory*, 766 F. Supp. 3d 576, 599 (E.D. Va. 2025), *reconsideration denied sub nom. Pecos River Talc LLC v. Emory*, No. 4:24-cv-75, 2025 WL 1249947 (E.D. Va. Apr. 30, 2025).

¹²⁰⁵ *Id.* at 599–603.

¹²⁰⁶ *See Med. Depot, Inc. v. Med Way US, Inc.*, 774 F. Supp. 3d 554, 573 (E.D.N.Y. 2025), *appeal withdrawn*, No. 25-1049, 2025 WL 2269807 (2d Cir. July 30, 2025).

show bad faith at the summary judgment stage, it must show that [the] ‘defendant . . . attempt[ed] to create the impression that it was affiliated with [the] [plaintiff] . . . or intended to capitalize on plaintiff’s good will.’”¹²⁰⁷

Plaintiffs claiming infringement and unfair competition law under New York law also often rely upon New York Business Law Sections 349 and 350.¹²⁰⁸ Causes of action under those statutes also are difficult to invoke because “[t]o successfully assert a claim under either section, ‘a plaintiff must allege that a defendant has engaged in (1) consumer-oriented conduct that is (2) materially misleading and that (3) [the] plaintiff suffered injury as a result of the allegedly deceptive act or practice.’”¹²⁰⁹ The most demanding of the three is the first, and more than one plaintiff falls short under it in reported opinions each year.¹²¹⁰

Nevertheless, not all causes of action brought under Sections 349 and 350 failed, at least not on motions to dismiss. Two not doing so came in a case in which the plaintiffs challenged the defendant’s marketing of prerecorded announcements featuring digital clones of the plaintiff’s voices.¹²¹¹ The defendant allegedly had acquired access to recordings of the plaintiffs’ voices by misrepresenting to the plaintiffs that it would use the recordings only for “research purposes” that would be “internal” and “academic” in nature.¹²¹² The gravamen of the plaintiffs’ causes of action under Sections 349 and 350 was that the defendant had represented to customers of its cloned announcements that they could use the announcements without legal restrictions when, in fact, certain uses might violate the plaintiffs’ rights of publicity under state law. The first prerequisite for liability was satisfied by the plaintiffs’ averment that consumers “received a product that was worth less than [Defendant] promised, because New York law prohibits certain uses of that product without Plaintiffs’ written consent.”¹²¹³ Likewise, the court held with respect to the second prerequisite that the plaintiffs had adequately alleged “that [Defendant] misrepresented

¹²⁰⁷ *Id.* (third, fourth, and seventh alterations in original) (quoting 815 Tonawanda Street Corp. v. Fay’s Drug Co., 842 F.2d 643, 649 (2d Cir. 1988)).

¹²⁰⁸ N.Y. Gen. Bus. Law §§ 349, 350.

¹²⁰⁹ *Lehrman v. Lovo, Inc.*, 790 F. Supp. 3d 348, 383–84 (S.D.N.Y. 2025) (quoting *Orlander v. Staples, Inc.*, 802 F.3d 289, 300 (2d Cir. 2015)).

¹²¹⁰ *See, e.g., Med. Depot*, 774 F. Supp. 3d at 578 (finding as a matter in straightforward action that alleged “mediocre” reviews of counterclaim defendant’s medical air mattresses created “a heightened public interest in avoiding confusion as to the source of the [counterclaim] defendant’s product”); *Cengage Learning, Inc. v. Google LLC*, 786 F. Supp. 3d 611, 633–34 (S.D.N.Y. 2025) (granting motion to dismiss Section 349 cause of action on ground that plaintiffs’ failure to aver required injury to consumers rendered cause of action preempted by Lanham Act).

¹²¹¹ *See Lehrman*, 790 F. Supp. 3d 348.

¹²¹² *Id.* at 356.

¹²¹³ *Id.* at 385.

the scope of the ‘commercial rights’ that it promised to provide to its subscribers, thereby making its offerings appear more attractive.”¹²¹⁴ Finally, the third prerequisite was satisfied, at least for purposes of the defendant’s motion to dismiss, by the plaintiffs’ claim to have suffered diverted customers and lost sales.¹²¹⁵

(H) North Carolina

The Fourth Circuit entertained an appeal turning in part on the proper test for liability under the North Carolina Unfair Trade and Deceptive Trade Practices Act (“NCUDTPA”),¹²¹⁶ in the process affirming a multimillion judgment in the plaintiff’s favor.¹²¹⁷ The plaintiff established in a jury trial that the defendants’ agents had for years used various misrepresentations to siphon off customers of the plaintiff’s home security services. In response, the defendants argued to the court of appeals that the plaintiff had failed to prove its own reliance on the misrepresentations, a showing the defendants claimed was necessary under the NCUDTPA. Like the district court before it, that tribunal rejected the defendants’ theory of “first-party” reliance. Noting that the NCUDTPA codified the common-law cause of action for unfair competition, the court held instead that “unfair competition claims do not have as an element the plaintiff’s reliance on the defendant’s lies. Rather, the plaintiff need only show that the unfair competition proximately caused its injuries.”¹²¹⁸

(I) Ohio

Responding to allegations that it had unlawfully terminated a trademark license between the parties, a counterclaim plaintiff accused its opponent of, among other things, infringing the marks covered by the license in various European countries.¹²¹⁹ Holding that the counterclaim plaintiff’s causes of action under the Lanham Act could not be asserted on an extraterritorial basis, the court dismissed them for failure to state a claim, and it took the same step regarding the counterclaim plaintiff’s causes of action under the

¹²¹⁴ *Id.*

¹²¹⁵ *Id.*

The court did, however, hold that the two statutes preempted the plaintiffs’ putative cause of action for unfair competition. *See id.* at 387 (“As articulated here, the unfair competition claim is effectively a common-law publicity claim, which does not exist in New York.”).

¹²¹⁶ N.C. Gen. Stat. § 75-1.1 *et seq.*

¹²¹⁷ *See* CPI Sec. Sys., Inc. v. Vivint Smart Home, Inc., 145 F.4th 390 (4th Cir. 2025).

¹²¹⁸ *Id.* at 401.

¹²¹⁹ *See* Slush Puppie Ltd. v. ICEE Co., 792 F. Supp. 3d 834 (S.D. Ohio 2025).

Ohio Deceptive Trade Practices Act:¹²²⁰ Although Ohio law governed interpretations of the license, that agreement’s choice-of-law provision could not support a finding of liability because neither party was an Ohio domiciliary, the alleged conduct transpired outside the state, and because “the Ohio legislature is silent as to application of the DTPA to harm suffered outside Ohio (much less the United States).”¹²²¹ In contrast, however, the court held that the counterclaim plaintiff *had* plausibly stated a claim for common-law unjust enrichment because “[u]nlike statutory claims, common law claims are not hamstrung by what the Ohio General Assembly intended. . . . If the parties chose Ohio law to govern their contractual relations, it would seem logical to extend their choice to a correlate tort.”¹²²²

h. Secondary Liability

i. Contributory Infringement

Having failed as a matter of law to defeat the invocation of laches by a lead defendant it had accused of direct liability for various species of unfair competition, one plaintiff then failed to salvage its claims of contributory liability against several other defendants.¹²²³ Unsurprisingly, the court held on a summary judgment motion filed by those defendants that:

Plaintiff did not merely lose the ability to obtain a remedy against [the lead defendant] . . . , Plaintiff lost any rights it may have had under the Lanham Act Moreover, permitting [the plaintiff] to prove contributory claims against the [remaining] [d]efendants . . . would allow Plaintiff to avoid the effect of the laches doctrine.¹²²⁴

Without the possibility of direct liability, secondary liability was impossible.

ii. Vicarious Liability

The issue of vicarious liability for unfair competition arose infrequently over the past year, but a California federal district court addressed the concept in denying a motion to dismiss.¹²²⁵ The defendant operated a generative artificial intelligence platform capable of emulating visual works by the plaintiffs, a group of five

¹²²⁰ Ohio Rev. Code §§ 4165.01 *et seq.*

¹²²¹ *Slush Puppie*, 792 F. Supp. 3d at 853.

¹²²² *Id.* at 854.

¹²²³ *See* Haw. Foodservice All., LLC v. Meadow Gold Dairies Haw., LLC, 736 F. Supp. 3d 909 (D. Haw. 2024).

¹²²⁴ *Id.* at 918.

¹²²⁵ *See* Andersen v. Stability AI Ltd., 744 F. Supp. 3d 956 (N.D. Cal. 2024).

artists. Challenging the plaintiffs' claim of vicarious liability, the defendant argued that the plaintiffs had not averred joint ownership or control over infringing works by the defendant and any end user of the defendant's platform. That argument fell on unsympathetic judicial ears, with the court crediting the plaintiffs' allegations that, without access to its platform, the defendant's customers could not infringe the plaintiffs' claimed trade dresses.¹²²⁶

i. Individual Liability

En route to granting an individual defendant's motion for summary judgment, one court observed that, under Second Circuit law:

A corporate officer may be held liable for trademark infringement under the Lanham Act where such person "approved of the infringing act, or [was] a direct participant in the infringing activity, [or was] a moving, active, conscious, force behind the corporation's infringement." A corporate officer is a "moving, active conscious" force behind a company's alleged infringement where "the office was either the sole shareholder and employee, and therefore must have approved the infringing act, or a direct participant in the infringing activity."¹²²⁷

Although their operative complaint described the individual defendant as the principal, founder, and owner of the corporate defendant, the plaintiffs' opposition to his motion failed to identify evidence or testimony that he controlled the corporate defendant's selection and use of service marks. Because "[t]he fact that [the individual defendant], as an employee of [the corporate defendant], may have uttered his employer's name to potential customers, is of no consequence . . .," the court dismissed the individual defendant from the case.¹²²⁸

An opinion from a different New York federal district court also reaching a finding of liability against an individual defendant arose from that defendant's hurried registration of three domain names based on a competitor's service marks and the use of those domain names to redirect consumers to the website of a company (also named as a defendant) of which he was a principal.¹²²⁹ The court

¹²²⁶ *Id.* at 981.

¹²²⁷ *Lion-Aire Corp. v. Lion Air Installation, Inc.*, 747 F. Supp. 3d 488, 515–16 (E.D.N.Y. 2024) (alterations in original) (first quoting *Pado, Inc. v. SG Trademark Holding Co.*, 537 F. Supp. 3d 414, 428 (E.D.N.Y. 2021); and then quoting *Mayes v. Summit Ent. Corp.*, 287 F. Supp. 3d 200, 212 (E.D.N.Y. 2018)).

¹²²⁸ *Id.* at 516.

¹²²⁹ *See Amplify Car Wash Advisors LLC v. Car Wash Advisory LLC*, 770 F. Supp. 3d 625 (S.D.N.Y. 2025).

adopted a test for individual liability substantively identical to that reproduced immediately above and observed that:

[The individual defendant] is [his company’s] sole founder, equity owner, and manager. He has sole authority to make binding decisions on behalf of [the company]. [The individual defendant] used his personal PayPal account to purchase the . . . domain names after attending the car wash industry convention. [He] also testified extensively to his rationale for buying domain names, lending credence to the conclusion that he carried out, “authorized and approved the acts” that form the basis of the complaint in this case.¹²³⁰

The individual defendant therefore was liable as a matter of law for infringement and cybersquatting along with his company.

2. Defenses

a. Legal Defenses

i. Judicial Immunity

The Second Circuit confirmed that the judge and clerk of a New York state court were judicially immune from liability for allegedly violating a plaintiff’s service mark rights to his name by using that name in “multiple court filings and orders.”¹²³¹ Those filings and orders transpired in a child-support case lost by the plaintiff, who responded by invoking a federal registration covering his name and by seeking various forms of monetary and injunctive relief. The Second Circuit affirmed the district court’s dismissal of the plaintiff’s claims against the state-court judge and clerk, explaining that “[j]udges are granted absolute immunity from liability for acts taken pursuant to their judicial power and authority.’ Absolute judicial immunity also extends to those who, at the direction of a judicial officer, perform administrative functions closely associated with the judicial process.”¹²³²

ii. Sovereign Immunity

After the United States Department of Defense and several military branches under its auspices cancelled some trademark licenses issued to it and threatened it with infringement actions to protect both the marks covered by those licenses and others, one plaintiff sought declaratory relief from a Texas federal district

¹²³⁰ *Id.* at 643 (quoting *Cartier v. Aaron Faber, Inc.*, 512 F. Supp. 2d 165, 170 (S.D.N.Y. 2007)).

¹²³¹ *See Dieujuste v. Sin*, 125 F.4th 397, 399 (2d Cir.), *cert. denied*, 146 S. Ct. 119 (2025).

¹²³² *Id.* at 399 (quoting *Oliva v. Heller*, 839 F.2d 37, 39 (2d Cir. 1988)).

court.¹²³³ Citing the risk of the defendants pursuing an award of damages, the plaintiff sought confirmation of its ability to have its request for a finding of noninfringement heard by a jury. The court demurred, noting that because the federal government had neither clearly asserted a claim for that relief nor just as clearly waived such a claim, it was impossible for the court to determine whether the Seventh Amendment's right to a jury trial applied. Moreover, and of equal importance:

[T]he noninfringement claims [by the plaintiff] fall within the Administrative Procedure Act's waiver of sovereign immunity from suit. But the APA's waiver applies only to actions "seeking relief other than money damages," and the right to a jury trial does not attach in such actions. Nor does the APA's waiver provision reference jury trials in any way or waive immunity from factfinding by a jury, as opposed to a judge. So the court cannot find a clear and unequivocal waiver of immunity from that type of suit, as Supreme Court precedent demands.¹²³⁴

iii. Abandonment

Section 45 of the Act provides in part that:

A mark shall be deemed to be "abandoned" if either of the following occurs:

- (1) When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be prima facie evidence of abandonment. "Use" of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.
- (2) When any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark. Purchaser motivation shall not be a test for determining abandonment under this paragraph.¹²³⁵

In addition to these two circumstances, courts also have recognized that abandonment of trademark rights can arise from naked licensing and assignments in gross. Whatever the mechanism involved, "[o]nce abandoned [through nonuse], a mark may be seized

¹²³³ See *Shields of Strength v. U.S. Dep't of Def.*, 742 F. Supp. 3d 721 (E.D. Tex. 2024).

¹²³⁴ *Id.* at 724 (quoting 5 U.S.C. § 702) (citations omitted).

¹²³⁵ 15 U.S.C. § 1127.

immediately and the person doing so may establish priority of use and ownership under the basic rules of trademark priority.”¹²³⁶

(A) Nonuse

More than one claim of abandonment fell short after the party advancing it failed to establish discontinuance of use in the first instance.¹²³⁷ For example, the disputed mark in one case was the following composite one, which the plaintiff used in connection with HVAC services:¹²³⁸



Following the plaintiff's acquisition by another company, the plaintiff's new parent operated under the umbrella LION ENTERPRISES mark, which it affixed to its service vans and which was associated with its bank account. Nevertheless, the parent's website recited that "Lion Enterprises is the proud parent company of three leaders in the HVAC market: Accutemp, Lion-Aire, and Spectrum. Together our business units specialize in the service, repair and replacement of PTAC units and thru-wall equipment";¹²³⁹ moreover, the plaintiff remained an extant standalone entity,¹²⁴⁰ which continued to distribute "advertisements, on business cards, and on work orders" bearing its mark and to purchase Google-based advertising featuring the mark.¹²⁴¹ On these facts, the court found it beyond material dispute that the defendants could not prove by the required clear and convincing evidence that the plaintiff had abandoned its mark through nonuse.¹²⁴²

¹²³⁶ Moke Am. LLC v. Moke Int'l Ltd., 126 F.4th 263, 271 (4th Cir. 2025) (quoting Emergency One, Inc. v. Am. Fire Eagle Engine Co., 332 F.3d 264, 268 (4th Cir. 2003)).

¹²³⁷ See, e.g., Med. Depot, Inc. v. Med Way US, Inc., 774 F. Supp. 3d 554, 580 (E.D.N.Y. 2025) (rejecting claim of abandonment as a matter of law after finding that plaintiff's use of disputed mark had been continuous), *appeal withdrawn*, No. 25-1049, 2025 WL 2269807 (2d Cir. July 30, 2025); IEP Techs., LLC v. KPM Analytics, Inc., 768 F. Supp. 3d 229, 241 (D. Mass. 2025) (rejecting claim on mark owner's motion for summary judgment based on continuous use of mark).

¹²³⁸ See Lion-Aire Corp. v. Lion Air Installation, Inc., 747 F. Supp. 3d 488, 499 (E.D.N.Y. 2024).

¹²³⁹ *Id.*

¹²⁴⁰ *Id.*

¹²⁴¹ *Id.* at 506.

¹²⁴² *Id.*

Of course, in light of the conjunctive nature of Section 45's two requirements—nonuse and an intent not to resume use—a showing of the former is of limited significance without the latter. A Fourth Circuit opinion drove that point home in a case in which the plaintiff's discontinuance of use exceeded the three years necessary to constitute *prima facie* evidence of abandonment.¹²⁴³ Although the court had in the past held that *prima facie* evidence merely shifted the burden of production (and not the burden of proof) on the issue of mark owners' intent to resume use of their marks,¹²⁴⁴ its characterization of the parties' respective burdens in the appeal before it suggested a more significant shift: "At that point, [*i.e.*, after three years' nonuse,] the burden shifts to the putative owner of the trademark . . . to *demonstrate* that it intended to resume use of its trademark, and that such intention was formed during the three-year presumption period."¹²⁴⁵ Whatever that language meant, however, the plaintiff's showing in response to the defendants' motion for summary judgment carried the day. That showing consisted of a declaration by the plaintiff's chief executive officer of the company's "timely intent to resume use of its trademark,"¹²⁴⁶ corroborated by a deck of slides sent to another company describing a partnership between the two companies, a proposed written agreement between them, and the plaintiff's ultimate resumption of sales under the disputed mark.¹²⁴⁷ "The CEO Declaration," the court concluded, "is . . . sufficient to establish—for summary judgment purposes—that [the plaintiff] timely intended to resume its use of the trademark"¹²⁴⁸

(B) *Naked Licensing*

Although a mark owner can abandon its rights through a license not allowing it to control the nature and quality of the goods or services provided under the licensed mark, abandonment through naked licensing requires the existence of a license in the first place. The Ninth Circuit made that point in a case in which the plaintiff was the originator and purveyor of BORED APE YACHT CLUB-branded nonfungible tokens, which it and the district court concluded qualified as protectable marks.¹²⁴⁹ As described by the court, the plaintiff's terms and conditions gave buyers both personal

¹²⁴³ See *Simply Wireless, Inc. v. T-Mobile US, Inc.*, 115 F.4th 266 (4th Cir. 2024), *cert. denied*, 145 S. Ct. 1898 (2025).

¹²⁴⁴ See *Emergency One, Inc. v. Am. FireEagle, Ltd.*, 228 F.3d 531, 535–36 (4th Cir. 2000).

¹²⁴⁵ *Simply Wireless*, 115 F.4th at 278 (emphasis added).

¹²⁴⁶ *Id.* at 279.

¹²⁴⁷ *Id.*

¹²⁴⁸ *Id.* at 280.

¹²⁴⁹ See *Yuga Labs, Inc. v. Ripps*, 144 F.4th 1137 (9th Cir. 2025).

and commercial rights to use the underlying artwork free of royalty fees.¹²⁵⁰ The defendants argued that arrangement was a naked license, but the court correctly identified that argument's fatal flaw, namely, that the terms and conditions did not mention the plaintiff's marks; moreover, in response to the plaintiff's summary judgment motion, the defendants had failed to adduce any evidence or testimony that purchasers of the NFTs believed they had acquired a license to use those marks. Because the court of appeals was unwilling to "infer the existence of a licensing agreement from the grant of other rights without something more," the district court had properly rejected the defendants' claim of a naked license.¹²⁵¹

iv. Descriptive Fair Use

Descriptive fair use, sometimes known as "classic" fair use, by a defendant of either the plaintiff's mark or the words making up that mark may be justified under any of three theories. First, Section 33(b)(4) of the Act recognizes as a defense to the evidence of validity attaching to a registered mark that a defendant is using "otherwise than as a mark" a personal name or other words "fairly and in good faith only to describe the [associated] goods or services . . . or their geographic origin."¹²⁵² Second, the common law preserves defendants' ability to use personal names and descriptive terms in their primary descriptive sense; consequently, a defendant in an action to protect a registered mark who first satisfies Section 33(b)(4)'s requirements can then fall back on the common law to provide a defense on the merits. Finally, Section 43(c)(3)(A) excludes from liability in a likelihood-of-dilution action "[a]ny fair use, including a . . . descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services."¹²⁵³

The sole substantive examination of the descriptive fair use defense appearing in a reported opinion came in a dispute in which the plaintiff challenged the defendants' uses of "ice" and "iced" in connection with various tobacco- and vaping-related products.¹²⁵⁴ Although finding the former word generic as a matter of law and dismissing the plaintiff's claims for that reason, the court went on to find no material dispute that "[e]ven if [the plaintiff] did have valid, non-generic marks, summary judgment is still warranted on [the plaintiff's] claims under the Lanham Act and common law claims of infringement and unfair competition based on the defense

¹²⁵⁰ *Id.* at 1151.

¹²⁵¹ *Id.* at 1162.

¹²⁵² 15 U.S.C. § 1115(b)(4).

¹²⁵³ *Id.* § 1125(c)(3)(A).

¹²⁵⁴ *See Fantasia Distrib., Inc. v. Myle Vape, Inc.*, 766 F. Supp. 3d 373 (E.D.N.Y. 2024).

of fair use.”¹²⁵⁵ To get to that result, the court first observed that “[t]o prevail on a fair use defense, the Defendants must show: ‘that the use was made (1) other than as a mark, (2) in a descriptive sense, and (3) in good faith.’”¹²⁵⁶ The plaintiff did not argue the defendants’ uses were in the nature of trademark ones, which established the defense’s first prerequisite, and the court determined with respect to the second that “Defendants use ‘ice’ and ‘iced’ to note a category of product flavors that provide a sense of a cooling effect.”¹²⁵⁷ That left the third prerequisite, which also was satisfied as a matter of law because:

[C]ourts equate the good faith prong “with the subsequent user’s intent to trade on the good will of the trademark holder by creating confusion as to source or sponsorship.” Further, “[t]hrough a showing of good faith is its own requirement under the statute, there is some overlap between fair use’s three prongs; evidence that the defendant used the term descriptively and not as a mark might also demonstrate that the defendant acted in good faith.” Here, Defendants used the term “ice” descriptively The undisputed record shows that Defendants used “ice” and “iced” in good faith, and there is no evidence that Defendants intended to trade on [Plaintiff’s] good will by creating confusion as to the source of their products.¹²⁵⁸

v. Nominative Fair Use

The Ninth Circuit’s remarkable inability to reach an intra-circuit consensus on the nature of the nominative fair use doctrine continued. Although requiring plaintiffs to overcome defendants’ invocations of the doctrine in one opinion,¹²⁵⁹ the court inconsistently referred to nominative fair use as a defense in another.¹²⁶⁰ Even more inconsistently, and although the court has

¹²⁵⁵ *Id.* at 395.

¹²⁵⁶ *Id.* (quoting *VOX Amplification Ltd. v. Meussdorffer*, 50 F. Supp. 3d 355, 375 (E.D.N.Y. 2014)).

¹²⁵⁷ *Id.*

¹²⁵⁸ *Id.* (first alteration in original) (first quoting *Solid 21, Inc. v. Breitling U.S.A., Inc.*, 96 F.4th 265, 278 (2d Cir. 2024); and then quoting *id.* at 279).

¹²⁵⁹ *See Yuga Labs, Inc. v. Ripples*, 144 F.4th 1137, 1164 (9th Cir. 2025) (“Nominative fair use is not an affirmative defense in the traditional sense. The defendant ‘need only show that it used the mark to refer to the trademarked good.’ If that showing is made, the burden then ‘reverts to the plaintiff to show a likelihood of confusion.’” (quoting *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1183 (9th Cir. 2010))).

¹²⁶⁰ *See Trader Joe’s Co. v. Trader Joe’s United*, 150 F.4th 1040, 1054, 1055 (9th Cir. 2025). The *Trader Joe’s* court reversed the sua sponte dismissal of a federal cause of action for likely dilution by blurring in light of the defendant’s failure to raise the issue. *See id.* at 1055 (“Because [the defendant] never asserted a nominative fair use defense below, the district court erred in dismissing [the plaintiff’s] dilution claim on this ground.”).

clearly held that its three-part *New Kids on the Block* test for nominative fair use¹²⁶¹ should completely supplant its standard multifactor test for likely confusion,¹²⁶² the court adopted a different methodology altogether in a case between competing purveyors of nonfungible tokens.¹²⁶³ The plaintiff's NFTs consisted of "bored apes," of which the following were representative examples:¹²⁶⁴



The defendants' intentional copying, which they claimed was for "educational purposes, as protest and satirical commentary," was not disputed:¹²⁶⁵



Citing *New Kids on the Block*, the court began its analysis with the following observation:

Nominative fair use does not implicate the source-identification function of trademark. By definition, if the

¹²⁶¹ See *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992).

¹²⁶² See *Playboy Enters. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002) ("In cases in which the defendant raises a nominative use defense, the [*New Kids on the Block*] three-factor test should be applied instead of the [multifactor] test for likelihood of confusion The three-factor test better evaluates the likelihood of confusion in nominative use cases." (footnote omitted)).

¹²⁶³ See *Yuga Labs, Inc. v. Ripps*, 144 F.4th 1137 (9th Cir. 2025).

¹²⁶⁴ *Id.* at 1151.

¹²⁶⁵ *Id.* at 1154.

defendant *uses the plaintiff's mark to refer to the plaintiff's product*, the source is correctly identified. To determine whether a particular use qualifies as nominative fair use, we consider the *New Kids* factors:

First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.¹²⁶⁶

The court then concluded that, because the defendants used their NFTs as marks for their own goods, the defendants' claim of nominative fair use was misplaced and that the proper rubric for evaluating the merits of the plaintiff's claim of infringement was a straightforward application of the standard multifactored test for likely confusion.¹²⁶⁷

Lacking controlling authority from the Eighth Circuit, a Minnesota federal district court held that a defendant's claim of nominative fair use should be resolved through an application of the standard multifactored test for likely confusion coupled with the Ninth Circuit's three *New Kids on the Block* factors.¹²⁶⁸ It did so in a case brought by the owner of the PEDIALYTE mark for "an affordable treatment for mild to moderate dehydration, especially for children who are more prone to catching gastrointestinal illnesses."¹²⁶⁹ The plaintiff accused the defendant of promoting its REVITALYTE mark for an adult rehydration product through various uses of the PEDIALYTE mark, including "Compare to Pedialyte" references,¹²⁷⁰ advertising featuring "various tweets of consumers talking about how embarrassing it was to have to go to the baby aisle to purchase Pedialyte when they were hungover,"¹²⁷¹ and the retweeting of "comments referring to Revitalyte as 'the adult version of Pedialyte,' 'like Pedialyte but for adults,' 'barstool sports Pedialyte,' 'barstool sports brand [P]edialyte,' 'barstool sports branded [P]edialyte,' and 'Barstool [P]edialyte.'"¹²⁷² Claiming nominative fair use, the defendant sought to prevail on a motion for judgment on the pleadings, but the court declined to grant that relief. Not only did the plaintiff's complaint aver the existence of

¹²⁶⁶ *Id.* at 1163–64 (quoting *New Kids on the Block*, 971 F.2d at 308) (footnote omitted).

¹²⁶⁷ *Id.* at 1164–66.

¹²⁶⁸ *Abbott Lab's v. Revitalyte LLC*, 744 F. Supp. 3d 894, 903 (D. Minn. 2024) (quoting *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992)).

¹²⁶⁹ *Id.* at 897.

¹²⁷⁰ *Id.* at 899.

¹²⁷¹ *Id.*

¹²⁷² *Id.* (alterations in original).

actual confusion caused by the defendant's promotion tactics, but "[the plaintiff] has put forth allegations that [the defendant], in conjunction with using the Pedialyte mark on its labeling, has acted in a way that suggests sponsorship and endorsement by [the plaintiff]." ¹²⁷³ The plaintiff's case therefore survived until the proof stage of the litigation.

vi. Statutes of Limitation

Except for those applicable to certain causes of action for the cancellation of registrations on the Principal Register that have passed their fifth anniversaries, "[t]he Lanham Act does not provide a [statute of] limitations period." ¹²⁷⁴ Nevertheless, the same is not true where most state-law torts are concerned, and one proved the downfall for four models asserting various causes of action under Massachusetts law to challenge the unauthorized use of their images on Facebook to promote a strip club. ¹²⁷⁵ Those uses took place between August 2013 and November 2014, and the plaintiffs filed suit only in 2021. A Massachusetts federal district court held the relevant statute of limitations to be three years, ¹²⁷⁶ and, during the pendency of the case, it certified to the Supreme Judicial Court of Massachusetts the question of "[u]nder what circumstances, if any, is material publicly posted to social media platforms 'inherently unknowable' for purposes of applying the discovery rule in the context of defamation, right to publicity, right to privacy and related tort claims?" ¹²⁷⁷ That court responded by holding that:

Claims for defamation, violation of the right to privacy, violation of the right of publicity, and related claims that arise from material posted to social media platforms accrue when a plaintiff knows, or reasonably should know, he or she has been harmed by the defendant's publication of that material. Given how "vast" the social media universe is on the [i]nternet, and how access to, and the ability to search for, social media posts may vary from platform to platform and even from post to post, that determination requires consideration of the totality of the circumstances regarding

¹²⁷³ *Id.* at 903.

¹²⁷⁴ *McKenzie v. Artists Rts. Soc'y, Inc.*, 757 F. Supp. 3d 427, 438 (S.D.N.Y. 2024); *see also* *LLT Mgmt. LLC v. Emory*, 766 F. Supp. 3d 576, 594 (E.D. Va. 2025) ("[T]he Lanham Act does not expressly incorporate a limitations period for § 43(a) claims." (alteration in original) (quoting *Belmora LLC v. Bayer Consumer Care AG*, 987 F.3d 284, 293 (4th Cir. 2021))), *reconsideration denied sub nom.* *Pecos River Talc LLC v. Emory*, No. 4:24-cv-75, 2025 WL 1249947 (E.D. Va. Apr. 30, 2025).

¹²⁷⁵ *See Davalos v. Baywaych Inc.*, 752 F. Supp. 3d 416 (D. Mass. 2024), *reconsideration denied*, No. CV 21-11075-NMG, 2025 WL 1135570 (D. Mass. Apr. 17, 2025), *appeal docketed*, No. 25-1467 (1st Cir. May 15, 2025).

¹²⁷⁶ *See* Mass. Gen. Law c. 260, § 2A.

¹²⁷⁷ *Davalos*, 752 F. Supp. 3d at 419.

the social media posting, including the extent of its distribution, and the accessibility and searchability of the posting. The application of the discovery rule is therefore a highly fact-specific inquiry, and the determination of whether plaintiffs knew or should have known that they were harmed by a defendant's post on social media must often be left to the finder of fact. If, however, the material posted to social media is widely distributed, and readily accessible and searchable, a judge may determine as a matter of law that the discovery rule cannot be applied.¹²⁷⁸

Based on that holding, the federal court observed that “the mere fact that something was posted to social media does not establish as a matter of law that the plaintiff should have known of it. Instead, . . . the outcome depends heavily on the facts of the post at issue.”¹²⁷⁹ It also acknowledged that “Facebook had over one billion users in 2013.”¹²⁸⁰ Nevertheless, the court faulted the plaintiffs for not explaining their failure to discover the offending posts on a more timely basis, especially because: (1) the plaintiffs had “not alleged how many people actually viewed [the defendant's] Facebook page or the specific posts at issue, or how many ‘likes’ or ‘shares’ the relevant posts received”;¹²⁸¹ (2) the summary judgment record was bare of “any allegations that the posts were ever concealed, kept secret, or restricted”;¹²⁸² and (3) “[p]erhaps most salient, the facts leave no doubt that plaintiffs, all of whom license their images as part of their profession, had good reason to know that people were misappropriating their likenesses on social media.”¹²⁸³ Under these circumstances, “[t]he fact that the allegedly misappropriated posts occurred amid a vast sea of Facebook posts does not . . . render plaintiffs’ lack of knowledge objectively reasonable,” and their claims therefore were time-barred as a matter of law.¹²⁸⁴

b. Equitable Defenses

i. Unclean Hands

One court held that “[t]he doctrine of unclean hands permits courts ‘to deny injunctive relief where the party applying for such relief is guilty of conduct involving fraud, deceit, unconscionability, or bad faith related to the matter at issue to the detriment of the

¹²⁷⁸ *Id.* (alteration in original) (quoting *Davalos v. Bay Watch, Inc.*, 240 N.E.3d 753, 755–56 (Mass. 2024)).

¹²⁷⁹ *Id.* at 421.

¹²⁸⁰ *Id.*

¹²⁸¹ *Id.*

¹²⁸² *Id.* at 422.

¹²⁸³ *Id.*

¹²⁸⁴ *Id.* at 423.

other party”;¹²⁸⁵ “[i]n the trademark infringement context,” it continued, “the doctrine of unclean hands may preclude equitable relief to a plaintiff who procured or used the trademark in a deceptive or fraudulent manner.”¹²⁸⁶ Seeking to head off a temporary restraining order in the litigation producing that restatement, the defendant accused the plaintiff and its predecessor of various acts of misconduct, including operating restaurants in a manner producing bad publicity and leading their landlord to terminate the restaurants’ leases, but those alleged acts did not bear on the plaintiff’s acquisition of rights to the marks on which the plaintiff relied.¹²⁸⁷ That omission doomed the defendant’s claim that unclean hands precluded the plaintiff from prevailing.

The Ninth Circuit reached a similar outcome, albeit in an opinion not expressly referring to the doctrine of unclean hands.¹²⁸⁸ The plaintiff in that litigation asserted protectable rights to a series of nonfungible tokens, the trademark rights to which were allegedly infringed by the defendants’ marketing of virtually identical NFTs purportedly intended to satirize the plaintiff’s goods. Among other responsive arguments, the defendants maintained that the plaintiff lacked protectable rights in the first instance because it had unlawfully sold its NFTs as unregistered securities. The Ninth Circuit disagreed, holding that “there is an insufficient nexus between [the plaintiff’s] alleged securities violation and its use of the [claimed] [m]arks in commerce to warrant withholding trademark protection.”¹²⁸⁹

In contrast, and unusually, the Federal Circuit affirmed a finding that unclean hands grounded in litigation-related misconduct barred a counterclaim for trade dress infringement; even more unusually, most of that misconduct related to the counterclaim plaintiffs’ pursuit of a cause of action for design patent infringement.¹²⁹⁰ As that court summarized the district court’s findings, “[the counterclaim plaintiffs] engaged in litigation misconduct, including by failing to disclose certain patent applications during discovery, attempting repeatedly to block [the counterclaim defendants] from obtaining [the counterclaim plaintiffs’] prior art searches, stringing [the counterclaim defendants] along during settlement negotiations, and providing

¹²⁸⁵ *FBB IP LLC v. Big Boy Rest. Grp.*, 769 F. Supp. 3d 765, 775 (S.D. Ohio 2025) (quoting *Performance Unlimited, Inc. v. Questar Publishers, Inc.*, 52 F.3d 1373, 1383 (6th Cir. 1995)).

¹²⁸⁶ *Id.*

¹²⁸⁷ *Id.*

¹²⁸⁸ *See Yuga Labs, Inc. v. Ripps*, 144 F.4th 1137 (9th Cir. 2025).

¹²⁸⁹ *Id.* at 1160.

¹²⁹⁰ *See Luv n’ Care, Ltd. v. Laurain*, 98 F.4th 1081 (Fed. Cir. 2024).

evasive and misleading testimony.”¹²⁹¹ Even without a readily apparent nexus between that misconduct and the counterclaim plaintiffs’ claims to trade dress protection, the court cited with approval the district court’s finding of “an ‘immediate and necessary relation’ between the unclean hands findings and the dismissed [patent and trade dress] claims,”¹²⁹² as well as its determination that “[a]fter five years of litigation, [the counterclaim plaintiffs]’ conduct with respect to its pursuit of the [design] patent infringement claim cannot be cordoned off from its conduct with respect to its pursuit of its other claims.”¹²⁹³ The lower tribunal therefore had not erred in holding the trade dress counterclaim barred by unclean hands.

A different court found that unclean hands barred three defendants from asserting the equitable defense of acquiescence.¹²⁹⁴ The preliminary injunction record before that tribunal established that two individual defendants accused of infringement and related torts had once been members of the board of directors of the plaintiff nonprofit organization. Despite that membership, the individual defendants had founded a for-profit entity (itself named as the lead defendant), which used a mark identical to that of the plaintiff in connection with competitive services. Without the plaintiff’s knowledge—and while the two individual defendants remained on the plaintiff’s board—the lead defendant successfully registered the disputed mark in its own name; once the parties’ formerly amicable relationship had ended, the lead defendant used the registration as the basis of takedown notices targeting the plaintiff. “[T]hese actions,” the court concluded, “both concern [the plaintiff’s] cause of action (as to the issues of acquiescence and confusion respectively) and ‘transgress equitable standards of conduct’ sufficient to apply the doctrine of unclean hands.”¹²⁹⁵

ii. Laches

“The doctrine of laches is an equitable defense designed to bar stale claims.”¹²⁹⁶ Courts applied tests for laches over the past year that differed in form, although not in substance. For example, some courts adopted a two-part definition requiring showings of: (1) a lack of diligence on the plaintiff’s part; and (2) prejudice to the

¹²⁹¹ *Id.* at 1093.

¹²⁹² *Id.* at 1096.

¹²⁹³ *Id.*

¹²⁹⁴ See *Colors+ v. Colors+ Counseling, LLC*, 782 F. Supp. 3d 579 (N.D. Ohio 2025), *opinion clarified*, No. 1:25-cv-00078-PAB, 2025 WL 2322784 (N.D. Ohio Aug. 12, 2025).

¹²⁹⁵ *Id.* at 634 (quoting *Days Inn Worldwide, Inc. v. Adrian Motel Co.*, No. 07-13523, 2009 WL 3199882, at *13 (E.D. Mich. Sept. 20, 2009)).

¹²⁹⁶ *Ketonatural Pet Foods, Inc. v. Hill’s Pet Nutrition, Inc.*, 756 F. Supp. 3d 1128, 1152 (D. Kan. 2024), *appeal docketed*, No. 24-3185 (10th Cir. Dec. 4, 2024).

defendant.¹²⁹⁷ Others, however, adopted a three-part test, which required a party raising a laches defense to prove: (1) a delay in asserting a right or a claim; (2) that the delay was not excusable; and (3) that there was undue prejudice to the party against whom the claim is asserted.¹²⁹⁸

As always, federal courts entertaining claims of laches by defendants referred to statutes of limitations for corresponding state-law torts as benchmarks for determining whether plaintiffs had delayed too long in bringing suit: If they did for longer than the applicable statute of limitations, laches presumptively barred their claims; otherwise, the contrary was true. That general proposition led courts to recognize presumptions of laches (or at least presumptively inexcusable delays) in cases in which plaintiffs dragged their feet for two years under Kansas law,¹²⁹⁹ four years under Georgia law,¹³⁰⁰ four years under Massachusetts law,¹³⁰¹ and six years under New York law.¹³⁰²

As an opinion from a Kansas federal district court demonstrated, state-law statutes of limitations are less absolute rules in the laches inquiry but instead “only . . . guideline[s].”¹³⁰³ The court applied that proposition in a dispute between pet food manufacturers, one of which (the plaintiff) sold grain-free goods, while the other (the defendant) included grain in its foods. Having suggested a connection between grain-free dog food and a particular canine cardiac condition, the defendant sought to escape the resulting accusation of false advertising by averring in a motion to dismiss that laches barred the plaintiff’s challenge to all but one of the defendant’s alleged misrepresentations. The court’s denial of the motion leaned heavily on an announcement by the Food and Drug Administration that the agency had insufficient data to establish a causal relationship between grain-free food and the condition, which occurred within a year of the complaint’s filing:

Reviewing the totality of the circumstances surrounding when plaintiff filed suit, and taking as true the relevant allegations in the complaint, plaintiff has alleged that its delay was reasonable, and that defendant did not suffer

¹²⁹⁷ See, e.g., *id.*; *Davalos v. Baywaych Inc.*, 752 F. Supp. 3d 416, 425 (D. Mass. 2024), *reconsideration denied*, No. CV 21-11075-NMG, 2025 WL 1135570 (D. Mass. Apr. 17, 2025), *appeal docketed*, No. 25-1467 (1st Cir. May 15, 2025).

¹²⁹⁸ See, e.g., *McKenzie v. Artists Rts. Soc’y, Inc.*, 757 F. Supp. 3d 427, 438 (S.D.N.Y. 2024); *Rolux Watch U.S.A., Inc. v. Jewelry Unlimited, Inc.*, 757 F. Supp. 3d 1342, 1366 (N.D. Ga. 2024).

¹²⁹⁹ See, e.g., *Ketonatural Pet Foods*, 756 F. Supp. 3d at 1152.

¹³⁰⁰ See *Rolux Watch U.S.A.*, 757 F. Supp. 3d at 1366.

¹³⁰¹ See *Davalos*, 752 F. Supp. 3d at 424.

¹³⁰² See *McKenzie*, 757 F. Supp. 3d at 438.

¹³⁰³ *Ketonatural Pet Foods*, 756 F. Supp. 3d at 1152.

undue prejudice. Delay by itself is not dispositive, and although some of the alleged misrepresentations fall outside the statute of limitations period, the statute of limitations is only a guideline which the Court can consider. Plaintiff has alleged circumstances which facially justify the timing of this suit.¹³⁰⁴

Coming as it did on a (largely successful) motion for summary judgment of liability for counterfeiting and for infringement, a different court's rejection of claimed laches was more definitive.¹³⁰⁵ The infringing uses at issue were in connection with watches, and the summary judgment record demonstrated the plaintiff's knowledge of the defendants' misuse of its marks with rings and pendants approximately nine years before filing suit. That knowledge, however, did not translate into the plaintiff's awareness of the conduct actually underlying its complaint, which the plaintiff filed within four months of learning of the defendants' watch-related misbehavior. Holding that "the law is clear that the period for laches does not start when a plaintiff first had notice that its mark was being used,"¹³⁰⁶ the court rejected the defendants' claim of laches as a matter of law because "there is no genuine issue of material fact as to whether [the plaintiff] delayed in bringing this action."¹³⁰⁷

Nevertheless, some defense claims of laches succeeded, most notably by a pair of defendants accused in a New York federal district court of false advertising and reverse passing off.¹³⁰⁸ According to the plaintiff's complaint, the defendants had since 1999 falsely claimed to own the copyright covering a sculpture, the use of the image of which the defendants licensed. Beyond the long-standing nature of that conduct, the complaint described the plaintiff's awareness of it as early as 2007, years before the plaintiff's initiation of the action on February 27, 2022. With the plaintiff failing to explain either his inaction or his failure to investigate whether the sculpture actually was covered by a copyright registration, the court concluded that a presumption of laches applied; moreover, it credited the defendants' claim that the death of a key witness would prejudice them from an evidentiary perspective.¹³⁰⁹ The plaintiff's claims under the Lanham Act therefore were dismissed with prejudice.¹³¹⁰

¹³⁰⁴ *Id.* at 1153.

¹³⁰⁵ *See* Rolex Watch U.S.A., Inc. v. Jewelry Unlimited, Inc., 757 F. Supp. 3d 1342 (N.D. Ga. 2024).

¹³⁰⁶ *Id.* at 1366.

¹³⁰⁷ *Id.* at 1367.

¹³⁰⁸ *See* McKenzie v. Artists Rts. Soc'y, Inc., 757 F. Supp. 3d 427 (S.D.N.Y. 2024).

¹³⁰⁹ *Id.* at 438–39.

¹³¹⁰ *Id.* at 444.

Another successful claim of laches was made by a Massachusetts strip club accused by four professional models of using photographs of them on Facebook to promote its services in violation of Section 43(a)'s prohibition on false endorsements.¹³¹¹ No dispute existed that the defendant had posted the photographs more than four years prior to the plaintiffs' challenge to them, a circumstance requiring the court to determine whether the plaintiffs could rebut the presumption of laches created by the four-year statute of limitations applicable to comparable state-law causes of action. Although the plaintiffs had the benefit under state law of the discovery rule, pursuant to which the laches clock began running only when they had learned or should have learned of the defendant's conduct, the court took a hostile attitude toward them on that issue. That was in part because of their general litigiousness toward other defendants:

[P]laintiffs have failed to provide facts sufficient to create a material dispute as to whether their actions were reasonably diligent. They claim that they discovered the offense when some of them learned it from their attorney in 2021 and others could not recall when they first learned about the posts. None demonstrate reasonable diligence. The only substantive piece of evidence plaintiff has proffered to the contrary is an affidavit of a legal secretary who claims that successful image searches can take "days or weeks to complete," but that does nothing to explain why an over eight-year delay is reasonable here.

The facts are also clear that plaintiffs have brought a host of other lawsuits based on misappropriation of their likenesses. Although not related to the specific images in question here, the extent to which plaintiffs' likenesses have allegedly been misused is sufficient to put them on notice. Plaintiffs have shown their capability of keeping track of their images, many of which have allegedly been misappropriated on social media sites for similarly situated "gentlemen's clubs." The absence of any evidence of an investigation to discover such images by other means shows a lack of due diligence.¹³¹²

The plaintiffs' unjustified delay was not the only fatal infirmity of their attempted rebuttal of the presumption of laches. On the contrary, the defendant successfully convinced the court that it would suffer evidentiary prejudice if forced to defend against the plaintiffs' federal claims. "Most notably," the court observed,

¹³¹¹ See *Davalos v. Baywatch Inc.*, 752 F. Supp. 3d 416 (D. Mass. 2024), *reconsideration denied*, No. CV 21-11075-NMG, 2025 WL 1135570 (D. Mass. Apr. 17, 2025), *appeal docketed*, No. 25-1467 (1st Cir. May 15, 2025).

¹³¹² *Id.* at 425 (citations omitted).

“defendant points to the fact that the original owner of [the club] died in 2018, after the images were allegedly misused but before plaintiffs filed suit.”¹³¹³ “Had plaintiffs brought their claim sooner,” it continued, “that individual would have had the opportunity to present potentially salient details about his intent and the likelihood of confusion the images may have caused.”¹³¹⁴ Beyond that, the plaintiffs sought to support their case with the results of a circa-2023 survey, concerning which the court accepted the defendant’s argument that “had plaintiffs’ claim been brought sooner, it would have been possible to assess this issue based on potential clientele at the time the posts were made rather than a decade later.”¹³¹⁵ Laches therefore barred the plaintiffs’ claims as a matter of law.¹³¹⁶

iii. Acquiescence

An Ohio federal district court held that:

Acquiescence is an affirmative equitable defense to trademark infringement that requires “a finding of conduct on the plaintiff’s part that amounted to an assurance to the defendant, express or implied, that plaintiff would not assert his trademark rights against the defendant.” “Acquiescence requires unreasonable delay in enforcing trademark rights, prejudice to the defendant, and a showing, by words or conduct, that the trademark holder ‘actively consented’ to use of the mark.” “Although both laches and acquiescence require proof that the party seeking to enforce its trademark rights has unreasonably delayed pursuing litigation and, as a result, materially prejudiced the alleged infringer, acquiescence requires more.”¹³¹⁷

Seeking to establish the required affirmative representation by the plaintiff that it would not assert its rights, the lead defendant and the two individual defendants in that case pointed out that the two individual defendants had for a time served on the plaintiff’s board of directors, that the plaintiff and the lead defendant had jointly promoted their services in the same promotional materials, and that certain members of the plaintiff’s board had testified that the plaintiff at least initially did not object to the defendants’ use.

¹³¹³ *Id.*

¹³¹⁴ *Id.* at 425–26.

¹³¹⁵ *Id.* at 426.

¹³¹⁶ *Id.*

¹³¹⁷ *Colors+ v. Colors+ Counseling, LLC*, 782 F. Supp. 3d 579, 632 (N.D. Ohio 2025) (first quoting *Bar’s Prods. Inc. v. Bars Prods. Int’l Inc.*, 662 F. App’x 400, 412–13 (6th Cir. 2016); then quoting *id.*; and then quoting *Kellogg Co. v. Exxon Corp.*, 209 F.3d 562, 566 (6th Cir. 2000)), *opinion clarified*, No. 1:25-cv-00078-PAB, 2025 WL 2322784 (N.D. Ohio Aug. 12, 2025).

Those showings, however, came to naught for three reasons: (1) the plaintiff lacked full knowledge of the defendants' conduct during the entire period of its alleged delay; (2) the defendants' conduct (which included the fraudulent procurement of a registration covering the disputed mark) constituted unclean hands, therefore disqualifying them from invoking any equitable defenses; and (3) confusion between the parties' uses of the same mark was inevitable.¹³¹⁸

3. Remedies

a. Injunctive Relief

i. Prerequisites for Injunctive Relief

In *eBay Inc. v. MercExchange, LLC*,¹³¹⁹ the Supreme Court identified four showings a plaintiff must make to receive permanent injunctive relief:

- (1) that it has suffered an irreparable injury; (2) that remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction.¹³²⁰

The Court subsequently held in *Winter v. Natural Resources Defense Council, Inc.*¹³²¹ that the same factors applied in the preliminary injunction context.¹³²² Discussions of each of these prerequisites appeared in numerous opinions.

(A) Irreparable Harm

Following its amendment as part of the Trademark Modernization Act, Section 34(a) of the Lanham Act recites that a prevailing plaintiff seeking injunctive relief “shall be entitled to a rebuttable presumption of irreparable harm upon a finding of a violation identified in this subsection in the case of a motion for a permanent injunction or upon a finding of likelihood of success on . . . a motion for a preliminary injunction or temporary restraining order.”¹³²³ In many cases, that presumption proved the only thing

¹³¹⁸ *Id.* at 633–35.

¹³¹⁹ 547 U.S. 388 (2006).

¹³²⁰ *Id.* at 391.

¹³²¹ 555 U.S. 7 (2008).

¹³²² *Id.* at 20.

¹³²³ 15 U.S.C. § 1116(a).

necessary for plaintiffs.¹³²⁴ As one court explained, “[t]his statutory presumption accounts for the unique nature of trademarks and the difficulty in calculating the cost of their infringement.”¹³²⁵ Other plaintiffs prevailed on the issue by invoking pre-TMA case law to similar effect instead of the amended Section 34(a)¹³²⁶ or otherwise without reference to the statutory language.¹³²⁷

Still other plaintiffs successfully invoked the statutory presumption and bolstered it with additional showings of irreparable harm. For example, a manufacturer of a cranberry supplement asserting a counterfeiting cause of action satisfied its burden under this prong of the relevant analysis in part by establishing that the putative supplement sold by the defendants lacked cranberry extract, a circumstance threatening irreparable harm to the plaintiff’s business and reputation.¹³²⁸ Another plaintiff, one in the camouflage pattern business, successfully invoked Section 34(a)¹³²⁹ but also convincingly argued that the defendants’ goods did not comply with the plaintiff’s specifications, thereby threatening the plaintiff’s reputation.¹³³⁰

Finally, some prevailing plaintiffs successfully demonstrated irreparable harm without availing themselves of the presumption.

¹³²⁴ See, e.g., *City of N.Y. ex rel. FDNY v. Henriquez*, 768 F. Supp. 3d 388, 401 (E.D.N.Y. 2025) (“In trademark cases, a showing of likelihood of confusion as to source or sponsorship establishes the requisite likelihood of success on the merits as well as risk of irreparable harm.” (quoting *Am. Cyanamid Co. v. Campagna Per Le Farmacie in Italia, S.P.A.*, 847 F.2d 53, 55 (2d Cir. 1988))), *appeal docketed*, No. 25-641 (2d Cir. Mar. 19, 2025); *Vision Wheel, Inc v. Vision Forged*, 732 F. Supp. 3d 1161, 1166 (C.D. Cal. 2024) (“Defendant has not rebutted [the statutory] presumption, so [Plaintiff] has adequately established a risk of irreparable harm.”).

¹³²⁵ *FBB IP LLC v. Big Boy Rest. Grp.*, 769 F. Supp. 3d 765, 781 (S.D. Ohio 2025).

¹³²⁶ See, e.g., *Med. Depot, Inc. v. Med Way US, Inc.*, 774 F. Supp. 3d 554, 582 (E.D.N.Y. 2025) (“[I]n the Second Circuit ‘proof of a likelihood of confusion [which the parties have conceded] establishes . . . irreparable harm.’” (second and third alterations in original) (quoting *Brennan’s Inc. v. Brennan’s Rest., L.L.C.*, 360 F.3d 125, 129 (2d Cir. 2004))), *appeal withdrawn*, No. 25-1049, 2025 WL 2269807 (2d Cir. July 30, 2025); *Chanel, Inc. v. 21948352*, 769 F. Supp. 3d 1299, 1307–08 (S.D. Fla. 2025) (“[A] sufficiently strong showing of likelihood of confusion [caused by trademark infringement] may by itself constitute a showing of . . . a substantial threat of irreparable harm.” (quoting *E. Remy Martin & Co., S.A. v. Shaw-Ross Int’l Imps., Inc.*, 756 F.2d 1525, 1530 (11th Cir. 1985))).

¹³²⁷ See *Eicher Motors Ltd. v. P’ships & Unincorporated Ass’ns Identified on Schedule “A,”* 794 F. Supp. 3d 543, 554 (N.D. Ill. 2025) (“[I]t is true that ‘the Seventh Circuit has clearly and repeatedly held that damage to a trademark holder’s goodwill can constitute irreparable injury for which the trademark owner has no adequate legal remedy,’ and that as a result irreparable harm ‘is generally presumed in trademark infringement cases.’” (quoting *Milwaukee Elec. Tool Corp. v. Schedule “A,”* No. 24 C 12487, 2025 WL 1677503, at *4 (N.D. Ill. June 13, 2025)).

¹³²⁸ See *Solv Wellness, Inc. v. Does 1–10*, 788 F. Supp. 3d 1252, 1256 (N.D. Ga. 2025).

¹³²⁹ See *Crye Precision LLC v. Concealed Carrier, LLC*, 749 F. Supp. 3d 308, 334 (E.D.N.Y. 2024) (“[I]f the plaintiff demonstrates both the validity of its mark and a likelihood of confusion, and the defendant fails to rebut the presumption, the plaintiff satisfies its burden of showing irreparable harm.”).

¹³³⁰ *Id.* at 334–36.

That outcome held in a case in which the plaintiffs had operated a wine and food festival for years before the defendants began promoting a competing festival in part by falsely representing to potential attendees that the defendants had purchased the plaintiffs' festival.¹³³¹ In support of their motion for a preliminary injunction, the plaintiffs proffered affidavit testimony to the effect that consumers and the trade would mistrust them based on the mistaken perception that they were associated with entities and individuals as dishonest as the defendants. The defendants responded by pointing to their attempts at corrective statements, but the court found that showing unconvincing, especially in light of the defendants' failure to admit or explain the falsity of at least some of their original statements.¹³³² It therefore ultimately concluded that "Plaintiffs have shown likely harm to their goodwill and reputation which would be irreparable absent additional corrective disclosures. 'By its very nature injury to goodwill and reputation is not easily measured or fully compensable in damages. Accordingly, this kind of harm is often held to be irreparable.'"¹³³³

Of course, and as Section 34(a) expressly contemplates, its presumption of irreparable harm can be rebutted, and more than one defendant attempted to do so. For example, in a case in which two entities—the plaintiff a nonprofit organization serving LGBTQ+ youth and the lead defendant a for-profit providing the same services—had once had overlapping board members and principals, the defendants argued in part that the parties' peaceful coexistence for a four-year period outweighed the statutory language, only to have the court conclude that the parties' relatively recent falling out had mooted that circumstance.¹³³⁴ The court also rejected the defendants' contention that no actual confusion had resulted from that split, pointing to evidence in the preliminary injunction record to the contrary.¹³³⁵ Finally, it was unconvinced that any harm suffered by the plaintiff was self-inflicted because the plaintiff had precipitated the conflict between the parties by

¹³³¹ See *Nantucket Wine & Food Festival, LLC v. Gordon Cos.*, 759 F. Supp. 3d 259 (D. Mass. 2024).

¹³³² *Id.* at 281. The defendants argued that the corrective e-mails had mooted any harm suffered by the plaintiffs, but the court found that the corrections "did not admit or explain the falsity of the original statement[s]," *id.*, and also were in fine print compared to the remaining text in the e-mails. *Id.* That the plaintiffs had undertaken their own damage control did not render the damage they had suffered any less irreparable. *Id.* at 280–81.

¹³³³ *Id.* (quoting *Ross-Simons of Warwick, Inc. v. Baccarat, Inc.*, 102 F.3d 12, 20 (1st Cir. 1996)).

¹³³⁴ See *Colors+ v. Colors+ Counseling, LLC*, 782 F. Supp. 3d 579, 635 (N.D. Ohio 2025), *opinion clarified*, No. 1:25-cv-00078-PAB, 2025 WL 2322784 (N.D. Ohio Aug. 12, 2025).

¹³³⁵ *Id.*

terminating the employment of one of the two individual defendants.¹³³⁶

A second failed attempt to rebut Section 34(a)'s statutory presumption of irreparable harm presented itself in a case in which the defendant violated a contractual division of the country between the parties by announcing its intent to launch restaurants in territories reserved to the plaintiff under the same mark used by the plaintiff.¹³³⁷ Attempting to diminish the significance of the court's conclusion that Section 34(a) "accounts for the unique nature of trademarks and the difficulty the cost of their infringement,"¹³³⁸ the defendant argued that the plaintiff's predecessor had operated restaurants in a manner leading to negative publicity and to the loss of some of the real estate leases under which the restaurants operated. Unsurprisingly, the court gave the statutory presumption its full effect, concluding in the process that "Defendant does not provide authority for the proposition that it is entitled to use the trademark in Plaintiff's territory by alleging that Plaintiff's predecessor previously tarnished the trademark's reputation."¹³³⁹

Nevertheless, at least one plaintiff failed to make its allegation of irreparable harm stick while seeking a preliminary injunction.¹³⁴⁰ That litigant was a franchisor of services for plumbing and water-damage restoration, which sought interlocutory relief against the continued use of its marks by a group of former franchisees. Without referencing Section 34(a)'s presumption of irreparable harm, the court noted that "courts routinely deny preliminary injunctions in trademark and false advertising cases when the defendant has ceased use of the disputed mark or representation."¹³⁴¹ Having framed the issue in that pro-defendant manner, the court then credited the defendants' showings that they: (1) intended to discontinue the challenged uses;¹³⁴² (2) had "made efforts to change their internet advertising and listings to eliminate [the plaintiff's] marks, including by writing letters to third-party websites asking

¹³³⁶ The court's rejection of that argument observed that:

To hold otherwise would be to force an employer whose employee has committed malfeasance to choose between: (i) terminating the employee at the risk of being unable to protect itself through injunctive relief should any harm ensue thereafter; or (ii) retaining the employee and risking further malfeasance on behalf of the organization. The Court is not persuaded that this dilemma is optimal and declines to punish [the plaintiff] in accordance therewith.

Id. at 636.

¹³³⁷ See *FBB IP LLC v. Big Boy Rest. Grp.*, 769 F. Supp. 3d 765, 775 (S.D. Ohio 2025).

¹³³⁸ *Id.* at 781.

¹³³⁹ *Id.* at 782.

¹³⁴⁰ See *Rooterman, LLC v. Belegu*, 778 F. Supp. 3d 298 (D. Mass. 2025), *appeal docketed*, No. 25-1458 (1st Cir. May 9, 2025).

¹³⁴¹ *Id.* at 305.

¹³⁴² *Id.*

them to take down references to [the plaintiff]”;¹³⁴³ and (3) had discontinued a domain name incorporating the plaintiff’s mark.¹³⁴⁴ Moreover, the lead defendant had: (1) dropped an abbreviated form of the plaintiff’s flagship mark from the name of one of his companies;¹³⁴⁵ and (2) acted quickly to eliminate an objectionable ongoing use when the plaintiff called it to his attention.¹³⁴⁶ “While Defendants could have been more diligent in stopping use of [the plaintiff’s] marks,” the court concluded, “[the plaintiff] has not shown that judicial intervention is necessary to prevent future harm.”¹³⁴⁷

(B) Inadequacy of Legal Remedies

One of the few substantive discussions of the inadequacy of legal remedies as a prerequisite for the entry of injunctive relief came in an opinion entering a default judgment at the behest of a plaintiff accusing the defaulting defendant of having trafficked in clothing bearing counterfeit imitations of the plaintiff’s registered marks.¹³⁴⁸ Without an opposition to the motion, the court’s discussion of the issue was rather abbreviated. Nevertheless, the court did observe that “[a]n award of monetary damages alone will not cure the injury to Plaintiff’s reputation and goodwill if Defendant’s infringing and counterfeiting actions can continue. Moreover, Plaintiff faces hardship from loss of sales and its inability to control its reputation in the marketplace.”¹³⁴⁹

A similarly cursory treatment of the issue appeared in a different default judgment.¹³⁵⁰ Without an appearance from the defendant, the court ordering that relief observed that “[g]iven Defendant’s decision not to appear in this case, there can be no assurances that they [sic] will no longer engage in the conduct at issue in this case. This satisfies the Court that monetary damages alone are insufficient.”¹³⁵¹ The plaintiff therefore received the permanent injunction it had requested.

¹³⁴³ *Id.*

¹³⁴⁴ *Id.*

¹³⁴⁵ *Id.*

¹³⁴⁶ *Id.*

¹³⁴⁷ *Id.* at 306.

¹³⁴⁸ *See Chanel, Inc. v. 21948352*, 769 F. Supp. 3d 1299 (S.D. Fla. 2025).

¹³⁴⁹ *Id.* at 1308.

¹³⁵⁰ *See Advanced Hair Restoration LLC v. Parsa Mohebi, M.D., Inc.*, 793 F. Supp. 3d 1306 (W.D. Wash. 2025).

¹³⁵¹ *Id.* at 1319.

(C) *Balance of the Hardships*

As always, plaintiffs successfully demonstrating likelihoods of success on the merits of their claims for infringement and unfair competition inevitably also successfully demonstrated that the balance of the parties' hardships favored injunctive relief.¹³⁵² That was the outcome of one court's application of the factor in a case in which the plaintiff accused the defendants of having trafficked in putative cranberry-based supplements bearing counterfeit imitations of the plaintiff's registered mark.¹³⁵³ In granting the plaintiff's motion for a temporary restraining order, the court observed that "Plaintiffs have expended time, money, and effort to develop their product's quality and reputation, which are at risk due to Defendants' alleged conduct. Defendants, who have no legal or equitable right to engage in counterfeiting and infringing conduct, are unlikely to suffer a legally cognizable injury should a TRO issue."¹³⁵⁴

A virtually identical analysis led to the same conclusion after a different court found that the defendant before it had infringed the plaintiff's rights by violating a contractual prohibition on the defendant's use of a mark for restaurant services identical to that of the plaintiff in geographic markets reserved to the plaintiff.¹³⁵⁵ In entering a temporary restraining order, the court noted that the defendant had disadvantaged itself through its own willful misconduct. Especially because nothing prevented the defendant "from opening restaurants under a different, non-trademarked name," the court was in no mood to entertain the theory that harm to the defendant could outweigh that to the plaintiff.¹³⁵⁶

So too did another court hearing a false advertising dispute grant the plaintiffs' motion for a preliminary injunction after weighing the parties' hardships.¹³⁵⁷ The plaintiffs in that case had

¹³⁵² See, e.g., *id.* ("[T]he equities favor Plaintiff, who seek to enjoin Defendant from engaging in illegal conduct that benefits only Defendant."); *Chanel*, 769 F. Supp. 3d at 1308 ("Plaintiff faces hardship from loss of sales and its inability to control its reputation in the marketplace. By contrast, Defendant faces no hardship if it is prohibited from the infringement of Plaintiff's trademarks."); *Crye Precision LLC v. Concealed Carrier, LLC*, 749 F. Supp. 3d 308, 336 (E.D.N.Y. 2024) (finding that balance of hardships favored entry of preliminary injunction based in part on infringing defendants' failure to prove anything more than "potential short-term costs that every infringing defendant faced with a preliminary injunction must bear"); *Vision Wheel, Inc v. Vision Forged*, 732 F. Supp. 3d 1161, 1167 (C.D. Cal. 2024) ("Given [Plaintiff's] strong showing that it is likely to succeed on the merits, the balance of the equities on the record before the Court weighs in favor of enjoining Defendant's infringing conduct.").

¹³⁵³ See *Solv Wellness, Inc. v. Does 1–10*, 788 F. Supp. 3d 1252 (N.D. Ga. 2025).

¹³⁵⁴ *Id.* at 1257.

¹³⁵⁵ See *FBB IP LLC v. Big Boy Rest. Grp.*, 769 F. Supp. 3d 765 (S.D. Ohio 2025).

¹³⁵⁶ *Id.* at 782.

¹³⁵⁷ See *Nantucket Wine & Food Festival, LLC v. Gordon Cos.*, 759 F. Supp. 3d 259 (D. Mass. 2024).

operated a wine and food festival for approximately three decades before the defendants launched a competing event promoted through numerous false statements, including that they had purchased the plaintiffs' festival. Noting that the plaintiffs had a single business—the festival—while the defendants had numerous other businesses, the court found that “[t]he effect on Plaintiffs of a denial of injunctive relief would therefore be harsher than would the effect on [Defendants] of a grant of injunctive relief.”¹³⁵⁸

Despite these pro-plaintiff holdings, the most dramatic weighing of the parties' respective hardships in a reported opinion wound up favoring the defendants.¹³⁵⁹ The case producing that outcome was a classic “Schedule A” one filed with the United States District Court for the Northern District of Illinois:

A typical Schedule A case follows a well-worn path: the plaintiff files a complaint, generally under seal and often under a pseudonym. Along with the complaint, the plaintiff also files motions to restrain the defendants' assets held in online marketplace accounts (most defendants are foreign storefronts doing business on popular e-commerce platforms such as Amazon, Etsy, and Walmart) and to enter a temporary restraining order barring further infringement. But these requests are typically not litigated in adversarial fashion, as plaintiffs almost always seek and obtain leave to proceed under seal and *ex parte*. By the time any defendant appears in the case, it is most often after the defendant's account has been frozen and its funds restricted. Schedule A cases almost exclusively get resolved after the entry of a preliminary injunction, dismissal of some defendants, settlements with others, and a default judgment against the remainder.¹³⁶⁰

Why did the plaintiff's pursuit of this strategy lead to a finding that the balance of the hardships disfavored the entry of a temporary restraining order? The court explained that “it is difficult to see how [the] balancing can be done reliably on the sparse and one-sided record present at the beginning of a typical Schedule A case”¹³⁶¹ because “Schedule A complaints are . . . drafted at a high level of generality; it is impossible to know the irreparable harm the moving party faces *vis-à-vis* any particular defendant.”¹³⁶² Contrary to the outcome in the usual case, the balancing exercise therefore weighed against the emergency relief sought.

¹³⁵⁸ *Id.* at 282.

¹³⁵⁹ *See Eicher Motors Ltd. v. P'ships & Unincorporated Ass'ns Identified on Schedule “A,”* 794 F. Supp. 3d 543 (N.D. Ill. 2025).

¹³⁶⁰ *Id.* at 545.

¹³⁶¹ *Id.* at 555.

¹³⁶² *Id.*

(D) Public Interest

In actions under the Lanham Act and related state-law causes of action, proof of liability (where requests for permanent injunctions are concerned) or of likely liability (where requests for preliminary injunctions and temporary restraining orders are concerned) almost inevitably lead to findings that the public will benefit from the equitable remedy of injunctive relief.¹³⁶³ “In cases of trademark infringement,” one court explained, “the public interest disfavors the use of [marks] . . . that are likely to be deceptive or cause confusion,”¹³⁶⁴ and that proposition applied with even greater force in cases presenting threats to public health.¹³⁶⁵ Likewise, in a false advertising action, the court explained while entering a preliminary injunction that “[w]hile the public has an interest in fair competition, this is not a case of fair competition. It is one in which one competitor made false statements about another

¹³⁶³ See, e.g., *Advanced Hair Restoration LLC v. Parsa Mohebi, M.D., Inc.*, 793 F. Supp. 3d 1306, 1319 (W.D. Wash. 2025) (“[A]n injunction prohibiting Defendant from engaging in further conduct that infringes on Plaintiff’s trademarks will serve the public interest.”); *Vision Wheel, Inc v. Vision Forged*, 732 F. Supp. 3d 1161, 1167 (C.D. Cal. 2024) (“[A]n injunction that prevents consumer confusion in trademark cases . . . serves the public interest.” (second alteration in original) (quoting *Am. Rena Int’l Corp. v. Sis-Joyce Int’l Co.*, 534 F. App’x 633, 636 (9th Cir. 2013))).

¹³⁶⁴ *Colors+ v. Colors+ Counseling, LLC*, 782 F. Supp. 3d 579, 636 (N.D. Ohio 2025) (quoting *Express Mortg. Brokers, Inc. v. Simpson Mortg., Inc.*, No. 94-710561994 WL 465842, at *5 (E.D. Mich. May 6, 1994)), *opinion clarified*, No. 1:25-cv-00078-PAB, 2025 WL 2322784 (N.D. Ohio Aug. 12, 2025); see also *Chanel, Inc. v. 21948352*, 769 F. Supp. 3d 1299, 1308 (S.D. Fla. 2025) (“[T]he public interest supports the issuance of a permanent injunction against Defendant to prevent consumers from being misled by Defendant’s products, and potentially harmed by its inferior quality.”); *City of N.Y. ex rel. FDNY v. Henriquez*, 768 F. Supp. 3d 388, 412 (E.D.N.Y. 2025) (“[I]t is well settled that there is a ‘strong interest in preventing public confusion’” (quoting *ProFitness Physical Therapy Ctr. v. Pro-Fit Orthopedic & Sports Physical Therapy P.C.*, 314 F.3d 62, 68 (2d Cir. 2002))), *notice of appeal docketed*, No. 25-641 (2d Cir. Mar. 19, 2025); *Crye Precision LLC v. Concealed Carrier, LLC*, 749 F. Supp. 3d 308, 337 (E.D.N.Y. 2024) (entering preliminary injunction based in part on finding that “the public has an interest in ‘being assured that the mark it associates with a product is not attached to goods of unknown origin and quality’” (quoting *N.Y. York City Triathlon, LLC v. NYC Triathlon Club, Inc.*, 704 F. Supp. 2d 305, 344 (S.D.N.Y. 2010))); *Muffler Man Supply Co. v. TSE Auto Serv., Inc.*, 739 F. Supp. 3d 598, 604 (E.D. Mich. 2024) (“[The Sixth Circuit] has . . . recognized a public interest in ‘preventing consumer confusion and deception in the marketplace and protecting the trademark holder’s property interest in the mark.’” (quoting *Lorillard Tobacco Co. v. Amouri’s Grand Foods, Inc.*, 453 F.3d 377, 383 (6th Cir. 2006))).

¹³⁶⁵ See, e.g., *Solv Wellness, Inc. v. Does 1–10*, 788 F. Supp. 3d 1252, 1256 (N.D. Ga. 2025) (holding, in challenge to sale of putative supplements bearing counterfeit imitations of the plaintiff’s registered mark that “[t]he sale of an unknown supplement to the public has the potential to result in irreparable injury . . . to people who ingest the supplement”); *FBB IP LLC v. Big Boy Rest. Grp.*, 769 F. Supp. 3d 765, 782 (S.D. Ohio 2025) (holding, in action in which defendant had violated contractual restrictions on its use of infringing mark, that “[t]he public interest is served by preventing consumer confusion and enforcing contractual duties”).

competitor's business—at least knowingly, if not intentionally—and then failed to adequately remedy those falsehoods.”¹³⁶⁶

ii. Terms of Injunctive Relief

Injunctions freezing defendants' assets are extraordinary remedies, but they have become increasingly common in counterfeiting actions. For example, one court entered that remedy after finding that “Defendants are likely to destroy evidence of their counterfeiting activities, such as evidence regarding their seller aliases and payment processing histories on electronic marketplaces, as well as hide and/or transfer any ill-gotten proceeds from the sale of counterfeit products, unless those assets are frozen or otherwise restrained.”¹³⁶⁷

Outside of counterfeiting actions, the terms of injunctive relief were sometimes forgiving to defendants. Having affirmed a finding of liability for infringement in the context of a preliminary injunction motion, the Sixth Circuit adopted a relatively lenient approach to the defendants when it came to the resulting injunction.¹³⁶⁸ It did so in a case in which the Libertarian National Committee challenged dissident members of the Libertarian Party of Michigan using the plaintiff's LIBERTARIAN PARTY service mark without authorization. Although agreeing with the district court that the defendants' uses of the mark in connection with the “maintenance of a website containing political platforms, endorsing candidates, and filing campaign finance reports” were actionable, the court reversed the injunction's prohibition on the defendants from engaging in online fundraising so long as that advertising featured disclaimers. As the court explained, the defendant's website “displayed one of two pop-up disclaimers notifying the potential donor of the governance dispute, the [plaintiff's] recognition of [another faction as its official affiliate in Michigan], and that any donations would be going solely to defendants. The disclaimers also included hyperlinks to the [official] affiliate's website.”¹³⁶⁹ “By clearly explaining the identity of the donation recipient,” the court concluded, “these disclaimers ameliorated the confusion the Lanham Act seeks to prevent.”¹³⁷⁰

In a false advertising action between sellers of organic hemp rolling papers, the Seventh Circuit affirmed the entry of a permanent injunction requiring that the defendant's advertising or promotional statements “either clearly constitute permissible

¹³⁶⁶ *Nantucket Wine & Food Festival, LLC v. Gordon Cos.*, 759 F. Supp. 3d 259, 283 (D. Mass. 2024).

¹³⁶⁷ *Solv Wellness*, 788 F. Supp. 3d at 1259.

¹³⁶⁸ *See Libertarian Nat'l Comm., Inc. v. Saliba*, 116 F.4th 530 (6th Cir. 2024).

¹³⁶⁹ *Id.* at 540.

¹³⁷⁰ *Id.*

opinion (e.g., that something is ‘great tasting’) or be factual statements for which [the defendant] maintains tangible, objective, verification.”¹³⁷¹ As the court of appeals explained:

Courts regularly differentiate between statements of opinion and fact when assessing false advertising claims, as well as claims in other areas of the law. Likewise, businesses must ordinarily ensure that their advertisements are factually accurate. This injunction is “sufficiently definite” because it reflects that legal reality. It simply adds some requirements—like maintaining factual verification—to ensure that [the defendant] complies with the law.¹³⁷²

Trial courts engaged in judicial babysplitting as well. One example of that phenomenon came in a case in which the parties used the following composite mark for closely related services, the plaintiff on a nonprofit basis and the defendants on a for-profit basis:¹³⁷³



Having successfully demonstrated the defendants’ liability for infringement, the nonprofit organization plaintiff sought a preliminary injunction against them using, or applying to register, the COLOR+ mark even apart from the particular presentation shown above; the proposed terms of their proposed injunction also would have required the defendants to assist the plaintiff in reinstating certain social media accounts and would have prohibited the defendants from applying to register variations on the mark, from claiming the plaintiff was defunct, from representing themselves as operating on a nonprofit basis, and from accepting donations intended for nonprofit organizations. The court enjoined the defendants’ use of the composite mark,¹³⁷⁴ required them to help the plaintiff secure the reinstatement of certain of its social media accounts,¹³⁷⁵ and, having ordered the cancellation of a registration the defendants had procured, required them to amend an application to register the similar COLORS+ COUNSELING mark they had filed to delete a claim of ownership to the cancelled

¹³⁷¹ Republic Techs. (NA), LLC v. BBK Tobacco & Foods, LLP, 135 F.4th 572, 587 (7th Cir. 2025).

¹³⁷² *Id.* at 588 (citations omitted).

¹³⁷³ See *Colors+ v. Colors+ Counseling, LLC*, 782 F. Supp. 3d 579, 596 (N.D. Ohio 2025), *opinion clarified*, No. 1:25-cv-00078-PAB, 2025 WL 2322784 (N.D. Ohio Aug. 12, 2025).

¹³⁷⁴ *Id.* at 639.

¹³⁷⁵ *Id.* at 643.

registration.¹³⁷⁶ Nevertheless, the court declined to go beyond that, citing a dispute over whether the plaintiff or the defendants first used the verbal mark independent of the design,¹³⁷⁷ the disconnect between the plaintiff's proof of infringement and its objections to the defendants' claim the plaintiff was defunct,¹³⁷⁸ and the lack of evidence that the defendants had misrepresented themselves as operating on a nonprofit basis.¹³⁷⁹

iii. Security

Federal Rule of Civil Procedure 65(c) provides that, except in cases prosecuted by the federal government, a district court “may issue a preliminary injunction or a temporary restraining order only if the movant gives security in an amount that the court considers proper to pay the costs and damages sustained by any party found to have been wrongfully enjoined or restrained.”¹³⁸⁰ Some courts demonstrated fealty to Rule 65(c)'s text by requiring plaintiffs successfully requesting preliminary injunctions and temporary restraining orders to post bonds in various amounts. Those were in the amount of \$10,000 for a temporary restraining order,¹³⁸¹ the same amount for a preliminary injunction,¹³⁸² and \$30,000 for a different preliminary injunction.¹³⁸³

In contrast, other courts took more of a fast-and-loose approach to Rule 65(c)'s mandatory nature. For example, an Ohio federal district court excused a nonprofit organization seeking a preliminary injunction from posting a bond, citing the organization's limited budget; that the budget would be “severely limited” by the plaintiff's need “to pursue litigation and vindicate its legal rights” was further justification for dispensing with any

¹³⁷⁶ *Id.* at 641–42.

¹³⁷⁷ *Id.* at 641.

¹³⁷⁸ *Id.* at 642.

¹³⁷⁹ *Id.* at 643.

¹³⁸⁰ Fed. R. Civ. P. 65(c).

¹³⁸¹ *See Solv Wellness, Inc. v. Does 1–10*, 788 F. Supp. 3d 1252, 1258 (N.D. Ga. 2025).

¹³⁸² *See Nantucket Wine & Food Festival, LLC v. Gordon Cos.*, 759 F. Supp. 3d 259, 283 (D. Mass. 2024) (noting, in action for false advertising, that “[n]either party addressed what a proper security amount would be in this case” and requiring \$10,000 bond as condition for preliminary injunction).

¹³⁸³ *See Vision Wheel, Inc v. Vision Forged*, 732 F. Supp. 3d 1161, 1167–68 (C.D. Cal. 2024) (“The record before the Court contains no information about the size of Defendant's business, but there is no basis to believe that [Plaintiff's recommended] \$1,000 [bond] would cover even a small business's losses if it was wrongfully forced to shut down for nearly two weeks. Under these circumstances, the Court finds that a bond in the amount of \$30,000 is appropriate to ensure that Defendant's costs and damages will be covered in the event it is found to have been wrongfully enjoined.”).

requirement of security.¹³⁸⁴ Likewise, another federal district court from the same state declined to require a bond as security for a temporary restraining order in light of the defendant's failure to pursue the issue.¹³⁸⁵ So too did one New York federal district court find that the defendants before it had failed to substantiate their claim that a preliminary injunction would damage them in the amount of \$5 million,¹³⁸⁶ while another found that the discontinuance by a trio of counterclaim defendants of their infringement precluded a showing of harm from the interlocutory injunctive relief sought by their opponent.¹³⁸⁷

iv. Contempt

One defendant in a counterfeiting action found herself subject to an asset freeze precluding her from “secreting any assets and from transferring or conveying any assets” and from “transferring, selling, mortgaging, encumbering, or otherwise impairing any ownership or other legal interest [she] may have in any real property”;¹³⁸⁸ other provisions in the preliminary injunction against the defendant provided that “[a]ll assets held by, for, or on account of any Asset Restrained Defendant, and the balance of any account for which any of them has signature authority, shall be frozen and restrained, and any bank, brokerage house or financial institution holding such funds is restrained.”¹³⁸⁹ Choosing to live dangerously, she ill-advisedly mortgaged one house she owned and contracted for the sale of another. Evaluating the inevitable motion for contempt by the plaintiffs, the court held as an initial matter that “[t]o demonstrate [contempt], ‘a movant must establish that (1) the order the contemnor failed to comply with is clear and unambiguous, (2) the proof of noncompliance is clear and convincing, and (3) the contemnor has not diligently attempted to comply in a reasonable manner.’”¹³⁹⁰ Proceeding through those factors, the court first found without apparent dispute that the defendant's conduct fell within

¹³⁸⁴ See *Colors+ v. Colors+ Counseling, LLC*, 782 F. Supp. 3d 579, 644 (N.D. Ohio 2025), *opinion clarified*, No. 1:25-cv-00078-PAB, 2025 WL 2322784 (N.D. Ohio Aug. 12, 2025).

¹³⁸⁵ See *FBB IP LLC v. Big Boy Rest. Grp.*, 769 F. Supp. 3d 765, 783 (S.D. Ohio 2025) (“[N]otably, Defendant does not contest the issue of security. In light of the foregoing analysis [holding Plaintiff entitled to a TRO] and the indistinct harm to Defendant, the Court determines that Plaintiff need not post bond at this time.”).

¹³⁸⁶ See *Crye Precision LLC v. Concealed Carrier, LLC*, 749 F. Supp. 3d 308, 337 (E.D.N.Y. 2024) (“Given that the burden is on the party seeking a bond, no bond will be imposed at this time.”).

¹³⁸⁷ See *City of N.Y. ex rel. FDNY v. Henriquez*, 768 F. Supp. 3d 388, 417–18 (E.D.N.Y. 2025), *notice of appeal docketed*, No. 25-641 (2d Cir. Mar. 19, 2025).

¹³⁸⁸ See *Gilead Scis., Inc. v. Safe Chain Sols., LLC*, 753 F. Supp. 3d 173, 183 (E.D.N.Y. 2024).

¹³⁸⁹ *Id.* (alteration in original).

¹³⁹⁰ *Id.* at 182 (second alteration in original) (quoting *Gucci Am., Inc. v. Weixing Li*, 768 F.3d 122, 142 (2d Cir. 2014)).

the four corners of the preliminary injunction order.¹³⁹¹ The defendant put up more of a fight under the second factor by claiming a limited liability company owned the property she had sold, but, as the court pointed out, she was the sole member of that LLC and therefore had directed it to make the sale.¹³⁹² Finally, the court found that she had not exercised the diligence necessary to maintain her compliance with the order.¹³⁹³ It then applied a largely consistent analysis of the defendant's conduct regarding the second house and found that the encumbrance and sale of that dwelling also violated the asset freeze.¹³⁹⁴ The outcome was a bundle of sanctions that, among other things, required the defendant to deposit \$400,596.01 into the court's escrow account, a sum comprising the plaintiffs' "estimations of the sums secreted and dissipated" in violation of the order.¹³⁹⁵

b. Monetary Relief

i. Damages

(A) Actual Damages

(1) Eligibility of Prevailing Plaintiffs for Awards of Actual Damages

The leading reported opinion to address the issue of the entitlement of a prevailing plaintiff to an award of its actual damages did so in the context of such an award under the North Carolina Unfair Trade and Deceptive Trade Practices Act (NCUDTPA)¹³⁹⁶ instead of federal law.¹³⁹⁷ The plaintiff at issue was a home security company that successfully sued a pair of competitors based on serial misrepresentations by the competitors' sales force.¹³⁹⁸ After finding liability, the jury hearing the case awarded the plaintiff at least some damages under Section 35(a) of

¹³⁹¹ *Id.* at 185.

¹³⁹² *Id.* at 186.

¹³⁹³ *Id.* at 187–88.

¹³⁹⁴ *Id.* at 188–91.

¹³⁹⁵ *Id.* at 192.

¹³⁹⁶ N.C. Gen. Stat. § 75-1.1 *et seq.*

¹³⁹⁷ *See* CPI Sec. Sys., Inc. v. Vivint Smart Home, Inc., 145 F.4th 390 (4th Cir. 2025).

¹³⁹⁸ *See id.* at 396 (“The jury heard evidence that [the defendants’] salespersons regularly and deliberately lied to [the plaintiff’s] customers to induce them to become [the defendants’] customers. More specifically, [the defendants’] salespersons told [the plaintiff’s] customers that [the defendants] had purchased [the plaintiff] and would be taking over their accounts, that [the plaintiff] was otherwise going out of business and would no longer be monitoring their alarm systems, and that [the defendants] manufactured their equipment and needed to upgrade their systems. As a result, [the lead defendant] was able to lure away many [of the plaintiff’s] customers, causing [the plaintiff] substantial losses.”).

the Lanham Act, but the primary component of jury's compensatory award was \$29.3 million under the NCUDTPA. Seeking to shake that award on appeal, the defendants pointed to the plaintiff's alleged failure to demonstrate that the plaintiff (as opposed to the plaintiff's customers) had relied on the misrepresentations, but the court was unmoved. In an opinion regrettably using "damages" as an umbrella term to refer to the separate and independent remedies of awards of plaintiffs' actual damages, on the one hand, and accountings of defendants' profits, on the other,¹³⁹⁹ the court of appeals rejected that argument:

Unfair competition is a broad concept and certainly encompasses a business's telling damaging lies about one of its rivals to lure away its customers. A claim alleging such conduct that is brought by a business against one of its competitors does not sound in fraud but rather in other traditional common-law torts, like tortious interference with contract and unfair competition. And such unfair competition claims do not have as an element the plaintiff's reliance on the defendant's lies. Rather, the plaintiff need only show that the unfair competition proximately caused its injuries.¹⁴⁰⁰

The jury's award of damages under the NCUDTPA therefore withstood the defendants' challenge.

(2) Calculation of Actual Damages

Having successfully demonstrated the liability of a pair of its competitors for various misrepresentations under Section 43(a) of the Act, a home security company hit the jackpot in securing, and then defending on appeal, an award of actual damages consisting of three components: (1) injury to its goodwill; (2) the cost of a prospective corrective advertising campaign; and (3) the costs it already had incurred in responding to the defendants' misconduct.¹⁴⁰¹ The jury's verdict form did not expressly apportion its \$49.7 million award between those categories and the plaintiff's separate request for an accounting of the defendants' profits,¹⁴⁰² but that did not trouble the Fourth Circuit, which affirmed the award of

¹³⁹⁹ See, e.g., *id.* at 402 ("[The plaintiff's] first category of damages was for disgorgement, an equitable remedy based on the principle that a wrongdoer should not be permitted to 'make a profit out of his own wrong.'" (quoting *Liu v. SEC*, 591 U.S. 71, 79–80 (2020))). The proper umbrella term is, of course, "monetary relief."

¹⁴⁰⁰ *Id.* at 401 (citations omitted).

¹⁴⁰¹ See *id.* at 402.

¹⁴⁰² The award also included \$1.5 million for what the jury found was the defendants' intentional interference with contract, but that figure also was not divided between an award of the plaintiff's actual damages and an accounting of the defendants' profits. *Id.* at 401.

damages in all respects. The court of appeals observed as an initial matter that “the jury awarded damages for each claim *without specifying* which category or categories of damages were included in each award. Thus, any attempt to determine which category of damages was included in each claim’s award would be mere speculation.”¹⁴⁰³ Then, addressing whatever quantum of the award might rest on damage to the plaintiff’s goodwill, it noted the jury could have relied on fact and expert testimony proffered by the plaintiff that 10% of the plaintiff’s \$135 million in advertising expenditures during the defendants’ misconduct was properly attributable to rehabilitating the plaintiff’s brand.¹⁴⁰⁴ Testimony by the same expert also supported an additional award of \$10.8 million for corrective advertising on the theory that an appropriate remedial campaign would include door-to-door visits to each of the plaintiff’s more than 200,000 customers.¹⁴⁰⁵ Finally, regarding the value of the plaintiff’s remedial actions prior to trial, the court cited evidence that the plaintiff had had spent a total of \$10 million on its customer retention department (excluding bonuses), of which 15% could reasonably be attributed to “dealing with messes created by [the defendants].”¹⁴⁰⁶ “[T]he evidence [the plaintiff] presented,” the court ultimately held, “considered as a whole, was sufficient to allow the jury to reasonably estimate that [the plaintiff’s] damages were \$49.7 million, as apportioned over its four claims,”¹⁴⁰⁷ one of which, to reiterate, was for an accounting of the defendants’ profits.

Finally, the Ninth Circuit addressed the question of whether, having requested in its complaint actual damages in an amount to be determined at trial, a plaintiff could secure a discrete award of those damages in a default judgment.¹⁴⁰⁸ With the defendant having failed to appear and contest the allegations of false advertising against it, the plaintiff used a “third-party research tool” to approximate the defendant’s sales during the period of its misconduct.¹⁴⁰⁹ Although granting the plaintiff’s motion for entry of a default judgment under Rule 54(c) of the Federal Rule of Civil Procedure, the district court declined to award the “approximately \$2.5 million” in actual damages claimed by the plaintiff because the complaint did not request a particular amount, which to the district court meant that the proposed award exceeded that sought by the

¹⁴⁰³ *Id.* at 402.

¹⁴⁰⁴ *Id.* at 404.

¹⁴⁰⁵ *Id.*

¹⁴⁰⁶ *Id.*

¹⁴⁰⁷ *Id.*

¹⁴⁰⁸ See *AirDoctor, LLC v. Xiamen Qichuang Trade Co.*, 134 F.4th 552 (9th Cir. 2025) (per curiam).

¹⁴⁰⁹ *Id.* at 554.

plaintiff in its operative pleading.¹⁴¹⁰ The court of appeals disagreed, holding that the lack of precision in the plaintiff's prayer for relief did not disqualify the plaintiff from recovering the actual damages recited in its motion for a default judgment. It therefore instructed the district court to determine on remand whether the quantum of those damages was appropriate.¹⁴¹¹

(B) Statutory Damages

The prevailing plaintiff in a counterfeiting action has the opportunity to elect, in lieu of an award of its actual damages or an accounting of the defendant's profits, the statutory damages provided for under Section 35(c) of the Act:¹⁴¹² Such an award can be "not less than \$1,000 or more than \$200,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just" under Section 35(c)(1)¹⁴¹³ or, alternatively, "if the court finds that the use of the counterfeit mark was willful, not more than \$2,000,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just" under Section 35(C)(2).¹⁴¹⁴ Likewise, under Section 35(d),¹⁴¹⁵ a prevailing plaintiff in a cybersquatting action can elect to receive "an award of statutory damages in the amount of not less than \$1,000 and not more than \$100,000 per domain name, as the court considers just."¹⁴¹⁶

In an appeal from a jury award of \$123,000 in statutory damages per each of nine marks for rolling papers counterfeited by the defendants for a total of \$1,107,000, the Eleventh Circuit rejected three defense arguments.¹⁴¹⁷ The first was that the award was impermissibly larger than the plaintiff's demonstrated actual damages, which the court rejected because:

Nothing in section [35(c)] nor precedent suggests that statutory damages must be related to actual damages; *instead*, all signs point toward the opposite conclusion. Section [35(c)] states that plaintiffs may pursue statutory damages "instead of actual damages and profits." In a related context, the Copyright Act authorizes statutory damages regardless of "whether or not adequate evidence exists as to the actual damages incurred by plaintiffs." That Act uses the

¹⁴¹⁰ *Id.* at 553.

¹⁴¹¹ *Id.* at 554.

¹⁴¹² 15 U.S.C. § 1117(c).

¹⁴¹³ *Id.* § 1117(c)(1).

¹⁴¹⁴ *Id.* § 1117(c)(2).

¹⁴¹⁵ *Id.* § 1117(d).

¹⁴¹⁶ *Id.*

¹⁴¹⁷ *See* Top Tobacco, L.P. v. Star Imps. & Wholesalers, Inc., 135 F.4th 1344 (11th Cir. 2025).

same language as section [35(c)]: plaintiffs “may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages for all infringements involved in the action.” We extend this evident principle to the trademark context. As [the Eighth Circuit] has explained, “[i]t makes no sense to consider the disparity between ‘actual harm’ and an award of statutory damages when statutory damages are designed precisely for instances where actual harm is difficult or impossible to calculate.”¹⁴¹⁸

Especially because the trial record—which included evidence that the defendants’ cranberry-based supplements contained an unknown ingredient possibly threatening public health—justified an award adequate to deter the defendants from further misconduct, the former tribunal had not erred in declining to reduce the jury’s award.¹⁴¹⁹

The Eleventh Circuit similarly dismissed the defendants’ second argument, namely, that the jury had impermissibly punished them despite finding that they had not acted in bad faith. The court explained that the range of possible statutory damages for even nonwillful counterfeiting under Section 35(c)(1) was “not less than \$1,000 or more than \$200,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed.”¹⁴²⁰ The jury’s award therefore was “below the statutory maximum for nonwillful infringement.”¹⁴²¹ “In the light of the posture of this appeal,” the court held, “where we ‘draw[] all reasonable inferences in favor of the nonmoving party,’ we refuse to speculate that the jury relied on improper considerations when reaching its verdict.”¹⁴²² Moreover, “that a jury can consider deterrence when the infringement is willful does not mean that a jury cannot also consider deterrence when the infringement is not willful.”¹⁴²³

Finally, the court rejected the defendants’ third challenge, which claimed the award’s magnitude violated the Constitution’s guarantee of due process.¹⁴²⁴ The court cited a past Supreme Court

¹⁴¹⁸ *Id.* at 1350–51 (emphasis added) (fifth alteration in original) (first quoting 15 U.S.C. § 1117(c); then quoting *Cable/Home Comm’n Corp. v. Network Prods., Inc.*, 902 F.2d 829, 850 (11th Cir. 1990); then quoting 17 U.S.C. § 504(c)(1); and then quoting *Capitol Recs., Inc. v. Thomas-Rasset*, 692 F.3d 899, 907–08 (8th Cir. 2012)).

¹⁴¹⁹ *Id.* at 1352.

¹⁴²⁰ 15 U.S.C. § 1117(c)(1).

¹⁴²¹ *Top Tobacco*, 135 F.4th at 1351.

¹⁴²² *Id.* (alteration in original) (quoting *Hubbard v. BankAtlantic Bancorp, Inc.*, 688 F.3d 713, 724 (11th Cir. 2012)).

¹⁴²³ *Id.* at 1352.

¹⁴²⁴ The defendants’ constitutional challenge to the award sounded in the Due Process Clause of the Fourteenth Amendment, U.S. Const. amend. XIV, § 1, but, as the Eleventh Circuit

opinion sustaining a statutory damages award of \$300 even if the violative conduct was valued at only one cent and holding that “a statutory damages award violates due process ‘only where the penalty prescribed is so severe and oppressive as to be wholly disproportioned to the offense and obviously unreasonable.’”¹⁴²⁵ “In the light of [the defendants’] concession that [t]he maximum amount of actual damages possibly supported by the evidence, assuming the jury made every inference in favor of [the plaintiff], was \$200,000,” the court concluded, “the verdict in this appeal was well below that ratio. And that the verdict fell closer to the middle than the top of the range for statutory damages further confirms that it did not violate the Due Process Clause.”¹⁴²⁶ Especially because of the public interest in protecting trademark rights, the defendants’ challenge to the award failed.¹⁴²⁷

The plaintiff in a different case successfully scored the quantum of statutory damages it sought as part of a default judgment.¹⁴²⁸ Reviewing the well-pleaded averments in the complaint, the court noted that “[t]he only available evidence demonstrates Defendant promoted, distributed, advertised, offered for sale, and/or sold at least one type of good bearing marks which were counterfeits of at least two of [Plaintiff’s] Marks protected by federal trademark registrations.”¹⁴²⁹ The court ratified the plaintiff’s proposed award of “a baseline of thirty thousand dollars (\$30,000.00), trebled to reflect Defendant’s willfulness, and doubled for the purpose of deterrence, resulting in one hundred eighty thousand dollars (\$180,000.00) per trademark counterfeited per type of good offered for sale and/or sold by Defendant.”¹⁴³⁰ “The award,” concluded the court, “should be sufficient to deter Defendant and others from continuing to counterfeit or otherwise infringe Plaintiff’s trademarks, compensate Plaintiff, and punish Defendant, all stated goals of [Section 35(c)].”¹⁴³¹

In contrast, an ambitious claim for statutory damages totaling \$650,000,000 against nine individual defendants fell short at the hands of a New York federal district court.¹⁴³² When granting the plaintiffs’ motion for summary judgment, the court considered

observed, the federal statute at issue rendered the proper clause that found in the Fifth Amendment. *See Top Tobacco*, 135 F.4th at 1352 (citing U.S. Const. amend. V, cl. 4).

¹⁴²⁵ *Id.* (quoting *St. Louis, Iron Mountain & S. Rw. Co. v. Williams*, 251 U.S. 63, 66–67 (1919)).

¹⁴²⁶ *Id.* at 1353.

¹⁴²⁷ *Id.*

¹⁴²⁸ *See Chanel, Inc. v. 21948352*, 769 F. Supp. 3d 1299 (S.D. Fla. 2025).

¹⁴²⁹ *Id.* at 1310.

¹⁴³⁰ *Id.*

¹⁴³¹ *Id.*

¹⁴³² *See Christian Dior Couture SA v. Lin*, 744 F. Supp. 3d 312 (S.D.N.Y. 2024).

various factors bearing on that requested relief, including: (1) the expenses saved and the profits reaped by the defendants; (2) the revenues lost by the plaintiff; (3) the value of the plaintiffs' marks; (4) the deterrent effect of any award on third parties; (5) whether the defendants' conduct was willful or innocent; (6) the degree of the defendants' conduct in providing records from which the value of their infringements could be determined; and (7) the deterrent effect on the defendants themselves.¹⁴³³ The court found the plaintiffs' evidence lacking, in part because of their investigators' failure to document the exact prices at which the defendants had sold their unlawful goods; the court additionally noted the unlikelihood of the defendants' customers buying legitimate products from the plaintiffs had the defendants' goods been unavailable.¹⁴³⁴ Moreover, and despite the high value of the plaintiffs' marks and the defendants' willful misconduct, "the defendants are street sellers, mostly selling the counterfeit goods on the sidewalk or out of cars. They are not shown to be manufacturers or high-level producers of these goods."¹⁴³⁵ The court therefore limited its award to \$50,000 per mark per type of goods infringed.¹⁴³⁶

(C) Punitive Damages

With a single exception, the Lanham Act does not authorize awards of punitive damages.¹⁴³⁷ Nevertheless, that relief can be available under state law, and so it was that the Third Circuit affirmed a jury's award of punitive damages under Pennsylvania law.¹⁴³⁸ The court noted that the defendant had continued its infringement in the face of the plaintiffs' objections and despite advice from its own attorneys that it should stop. That conduct, the court held, could constitute the "willful" and "reckless" conduct required to support the jury's award.¹⁴³⁹ 156

Unusually, that was not the only federal appellate court to affirm an award of punitive damages,¹⁴⁴⁰ and, indeed, the Fourth Circuit did so in a case in which the plaintiffs' causes of action

¹⁴³³ *Id.* at 316.

¹⁴³⁴ *Id.*

¹⁴³⁵ *Id.* at 317.

¹⁴³⁶ *Id.* at 316–17.

¹⁴³⁷ That limited exception appears in Section 34(d)(11), 15 U.S.C. § 1116(d)(11), which authorizes awards of punitive damages in cases in which seizures of goods bearing counterfeit imitations of registered marks in bad faith.

¹⁴³⁸ *See Lontex Corp. v. Nike, Inc.*, 107 F.4th 139 (3d Cir. 2024).

¹⁴³⁹ *Id.* at 156.

¹⁴⁴⁰ *See Curry v. Revolution Lab's*, 124 F.4th 441 (7th Cir. 2024) (affirming \$9,000,000 punitive damages award under Illinois law against three defendants despite due process-based challenge grounded in alleged lack of proportionality to accounting of defendants' profits in amount of \$547,095.44).

sounded in false advertising under both federal law and North Carolina law.¹⁴⁴¹ Following trial, the jury in that case found the plaintiff entitled to \$49 million, an amount comprising both the plaintiff's actual damages and the defendants' profits, before then awarding the plaintiff \$140 million in punitive damages under North Carolina law. Citing a state statute restricting punitive damages to "three times the amount of compensatory damages,"¹⁴⁴² the defendants argued that, after subtracting whatever portions of the original \$49 million might be attributable to the plaintiff's claims under the Lanham Act and a North Carolina statute under which punitive damages were unavailable,¹⁴⁴³ the jury's punitive damages exceeded the statutory limit. The Fourth Circuit rejected that contention because, as it explained:

[I]t is irrelevant when applying the cap whether some of the compensatory damages were awarded for claims that are not themselves eligible for punitive damages. The statute does not distinguish between the two types of claims and instead provides a simple formula designed to ensure proportionality between all the compensatory damages awarded and the punitive damages awarded.¹⁴⁴⁴

With the district court having instructed the jury not to award punitive damages based on the defendants' liability under Section 43(a) and the state statutory cause of action at issue, the defendants' appeal fell short.¹⁴⁴⁵

ii. Accountings of Profits

(A) Eligibility of Prevailing Plaintiffs for Accountings of Profits

Having anticipated by 15 years the Supreme Court's holding in *Romag Fasteners, Inc v. Fossil, Inc.*¹⁴⁴⁶ that willful misconduct is not a prerequisite for accounting of profits under Section 35(a) of the Act, the Third Circuit has long evaluated requests for accountings by applying its six *Banjo Buddies* factors: (1) whether the defendant intended to confuse or deceive; (2) whether sales have been diverted; (3) the adequacy of other remedies; (4) any unreasonable delay by the plaintiff in asserting its rights; (5) the public interest in making the defendant's misconduct unprofitable; and (6) whether the case

¹⁴⁴¹ See *CPI Sec. Sys., Inc. v. Vivint Smart Home, Inc.*, 145 F.4th 390 (4th Cir. 2025).

¹⁴⁴² N.C. Gen. Stat. § 1D-25(b).

¹⁴⁴³ *Id.* § 75-1.1 *et seq.*

¹⁴⁴⁴ *CPI Sec. Sys.*, 145 F.4th at 406.

¹⁴⁴⁵ *Id.*

¹⁴⁴⁶ 590 U.S. 212 (2020).

is one of palming off.¹⁴⁴⁷ In just such an application, that court affirmed a district court's acceptance of an advisory jury's recommendation to refuse an accounting.¹⁴⁴⁸ On the plaintiff's side of the ledger, the jury's award of actual damages was "relatively low" when compared to the profits enjoyed by the defendant during its period of infringement, the defendant's infringement merited a disincentive against future misconduct, and the plaintiff had not unreasonably delayed in asserting its rights.¹⁴⁴⁹ At the same time, however, the defendant had not intended to infringe the plaintiff's mark, the defendant's infringement had not resulted in diverted sales, and there was no evidence of palming off.¹⁴⁵⁰ The even split between the six factors prevented the court of appeals from holding that the district court had abused its discretion by denying an accounting.¹⁴⁵¹

The denial of an accounting also was the outcome of a proceeding lodged before a New York federal district court in which the parties agreed their respective marks were confusingly similar.¹⁴⁵² Having confirmed the plaintiff's claim of prior use, the court applied the Second Circuit's test for determining whether an accounting of the defendant's profits was appropriate, albeit in a section of its opinion labeled "Damages":

When determining whether to award profits, courts balance the following equitable factors: "(1) the degree of certainty that the defendant benefited from the unlawful conduct; (2) the availability and adequacy of other remedies; (3) the role of a particular defendant in effectuating the infringement; (4) any delay by plaintiff; and (5) plaintiff's clean (or unclean) hands." Further, the Supreme Court has clarified that "a trademark defendant's mental state is a highly important consideration in determining whether an award of profits is appropriate." The choice of remedy under the Lanham Act is within the district court's discretion.¹⁴⁵³

The court found an accounting inappropriate after applying these considerations. One reason was the plaintiff's inability to demonstrate that the defendant had benefitted from infringing the

¹⁴⁴⁷ See *Banjo Buddies, Inc. v. Renosky*, 399 F.3d 168, 175 (3d Cir. 2005).

¹⁴⁴⁸ See *Lontex Corp. v. Nike, Inc.*, 107 F.4th 139 (3d Cir. 2024).

¹⁴⁴⁹ See *Lontex Corp. v. Nike, Inc.*, No. 18-5623, 2022 WL 622321, at *4 (E.D. Pa. Mar. 3, 2022), *aff'd*, 107 F.4th 139 (3d Cir. 2024).

¹⁴⁵⁰ *Id.*

¹⁴⁵¹ 107 F.4th at 159.

¹⁴⁵² See *Med. Depot, Inc. v. Med Way US, Inc.*, 774 F. Supp. 3d 554 (E.D.N.Y. 2025), *appeal withdrawn*, No. 25-1049, 2025 WL 2269807 (2d Cir. July 30, 2025).

¹⁴⁵³ *Id.* at 580 (first quoting *4 Pillar Dynasty LLC v. N.Y. & Co.*, 933 F.3d 202, 212 (2d Cir. 2019); and then quoting *Romag Fasteners, Inc. v. Fossil, Inc.*, 590 U.S. 212, 219 (2020)).

plaintiff's mark.¹⁴⁵⁴ Another was that the defendant had not undertaken that infringement in bad faith, despite an examination of the plaintiff's product by the defendant's principal before the defendant introduced its directly competitive product and its continued use of its mark after learning of the plaintiff's objections: as to the first of those showings, the court credited the principal's testimony that he had examined the plaintiff's product but not the packaging for it on which the plaintiff's mark appeared,¹⁴⁵⁵ and, as to the second, the defendant had reasonably (if incorrectly) believed itself to have priority of rights.¹⁴⁵⁶

In contrast, a Florida federal district court applied a three-part test for determining the propriety of an accounting.¹⁴⁵⁷ "A profit award," the court held, "is appropriate where: '(1) the defendant's conduct was willful and deliberate, (2) the defendant was unjustly enriched, or (3) it is necessary to deter future conduct.'"¹⁴⁵⁸ Ultimately, however, the court did not consider each factor seriatim; indeed, although disputing the credibility of the defendants' trial witnesses through an apparent examination of the first factor, it did not expressly conclude that an accounting was appropriate before proceeding directly to one.¹⁴⁵⁹

(B) The Accounting Process

The most detailed reported opinion to address the mechanics of an accounting of profits came from the Fourth Circuit in a case in which the plaintiff successfully demonstrated to a jury's satisfaction that sales agents of the defendants had made various misrepresentations in promoting home security services they offered in direct competition with the those of the plaintiff.¹⁴⁶⁰ The parties apparently agreed to refer the entirety of the plaintiff's bid for monetary relief to a jury, and the resulting verdict form yielded an award of \$49 million but failed to apportion that number between the defendants' profits and the plaintiff's actual damages. No matter, the Fourth Circuit held in declining to disturb that outcome on appeal, because the plaintiff had adduced evidence and testimony that would have allowed the jury to find the defendants had enjoyed even greater net profits from their misconduct.

¹⁴⁵⁴ *Id.* at 581.

¹⁴⁵⁵ *Id.*

¹⁴⁵⁶ *Id.* at 582.

¹⁴⁵⁷ *See* Shenzhen Kinwong Elec. Co. v. Kukreja, 778 F. Supp. 3d 1255 (S.D. Fla. 2025), *amended in part*, No. 18-cv-61550-ALTMAN/Hunt, 2025 WL 2337095 (S.D. Fla. Aug. 13, 2025).

¹⁴⁵⁸ *Id.* at 1296 (quoting Optimum Techs., Inc. v. Home Depot U.S.A., Inc., 217 F. App'x 899, 902 (11th Cir. 2007)).

¹⁴⁵⁹ *Id.* at 1300–01.

¹⁴⁶⁰ *See* CPI Sec. Sys., Inc. v. Vivint Smart Home, Inc., 145 F.4th 390 (4th Cir. 2025).

The plaintiffs showing on the subject included a spreadsheet produced by the defendants documenting “over 13,000 customer complaints mentioning [the plaintiff] that were received by [the defendants] between 2016 and 2021,”¹⁴⁶¹ which the plaintiff used to identify 565 customers induced by the defendants’ misrepresentations to switch their home security contracts from the plaintiff to the defendants. That showing also included expert witness testimony grounded in another of the defendants’ internal documents, which estimated that “only 5% of dissatisfied customers make complaints to company headquarters or the Better Business Bureau, thus suggesting that a multiplier of 20 could be used to approximate the number of customers with similar concerns.”¹⁴⁶² “[U]sing a complaint rate of 5%,” the court observed, “[the plaintiff] presented evidence from which the jury could reasonably find that the total number of customers lost was 20 times 565—or roughly 11,300.”¹⁴⁶³ That left the defendants’ profit margin on those customers, as to which the plaintiff’s proof rested in part on its own profitability:

In terms of its loss-per-customer, [the plaintiff] presented evidence that its average “recurring monthly revenue” per customer account was \$48.30, that the average customer stayed with [the plaintiff] for 96 months, and that [the plaintiff’s] profit margin per customer account was between 65% and 75%. Based on this, [the plaintiff] estimated that it earned, on average, approximately \$2,800 to \$3,400 in profit from each customer account. Conversely, [the plaintiff] estimated [the defendants’] gain-per-customer based on [the defendants’] average recurring monthly revenue of \$64.75, [their] average subscriber lifetime of 92 months, and [their] average profit margin. That value to [the defendants] was approximately \$4,000 to \$4,700 for each account.¹⁴⁶⁴

Because the trial record might therefore have justified an accounting as great as \$52 million, the jury had not clearly erred in making an award of only \$49 million, of which an undetermined amount comprised the plaintiff’s actual damages.¹⁴⁶⁵

In a different appeal, the Seventh Circuit confirmed that a prevailing plaintiff seeking an accounting of profits need not itself

¹⁴⁶¹ *Id.* at 403.

¹⁴⁶² *Id.*

Indeed, the court noted, the lead defendant had itself argued in a separate lawsuit against a third party that only 4% of dissatisfied customers in the industry bothered to complain about their experiences. *Id.*

¹⁴⁶³ *Id.*

¹⁴⁶⁴ *Id.*

¹⁴⁶⁵ *Id.*

demonstrate the quantum of those profits.¹⁴⁶⁶ The district court assigned to the case declined to enter the relief requested by the plaintiff, explaining that “[t]he Court declines the request to award profits because Plaintiff offered evidence of revenue, not profits. Revenue and profits are not the same thing. The Court declines the invitation to assume that all of the revenue equals profits.”¹⁴⁶⁷ Consistent with the express text of Section 35(a),¹⁴⁶⁸ the court of appeals then held that:

The district court contravened the Lanham Act’s plain language when it found [the plaintiff’s] evidence of revenue as opposed to profits insufficient and declined to assume that revenue equals profits. The Act presumes that the infringing defendant’s sales (that is, revenue) and profits *are* the same thing, until the defendant proves otherwise. . . . A trademark plaintiff need not disentangle revenue and profits. This rule may well result in a windfall to the trademark holder, but that is a price worth paying—a principle the Supreme Court established eighty years ago.¹⁴⁶⁹

The court pointed out that the district court could equitably adjust an accounting to reach a just sum; the problem was that the district court had failed to exercise that authority when refusing to enter the accounting.¹⁴⁷⁰

Trial courts also addressed the proper mechanics of accountings, with one opinion from a Florida federal district court taking a dim view of the fast-and-loose methodology of an expert retained by the plaintiffs.¹⁴⁷¹ When addressing the plaintiffs’ potential exposure to an accounting on the defendants’ counterclaims, that expert had urged the court to deduct “selling and distribution costs, administrative costs, and business tax[es]” from the plaintiffs’ revenues.¹⁴⁷² Where the defendants’ potentially disgorgeable profits were concerned, however, the plaintiffs’ expert conspicuously failed to consider the same deductible expenses. With considerable understatement, the court found the expert’s inconsistent methodology “not a good look.”¹⁴⁷³

¹⁴⁶⁶ See *Dyson Tech. Ltd. v. David 7 Store*, 132 F.4th 526 (7th Cir. 2025).

¹⁴⁶⁷ *Id.* at 528.

¹⁴⁶⁸ 15 U.S.C. § 1117(a) (“In assessing profits the plaintiff shall be required to prove defendant’s sales only; defendant must prove all elements of cost or deduction claimed.”).

¹⁴⁶⁹ *Dyson Tech.*, 132 F.4th at 529 (citing *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 207 (1942)).

¹⁴⁷⁰ *Id.*

¹⁴⁷¹ See *Shenzhen Kinwong Elec. Co. v. Kukreja*, 778 F. Supp. 3d 1255 (S.D. Fla. 2025), *amended in part*, No. 18-cv-61550-ALTMAN/Hunt, 2025 WL 2337095 (S.D. Fla. Aug. 13, 2025).

¹⁴⁷² *Id.* at 1310 (alteration in original).

¹⁴⁷³ *Id.* at 1311.

A final notable opinion bearing on the mechanics of the accounting process arose in the context of a discovery dispute.¹⁴⁷⁴ Responding to her opponent's request for an accounting, an individual defendant in an infringement and counterfeiting action averred she had earned almost no money from the "multi-million dollar fraud" in which she allegedly had participated and that her legal fees had been paid by anonymous benefactors instead of out of her profits.¹⁴⁷⁵ To test that averment, the plaintiff served the defendant with written discovery and served her counsel with a subpoena, both bearing on the source of the money paid to her counsel. After determining that the contents of the records in question were not privileged,¹⁴⁷⁶ the court next found that those contents were both relevant to the plaintiff's pursuit of the defendant's profits and proportionate to the needs of the case.¹⁴⁷⁷ "Accordingly," the court concluded, "the information [Plaintiff] seeks comports within the broad parameters of Rule 26 [of the Federal Rules of Civil Procedure], and it is entitled to information concerning Defendant's fee arrangement and payments to her counsel."¹⁴⁷⁸

iii. Adjustments of Awards of Actual Damages and Accountings of Profits

Section 35(a) of the Act provides that "[i]n assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount";¹⁴⁷⁹ likewise, it also provides that "[i]f the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just according to the circumstances of the case."¹⁴⁸⁰ Successful invocations of that portion of the statute are rare,¹⁴⁸¹ but, in one appeal to the Third Circuit in which it came into play, the district court increased a compensatory award by a jury from \$142,000 to \$426,000, citing in part the jury's finding that the defendant had willfully infringed the plaintiff's marks.¹⁴⁸² The defendant

¹⁴⁷⁴ See *Gilead Scis., Inc. v. Khaim*, 779 F. Supp. 3d 300 (E.D.N.Y. 2025).

¹⁴⁷⁵ *Id.* at 306.

¹⁴⁷⁶ *Id.* at 307–08.

¹⁴⁷⁷ *Id.* at 310.

¹⁴⁷⁸ *Id.* at 310–11.

¹⁴⁷⁹ 15 U.S.C. § 1117(a).

¹⁴⁸⁰ *Id.*

¹⁴⁸¹ For an appellate opinion referencing, but not otherwise discussing, a district court's increase of a jury's accounting of profits from \$500,000 to \$547,095.44, see *Curry v. Revolution Lab's*, 124 F.4th 441, 450 (7th Cir. 2024).

¹⁴⁸² See *Lontex Corp. v. Nike, Inc.*, 107 F.4th 139 (3d Cir. 2024).

unsurprisingly challenged that augmentation by arguing in part that the district court had acted with an impermissible punitive intent. The court of appeals was unmoved, noting that the profits generated by the defendant's misconduct well exceeded the plaintiff's actual damages. That consideration justified the increased award, even if the district court's focus on the defendant's willfulness did not.¹⁴⁸³

iv. Attorneys' Fees

Several mechanisms give trial courts discretion to award attorneys' fees to prevailing parties in trademark and unfair competition litigation. Those parties can secure awards of fees under state law in some jurisdictions,¹⁴⁸⁴ but, as always, most cases awarding fees over the past year did so under federal law, which recognizes several bases for fee petitions. For example, and of perhaps greatest familiarity to trademark practitioners, Section 35(a) authorizes the imposition of fees upon the losing party in "exceptional cases,"¹⁴⁸⁵ while Section 35(b) makes such an award virtually mandatory in cases in which a defendant has trafficked in goods or services associated with counterfeit marks.¹⁴⁸⁶ The Federal Rules of Appellate Procedure authorize awards of fees to reimburse the expenses of frivolous appeals,¹⁴⁸⁷ and federal district courts also may award fees if a litigant has "unreasonably and vexatiously" multiplied the proceedings in a case.¹⁴⁸⁸ Federal courts likewise have the inherent power to award fees if bad-faith litigation practices by the parties or other considerations justify them and also may impose awards of fees as sanctions for contempt, under Rules 11 and 41(d) of the Federal Rules of Civil Procedure,¹⁴⁸⁹ or, in the case of discovery violations, under Rule 37.¹⁴⁹⁰

(A) Identification of Prevailing Parties

One plaintiff's claim to be a prevailing party for purposes of a fee petition under Oregon law failed, at least in the short term.¹⁴⁹¹ The victory underlying that claim was on a motion to dismiss certain

¹⁴⁸³ *Id.* at 156.

¹⁴⁸⁴ *See, e.g., Khozissova v. Ralph Lauren Corp.*, 214 N.Y.S.3d 331, 334 (App. Div. 2024) (declining to disturb award of attorneys' fees under New York law in failed action asserting violation of plaintiff's right of publicity).

¹⁴⁸⁵ 15 U.S.C. § 1117(a).

¹⁴⁸⁶ *Id.* § 1117(b).

¹⁴⁸⁷ Fed. R. App. P. 38.

¹⁴⁸⁸ 28 U.S.C. § 1927.

¹⁴⁸⁹ Fed. R. Civ. P. 11 & 41(d).

¹⁴⁹⁰ Fed. R. Civ. P. 37.

¹⁴⁹¹ *See Green Bldg. Initiative, Inc. v. Peacock*, 350 F.R.D. 289 (D. Or. 2025).

counterclaims asserted by the defendants, but the order dismissing those counterclaims granted the defendants leave to replead them. The court found that this consideration warranted the denial of the fee petition, explaining that “[i]t would be a waste of the Court’s and the parties’ resources to calculate and advance fees pertaining to the counterclaims, especially if Defendants can successfully replead.”¹⁴⁹²

(B) Eligibility of Prevailing Parties for Awards of Attorneys’ Fees

(1) Fee Requests by Prevailing Plaintiffs

Since 2014, the Supreme Court’s opinion in *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*¹⁴⁹³ has cast a long shadow over the disposition of claims by prevailing plaintiffs that their cases qualified as “exceptional” under Section 35(a) of the Act. That opinion holds that:

[A]n “exceptional” case is simply one that stands out from others with respect to the substantive strength of a party’s litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated. District courts may determine whether a case is “exceptional” in the case-by-case exercise of their discretion, considering the totality of the circumstances. As in the comparable context of the Copyright Act, “[t]here is no precise rule or formula for making these determinations but instead equitable discretion should be exercised ‘in light of the considerations we have identified.’”¹⁴⁹⁴

A Florida federal district court had little difficulty applying the *Octane Fitness* standard to award fees to two prevailing plaintiffs.¹⁴⁹⁵ One basis for an award of fees asserted was the defendants’ passing off certain of the goods they sold as having been manufactured by the plaintiffs. The court held that the defendants’ responses to the plaintiffs’ passing off cause of action were “not [so] necessarily frivolous or unreasonable” as to render the case an “exceptional” one under Section 35(a).¹⁴⁹⁶ Passing off was not the only basis of the plaintiffs’ fee petition, however, for the plaintiffs

¹⁴⁹² *Id.* at 293.

¹⁴⁹³ 572 U.S. 545 (2014).

¹⁴⁹⁴ *Id.* at 554 (second alteration in original) (quoting *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 534 (1994)).

¹⁴⁹⁵ See *Shenzhen Kinwong Elec. Co. v. Kukreja*, 778 F. Supp. 3d 1255 (S.D. Fla. 2025), *amended in part*, No. 18-cv-61550-ALTMAN/Hunt, 2025 WL 2337095 (S.D. Fla. Aug. 13, 2025).

¹⁴⁹⁶ *Id.* at 1313.

also had successfully demonstrated (as a matter of law) that the defendants had infringed the plaintiffs' mark and (as a matter of fact) that the defendants had fraudulently registered that mark with the USPTO through various misrepresentations to the agency. Citing the defendants' "blatant trademark infringement" and "brazen fraud" in their dealings with the USPTO,¹⁴⁹⁷ as well their ineffectual legal arguments, the court surveyed older Eleventh Circuit authority to hold that:

In the pre-*Octane Fitness* world, this sort of fraudulent conduct (coupled with frivolous legal arguments) was more than enough to justify an award of attorneys' fees under § [35(a)]. Given that "the standard in *Octane Fitness* is broader than the previous Eleventh Circuit requirement that a case be 'malicious, fraudulent, deliberate and willful, or one in which evidence of fraud or bad faith exists[.]'" we easily conclude that this case is "exceptional" because the "substantive strength" of the Defendants' litigating position (as to the trademark-infringement and fraud claims) was exceptionally weak and because the Defendants advanced unreasonable and frivolous positions to sustain that position. The Plaintiffs are thus entitled to attorneys' fees under [§ 35(a)].¹⁴⁹⁸

A second court granting a fee request by prevailing plaintiffs did so after a jury found the defendant had promoted its strip club using the plaintiffs' images.¹⁴⁹⁹ The defendant's opposition to that request focused on the jury's findings in its favor on certain of the causes of action advanced by the plaintiffs, even though each plaintiff prevailed on at least two of those causes of action.¹⁵⁰⁰ The court rejected that argument with the observation that "[a]lthough the jury returned mixed verdicts for Plaintiffs on each of the seven claims, this court has rejected the assertion that 'arguable merit on both sides precludes a case from being "exceptional."'"¹⁵⁰¹ The court found more significant that the defendant never denied using the plaintiffs' images and also that the defendant had neither challenged the testimony of the plaintiffs' experts nor presented its own evidence at trial.¹⁵⁰² Especially in light of the defendant's

¹⁴⁹⁷ *Id.*

¹⁴⁹⁸ *Id.* at 1314 (second alteration in original) (first quoting *Donut Joe's, Inc. v. Interveston Food Servs., LLC*, 116 F. Supp. 3d 1290, 1293 (N.D. Ala. 2015); then quoting *Octane Fitness*, 572 U.S. at 554 (other citations omitted)).

¹⁴⁹⁹ *See Souza v. Charmed LLC*, 745 F. Supp. 3d 758 (N.D. Iowa 2024).

¹⁵⁰⁰ *Id.* at 763.

¹⁵⁰¹ *Id.* at 765 (quoting *Pocket Plus, L.L.C. v. Runner's High, LLC*, 579 F. Supp. 3d 1082, 1087 (N.D. Iowa), *aff'd*, 53 F.4th 425 (8th Cir. 2022)).

¹⁵⁰² *Id.*

continued use of the plaintiffs' images after receiving notice of their objections, the case was an exceptional one.¹⁵⁰³

Other prevailing plaintiffs did not fare as well. For example, and despite the Third Circuit's prior adoption of the *Octane Fitness* standard,¹⁵⁰⁴ a New Jersey federal district court granted the fee petition of a prevailing plaintiff by citing three considerations of its own making, namely: (1) the importance of enforcing trademark rights; (2) the "David vs. Goliath" nature of the litigation; and (3) the expense of trademark litigation.¹⁵⁰⁵ Criticizing the district court's reliance on "broad policy considerations rather than facts specific to this case,"¹⁵⁰⁶ the Third Circuit vacated and remanded the fee award for an application of *Octane Fitness*. In doing so, it observed that "while the behavior of the parties during litigation may be relevant, the [district] [c]ourt should avoid extralegal assessment of the parties' sizes and financial resources as standalone indicators of exceptionality."¹⁵⁰⁷ That apparently was not the only consideration underlying the partial success of the defendant's appeal, however, for the court's opinion contained the faintest of hints that the court disapproved of the plaintiff's apparent use of "outside litigation funding."¹⁵⁰⁸

(2) Fees Requests by Prevailing Defendants

As a theoretical matter, the *Octane Fitness* test for identifying "exceptional cases" under Section 35(a) should apply on an evenhanded basis to fee petitions by prevailing plaintiffs and prevailing defendants alike, but courts applying it often appear more reluctant to award fees to defendants. One example of that phenomenon came in the Ninth Circuit's affirmance of a refusal to award fees to a prevailing individual defendant who had been a member of a non-profit religious organization before that organization excommunicated him without his knowledge.¹⁵⁰⁹ That court did not disclose precisely how the defendant defeated the plaintiff's claim that the defendant's use of the disputed HIGHER SPIRITUALISM mark was an infringement, but it rejected his argument that the plaintiff had pursued the matter vindictively. Instead, the court held, "[the plaintiff] showed a reasonable basis to pursue its trademark claim for 'higher spiritualism' because both [it

¹⁵⁰³ *Id.* at 766.

¹⁵⁰⁴ *See Fair Wind Sailing, Inc. v. Dempster*, 764 F.3d 303, 314–15 (3d Cir. 2014).

¹⁵⁰⁵ *See Lontex Corp. v. Nike, Inc.*, 107 F.4th 139, 157 (3d Cir. 2024).

¹⁵⁰⁶ *Id.*

¹⁵⁰⁷ *Id.* at 158.

¹⁵⁰⁸ *Id.* at 157.

¹⁵⁰⁹ *See Aquarian Found., Inc. v. Lowndes*, 127 F.4th 814 (9th Cir. 2025).

and its founder] had been using the term since the 1970s.”¹⁵¹⁰ “Notwithstanding the vitriolic and colorful language from both sides,” it therefore concluded, “the district court did not abuse its discretion in declining to award attorneys’ fees under the Lanham Act.”¹⁵¹¹

A different opinion from the same court also declined to overturn the denial of a defense fee petition.¹⁵¹² Having prevailed on the plaintiff’s trademark-based claims during a jury trial, the defendant claimed the plaintiff’s case was fatally weak from its inception, only to have the Ninth Circuit hold instead that “[w]hile the [standard] infringement factors largely came out in [the defendant’s] favor, the claim was hardly ‘meritless,’ and a positive result does not transform a trademark claim into an ‘exceptional case.’”¹⁵¹³ The court was no more impressed with the defendant’s litany of alleged litigation-related misconduct by the plaintiff, including the plaintiff’s: (1) initial prosecution of an unfair competition claim dropped before trial; (2) failure to offer evidence of a pre-litigation investigation; (3) six-month delay in objecting to the defendant’s conduct; and (4) “copious objections” during the deposition of its CEO.¹⁵¹⁴ That conduct did not satisfy the *Octane Fitness* standard either because it was not “the kind of egregious litigation tactics that make a case ‘exceptional’ under the Lanham Act.”¹⁵¹⁵

Findings as a matter of law that the plaintiff’s claimed marks were generic and that the defendants had established their eligibility for the descriptive use defense similarly did not result in an award of fees in a separate case.¹⁵¹⁶ The defendants did not help themselves by failing to offer substantive arguments as to why the case was an exceptional one, but the court declined to find it one anyway. “Employing a ‘case-by-case exercise,’” it explained, “courts may consider factors including ‘frivolousness, motivation, objective unreasonableness (both in the factual and legal components of the case) and the need in particular circumstances to advance considerations of compensation and deterrence.’”¹⁵¹⁷ Under that standard, reimbursement of the defendants’ fees was inappropriate because “[t]here is no indication that [Plaintiff] acted unreasonably,

¹⁵¹⁰ *Id.* at 823.

¹⁵¹¹ *Id.*

¹⁵¹² See *BillFloat Inc. v. Collins Cash Inc.*, 105 F.4th 1269 (9th Cir. 2024).

¹⁵¹³ *Id.* at 1278.

¹⁵¹⁴ *Id.*

¹⁵¹⁵ *Id.*

¹⁵¹⁶ See *Fantasia Distrib., Inc. v. Myle Vape, Inc.*, 766 F. Supp. 3d 373 (E.D.N.Y. 2024).

¹⁵¹⁷ *Id.* at 396–97 (quoting *Lighting & Supplies, Inc. v. New Sunshine Energy Sols. Inc.*, No. 20-CV-2790 (FB) (VMS), 2023 WL 2815623, at *8 (E.D.N.Y. Mar. 14, 2023), *report and recommendation adopted*, No. 20-CV-2790 (FB) (VMS), 2023 WL 2674376 (E.D.N.Y. Mar. 29, 2023)).

or in bad faith. Nothing suggests, and Defendants do not offer, evidence that Plaintiff acted with frivolousness, objective unreasonableness, ill motive, or anything else to justify compensation.”¹⁵¹⁸

Indeed, even the dismissal of one plaintiff’s complaint for failure to state a claim did not produce a fee award for its opponents.¹⁵¹⁹ The defendants had published a book with photographs featuring the plaintiff’s marks, which the court found nonactionable as a matter of law under the pro-defendant test for liability first articulated in *Rogers v. Grimaldi*.¹⁵²⁰ Nevertheless, the court found in denying the defendants’ motion for an award of their fees that “the totality of the circumstances” precluded the case from being considered an exceptional one.¹⁵²¹ In particular, the court concluded that “[i]t was neither frivolous nor objectively unreasonable for [the plaintiff] to test where the line is after . . . recent decisions” limiting the *Rogers* framework.¹⁵²²

The sole reported opinion approving of a defense fee petition therefore came from a New York intermediate appellate panel in a case with all the hallmarks of an opportunistic action.¹⁵²³ It was brought by an individual plaintiff objecting to her fleeting appearances in a documentary and a trailer for that film. The trial court ordered reimbursement of the defendants’ fees under New York’s anti-SLAPP statutes,¹⁵²⁴ and the defendant failed to appeal that court’s determination that the statutes applied. She therefore was in no position to challenge the fee award under those statutes.¹⁵²⁵

(C) Calculation of Attorneys’ Fees

Reported opinions addressing the nuts and bolts of the calculations of attorneys’ fees in trademark and unfair competition cases have been on the decline for some time, and the past year did not buck that trend.¹⁵²⁶ Nevertheless, a federal district court located in Cedar Rapids, Iowa, engaged in a conventional analysis after a jury found in favor of professional models objecting to the

¹⁵¹⁸ *Id.* at 397.

¹⁵¹⁹ See *Haas Automation, Inc. v. Steiner*, 750 F. Supp. 3d 1107 (C.D. Cal. 2024), *appeal docketed*, No. 24-6344 (9th Cir. Oct. 17, 2024).

¹⁵²⁰ 875 F.2d 994 (2d Cir. 1989).

¹⁵²¹ *Haas Automation*, 750 F. Supp. 3d at 1119.

¹⁵²² *Id.* at 1119–20.

¹⁵²³ See *Khozissova v. Ralph Lauren Corp.*, 214 N.Y.S.3d 331 (N.Y. App. Div. 2024).

¹⁵²⁴ See N.Y. Civil Rights Law §§ 70–a, 76–a.

¹⁵²⁵ *Khozissova*, 214 N.Y.S.3d at 335.

¹⁵²⁶ See, e.g., *id.* at 333, 334–35 (declining to exercise appellate jurisdiction over award to defendants of fees and costs in amount of \$38,001.45 without addressing components of award).

unauthorized use of their images and likenesses to promote a strip club.¹⁵²⁷ It identified the “starting point” of that analysis as a multiplication of “the number of hours reasonably expended by the reasonable hourly rate” of the plaintiffs’ counsel.¹⁵²⁸ Regarding the first step of that analysis, the court was unreceptive to the \$500 per hour rate charged by the Royal Oak, Michigan-based law firm representing the plaintiffs,¹⁵²⁹ but it did approve a \$400 per hour rate based on that firm’s expertise.¹⁵³⁰ The court then rejected a defense argument that it should discount any award attributable to an unsuccessful summary judgment motion by the plaintiffs or to the plaintiffs’ prosecution of causes of action brought under state law, resulting in a fee award of \$90,920.00.¹⁵³¹ Finally, it awarded \$3,095.50 in nontaxable expenses related to the plaintiffs’ travel and lodging costs during trial.¹⁵³² The court did not, however, allow the plaintiffs to recover fees charged by their expert witnesses as part of their attorneys’ fees.¹⁵³³

B. Judicial Authority Over Federal and State Registrations and Applications

Section 37 of the Act provides that “[i]n any action involving a registered mark the court may determine the right to registration, order the cancelation of registrations, in whole or in part, restore canceled registrations, and otherwise rectify the register with respect to the registrations of any party to the action.”¹⁵³⁴ Entertaining a somewhat exotic invocation of Section 37, a Virginia federal district court dismissed a challenge to the Trademark Trial and Appeal Board’s cancellation of two registrations under Article 8 of the General Inter-American Convention for Trade-mark and Commercial Protection.¹⁵³⁵ In an analysis ratified by the court, the Board held that article to require proof that: (1) the petitioner enjoyed legal protection for its marks under the law of a party to the treaty before the registrations’ priority dates; and (2) the respondent knew of the petitioner’s rights in that country prior to adopting its

¹⁵²⁷ See *Souza v. Charmed LLC*, 745 F. Supp. 3d 758 (N.D. Iowa 2024).

¹⁵²⁸ *Id.* at 766.

¹⁵²⁹ *Id.* at 768 (“While Plaintiffs’ counsel brought specialized knowledge, experience and efficiency to this complex trademark action, I find that Plaintiffs have not established \$500 per hour is a reasonable rate in the Cedar Rapids market.”).

¹⁵³⁰ *Id.*

¹⁵³¹ *Id.* at 768–69.

¹⁵³² *Id.* at 770.

¹⁵³³ *Id.* at 669–70.

¹⁵³⁴ 15 U.S.C. § 1119.

¹⁵³⁵ See *Gen. Cigar Co. v. Empresa Cubana Del Tabaco*, 781 F. Supp. 3d 514 (E.D. Va. 2025), *appeal docketed*, No. 25-1645 (4th Cir. June 9, 2025).

marks in the United States.¹⁵³⁶ The petitioner carried its burden under each prong, leading the respondent to argue to the district court that the implementing regulations for the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act,¹⁵³⁷ barred the Cuba-based petitioner from pursuing the action. The court rejected that argument, concluding instead that the registrations' cancellation did not constitute an impermissible transfer of assets under the LIBERTAD Act but instead fell within an administrative exception to that Act allowing for transactions "related to the registration and renewal" of registrations in the USPTO.¹⁵³⁸

Outside the context of claims under the IAC, the past year also produced the usual bevy of successful and unsuccessful claims of the fraudulent procurement and maintenance of registrations. One such claim to succeed was advanced by a China-based manufacturer of printed circuit boards and that company's subsidiary against a former U.S. distributor and its affiliates after the lead defendant registered a mark found by the court to belong to the lead plaintiff.¹⁵³⁹ The resulting finding of fraudulent procurement, however, did not rest on the lead defendant's false claim of ownership under Section 1(a)¹⁵⁴⁰ but instead on two other grounds. The first was that the lead defendant had violated Section 1(a)(3)(D)¹⁵⁴¹ by fraudulently representing in its application that no other party (including the lead plaintiff) had the right to use the applied-for mark, a representation the court found false because of the lead defendant's knowledge of the mark's prior use by the lead plaintiff and by the lead plaintiff's licensees.¹⁵⁴² The second was the lead defendant's submission of a fabricated website and labeled boxes as specimens supporting its application.¹⁵⁴³ Based on the plaintiffs' demonstration of those circumstances, the court found after a bench trial that "[t]he evidence, in short, was overwhelming that [the lead defendant] 'knowingly [made] false, material

¹⁵³⁶ *Id.* at 526.

¹⁵³⁷ Pub. L. No. 104-114, 110 Stat. 785 (1996).

¹⁵³⁸ *Gen. Cigar Co.*, 781 F. Supp. 3d at 534 (citing 31 C.F.R. § 515.27(a)(1)).

¹⁵³⁹ *See Shenzhen Kinwong Elec. Co. v. Kukreja*, 778 F. Supp. 3d 1255 (S.D. Fla. 2025), *amended in part*, No. 18-cv-61550-ALTMAN/Hunt, 2025 WL 2337095 (S.D. Fla. Aug. 13, 2025).

¹⁵⁴⁰ 15 U.S.C. § 1051(a) (requiring signatory of use-based application to aver under oath a belief "that he or she, or the juristic person in whose behalf he or she makes the verification, to be the owner of the mark sought to be registered").

¹⁵⁴¹ *Id.* § 1051(a)(3)(D) (requiring sworn averment that "to the best of the verifier's knowledge and belief, no other person has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive").

¹⁵⁴² *Shenzhen Kinwong Elec. Co.*, 778 F. Supp. 3d at 1288–91.

¹⁵⁴³ *Id.* at 1291–93.

representations of fact in connection with an application for a registered mark.”¹⁵⁴⁴

In contrast, other claims of fraud on the USPTO fell short, with several failing in the Eastern District of New York. An unusual such claim arose from a plaintiff’s recitation of a particular date of first use for its applied-for mark, despite its alleged use of the mark only generically or descriptively at that time.¹⁵⁴⁵ The court assigned to the case made short work of that claim on the parties’ cross-motions for summary judgment. To begin with, the court previously had found the allegedly deficient uses adequate to establish the plaintiff’s trademark rights.¹⁵⁴⁶ The resulting absence of a false representation in the first instance prevented a finding that the plaintiff had made such a representation knowingly and with the required intent to deceive the USPTO.¹⁵⁴⁷

So too did a different judge of the same district court reject as a matter of law a claim of fraudulent procurement grounded in the theory that the counterclaim defendant’s LION-AIRE mark for HVAC services was not used in commerce at the time the counterclaim defendant secured two use-based registrations of the mark.¹⁵⁴⁸ To support that theory, the counterclaim plaintiffs called the court’s attention to a screenshot from the counterclaim defendant’s website showing what the counterclaim plaintiffs claimed were “miniscule references” to the LION-AIRE marks. The counterclaim defendant had submitted the same screenshot as a specimen supporting each of its challenged registrations, though, which led the court to grant summary judgment to the counterclaim defendant with the observation that:

In its trademark application[s], [the counterclaim defendant] submitted to the USPTO the very screenshot of its website that [the counterclaim plaintiffs] contend proves [the counterclaim defendant’s] application[s] [were] fraudulent. It is incomprehensible to the Court, and would be incomprehensible to a jury, that a plaintiff could “knowingly mislead” the USPTO about whether it was using its marks in commerce while simultaneously disclosing to the USPTO the precise manner in which it was using its marks in commerce. Even if its website expressed [the counterclaim defendant’s] intent to no longer use the Lion-Aire mark[] in commerce, which it patently did not, that fact would have

¹⁵⁴⁴ *Id.* at 1293 (third alteration in original) (quoting *Angel Flight of Ga., Inc. v. Angel Flight Am., Inc.*, 522 F.3d 1200, 1209 (11th Cir. 2008)).

¹⁵⁴⁵ *See Med. Depot, Inc. v. Med Way US, Inc.*, 774 F. Supp. 3d 554 (E.D.N.Y. 2025), *appeal withdrawn*, No. 25-1049, 2025 WL 2269807 (2d Cir. July 30, 2025).

¹⁵⁴⁶ *Id.* at 576.

¹⁵⁴⁷ *Id.* at 575–76.

¹⁵⁴⁸ *See Lion-Aire Corp. v. Lion Air Installation, Inc.*, 747 F. Supp. 3d 488 (E.D.N.Y. 2024).

been disclosed to the USPTO via the submission of the screenshot of the website. Thus, there was no misstatement of fact “that would have affected the [USPTO’s] action on the application in question.”¹⁵⁴⁹

Finally, a third opinion from the same court to reject a claim of fraud on the USPTO came on a preliminary injunction motion in an action to protect the registered MULTICAM mark for printed camouflage patterns for use on fabrics and other surfaces.¹⁵⁵⁰ The defendant argued that the plaintiff had fraudulently represented during the prosecution of one of its two registrations that the mark had no significance in the plaintiff’s trade when, in fact, the mark was a shorthand descriptive reference to “multi-environment camouflage.”¹⁵⁵¹ Inaccurately opining that a successful showing of fraud would be relevant only to the incontestability of the plaintiff’s rights to the mark,¹⁵⁵² the court found the defendants’ attempt at such a showing fatally deficient in several respects. One was the defendants’ failure to establish the falsity of the challenged statement at the time the plaintiff made it; indeed, the court was skeptical the statement was false at all.¹⁵⁵³ Another was the USPTO’s issuance of an earlier registration of the same mark without questioning the mark’s meaning, which the court found supported the plaintiff’s good faith.¹⁵⁵⁴ “In light of the ‘heavy burden’ that rests on the party asserting fraud, and the very limited record put forward by [the defendants], which bear[] the burden on this issue,” the court held in entering the preliminary injunction requested by the plaintiff, “[the defendants’] challenge to the [plaintiff’s] incontestability on this ground does not prevail.”¹⁵⁵⁵

The United States District Court for the District of Massachusetts also stepped up to the plate by rejecting two claims of fraud advanced by a group of counterclaim plaintiffs.¹⁵⁵⁶ One such claim was that the counterclaim defendant in the case, which owned the challenged registration, had submitted a combined declaration

¹⁵⁴⁹ *Id.* at 504–05 (eighth alteration in original) (citations omitted) (quoting *A.V.E.L.A., Inc. v. Est. of Marilyn Monroe, LLC*, 241 F. Supp. 3d 461, 480 (S.D.N.Y. 2017)).

¹⁵⁵⁰ *See Crye Precision LLC v. Concealed Carrier, LLC*, 749 F. Supp. 3d 308 (E.D.N.Y. 2024).

¹⁵⁵¹ *Id.* at 328.

¹⁵⁵² *Id.*

Contrary to the court’s understanding of the issue, a showing of fraudulent procurement will invalidate a registration in its entirety under Section 14(3) of the Act, 15 U.S.C. § 1064(3), and is not merely a defense to the conclusive evidentiary significance of the registration under Section 33(b)(1), *id.* § 1115(1).

¹⁵⁵³ *Crye Precision*, 749 F. Supp. 3d at 328.

¹⁵⁵⁴ *Id.* at 328–29.

¹⁵⁵⁵ *Id.* at 329.

¹⁵⁵⁶ *See IEP Techs., LLC v. KPM Analytics, Inc.*, 768 F. Supp. 3d 229 (D. Mass. 2025).

of continuing use under Section 8 of the Act¹⁵⁵⁷ and incontestability under Section 15,¹⁵⁵⁸ into which a paralegal had inserted a lawyer's signature instead of a declaration actually signed by the lawyer himself. The counterclaim plaintiffs' claimed proof of that theory consisted of "two Excel spreadsheets—a signature log and a submission log—that the USPTO produced in response to a subpoena from [the counterclaim plaintiffs]."¹⁵⁵⁹ According to the counterclaim plaintiffs, the spreadsheets documented that the IP addresses on the signature log and the associated submission log were the same and that the person signing the declaration did so from the same IP address as the person sending the signature request.

In weighing, and ultimately granting, the counterclaim defendant's motion for summary judgment, the court framed the appropriate test in the following manner:

"Fraud in procuring a trademark registration or renewal occurs when an applicant knowingly makes false, material representations of fact in connection with his application." "A party seeking cancellation of a trademark registration for fraudulent procurement bears a heavy burden of proof." To sustain [their] counterclaims of fraud, [the counterclaim plaintiffs] must prove by clear and convincing evidence that (1) [the counterclaim defendant] made a false representation of a material fact to the USPTO; (2) [the counterclaim defendant] knew that the representation was false; (3) [the counterclaim defendant] intended to deceive the USPTO; and (4) the USPTO relied on that representation¹⁵⁶⁰

Addressing the counterclaim plaintiffs' signature-based theory of fraud, the court then found no material dispute that "extensive testimony and other documentation" proffered by the counterclaim defendant rebutted the counterclaim plaintiffs' theory of a fraudulent signature.¹⁵⁶¹ Those showings included: (1) testimony by the accused paralegal that she had never signed documents submitted to the USPTO; (2) a transmittal e-mail to the signatory inviting him to sign the disputed declaration; (3) his responsive e-mail that he had done so; and (4) the submission of the combined declaration an hour later.¹⁵⁶² Although the counterclaim plaintiffs' showing might have created a factual dispute under a standard preponderance-of-the-evidence standard of proof, it failed to do so

¹⁵⁵⁷ 15 U.S.C. § 1058.

¹⁵⁵⁸ *Id.* § 1065.

¹⁵⁵⁹ *IEP Techs.*, 768 F. Supp. 3d at 234.

¹⁵⁶⁰ *Id.* at 236–37 (first quoting *Great Concepts, LLC v. Chutter, Inc.*, 90 F.4th 1333, 1337 (Fed. Cir. 2024); and then quoting *In re Bose Corp.*, 580 F.3d 1240, 1243 (Fed. Cir. 2009)).

¹⁵⁶¹ *Id.* at 238–39.

¹⁵⁶² *Id.* at 239.

under the clear-and-convincing standard applicable to fraud claims.¹⁵⁶³

The court moved on to examine—and also reject as a matter of law—additional claims of fraudulent procurement advanced by the counterclaim plaintiffs. One was that the counterclaim defendant had defrauded the USPTO by repeatedly submitting the same specimen of use in support of its claims of ongoing use under Section 8. The counterclaim plaintiffs argued it was a legal impossibility for a specimen supporting an initial use-based application to demonstrate ongoing use years later. In response, the counterclaim defendant proffered undisputed testimony that the registered mark’s use in connection with the counterclaim defendant’s goods had gone unchanged since its application. Based on that testimony, the court determined that “[a] reasonable jury could not find, based on [the counterclaim defendant’s] submission of a 2014 photo of a product still used in commerce in 2020, clear and convincing evidence that [the counterclaim defendant] made a false representation of a material fact to the USPTO in its [Section 8] declaration.”¹⁵⁶⁴

A final claim of fraud by the same counterclaim plaintiffs likewise fell short as a matter of law. That claim rested on theory that the counterclaim defendant did not sell a good covered by its registration, but the counterclaim plaintiffs failed to support it with anything more than hearsay and the “parsing of limited deposition testimony.”¹⁵⁶⁵ Of equal importance, the court observed of the summary judgment record that “even if there were substantial evidence that [the counterclaim defendant] made a false representation to the USPTO, [the counterclaim plaintiffs] [have] not proffered any evidence—let alone clear and convincing evidence—to establish that [the counterclaim defendant] knew that the representation was false or that it intended to deceive the USPTO.”¹⁵⁶⁶ That theory of fraud therefore also failed.

Other bids to invalidate claims in the USPTO were more pedestrian. For example, one court ordered the cancellation of a registration on the Principal Register after finding the claimed mark covered by it—the color chartreuse for water hoses—both functional and lacking acquired distinctiveness.¹⁵⁶⁷ Another took the same step where a defendant’s registration of a more conventional composite mark was concerned after finding on a preliminary injunction that the plaintiff, and not the registrant, was

¹⁵⁶³ *Id.* at 238.

¹⁵⁶⁴ *Id.* at 239.

¹⁵⁶⁵ *Id.* at 240.

¹⁵⁶⁶ *Id.*

¹⁵⁶⁷ *See Weems Indus. v. Teknor Apex Co.*, 757 F. Supp. 3d 854, 925, 929, 930–31 (N.D. Iowa 2024).

the mark's owner.¹⁵⁶⁸ A finding that the claimed “ice” mark for tobacco- and vaping-related products similarly led to the invalidation of the registrations covering it.¹⁵⁶⁹ And a final reported opinion ordering the cancellation of a federal registration did so in a case in which the parties agreed their marks were confusingly similar and in which the plaintiff established both that it enjoyed priority of rights and that the defendant's registration was blocking its own application.¹⁵⁷⁰

Of course, the trademark statutes of most states allow for judicial review of the validity of registrations issued under them, and so it was that a panel of the Court of Appeals of Indiana came to examine the town of Plainfield, Indiana's three state registrations of the following mark for unidentified services:¹⁵⁷¹



Accused of infringing the town's mark, the defendant responded by seeking the invalidation of the registrations covering it on the theory that the public would perceive the mark as a flag, the registration of which the Indiana trademark act prohibited.¹⁵⁷² Based on the town's actual flag, the defendant's argument was not wholly lacking in support:¹⁵⁷³



In an extraordinary example of judicial hairsplitting, however, the court held that:

¹⁵⁶⁸ See *Colors+ v. Colors+ Counseling, LLC*, 782 F. Supp. 3d 579, 638–39 (N.D. Ohio 2025), *opinion clarified*, No. 1:25-cv-00078-PAB, 2025 WL 2322784 (N.D. Ohio Aug. 12, 2025).

¹⁵⁶⁹ See *Fantasia Distrib., Inc. v. Myle Vape, Inc.*, 766 F. Supp. 3d 373, 393 (E.D.N.Y. 2024).

¹⁵⁷⁰ See *Med. Depot, Inc. v. Med Way US, Inc.*, 774 F. Supp. 3d 554, 574–75 (E.D.N.Y. 2025), *appeal withdrawn*, No. 25-1049, 2025 WL 2269807 (2d Cir. July 30, 2025).

¹⁵⁷¹ See *White v. Town of Plainfield*, 264 N.E.3d 727, 734 (Ind. Ct. App. 2025).

¹⁵⁷² See Ind. Code § 24-2-1-3(3)(B).

¹⁵⁷³ *White*, 264 N.E.3d at 740.

Plainfield's *flag* consists of or comprises the Mark; but that is not what [the state statute] prohibits. Rather, the Section targets *marks* that consist of or include a municipality's flag. . . . Under [the defendant's] reading, [the statute] would bar a municipality from registering an otherwise registrable mark merely because it is featured on the municipality's flag. But the [statute] does not sweep so broadly. The Mark does not consist of or comprise Plainfield's flag and is not excluded from registrability¹⁵⁷⁴

Having thus reduced the statutory prohibition to a virtual nullity, the court then affirmed the trial court's determination that the registered mark did not constitute a barred-from-registration governmental insignia, either:

Plainfield displays the Mark throughout town (on flags, signs, landscaping features) and on its website. Sure, Plainfield residents—and other consumers of Plainfield's services—associate the Mark with Plainfield. It is a trademark after all. Yet the Mark lacks connotation with government *authority* that [the state trademark act] seeks to exclude from trademark protection.¹⁵⁷⁵

The defendant's challenge to the town's registrations therefore fell short of the mark.

C. Constitutional Matters

1. Article III Cases and Controversies

Both Article III of the U.S. Constitution and the federal Declaratory Judgment Act require federal courts acting under their authority to find an "actual controversy" before proceeding;¹⁵⁷⁶ moreover, state law causes of action are typically subject to the same requirement. According to the Supreme Court in *MedImmune, Inc. v. Genentech, Inc.*,¹⁵⁷⁷ whether a particular dispute rises to this level should properly turn on "whether the facts alleged, under all the circumstances, show that there is a substantial controversy . . . of sufficient immediacy and reality to warrant the issuance of a declaratory judgment."¹⁵⁷⁸

The Eighth Circuit issued the most notable reported opinion to undertake a substantive inquiry into the possible existence of an

¹⁵⁷⁴ *Id.*

¹⁵⁷⁵ *Id.* at 741.

¹⁵⁷⁶ U.S. Const. art. III, § 2, cl. 1; 28 U.S.C. § 2201.

¹⁵⁷⁷ 549 U.S. 118 (2007).

¹⁵⁷⁸ *Id.* at 127 (quoting *Md. Cas. Co. v. Pac. Coal & Oil Co.*, 312 U.S. 270, 273 (1941)).

actionable Article III case and controversy.¹⁵⁷⁹ In the action appealed to that tribunal, the defendant had both petitioned the Trademark Trial and Appeal Board to cancel a registration owned by the plaintiff and brought suit against the plaintiff in Iowa state court for, among other things, trademark infringement and trade secret misappropriation. Those actions led the plaintiff to pursue declaratory relief from an Iowa federal district court, which dismissed the action for want of an actionable case and controversy between the parties.

The Eighth Circuit affirmed. Because of the nonpreemptive effect of federal trademark and trade secret law, the inclusion of trademark and trade secret claims in the defendant's state court complaint did not necessarily mean those claims were grounded in federal law. And, regarding the Board proceeding, it further held that:

Evidence that [the defendant] petitioned the Trademark Trial and Appeal Board to cancel [the plaintiff's] federal trademark registration . . . does not add much [The defendant's] prediction that Thunderhead would likely confuse consumers by using [the disputed] trademarks, which it stated in the petition [for cancellation], was already apparent from [the defendant's] pleading, where the company advanced it in support of its state-law claims. Because of the prediction, the petition may confirm the existence of a trademark infringement dispute between the parties, but it does not show that the dispute implicates federal law any more than the cease-and-desist letter did. Nor does anything else in the petition suggest that [the defendant] will bring a federal intellectual property claim against [the plaintiff] in addition to its pending state-law claims.¹⁵⁸⁰

The district court therefore had not erred in dismissing the plaintiff's federal court action.¹⁵⁸¹

A far less substantive treatment of the issue came in a declaratory judgment action arising from the defendant's transmittal of a demand letter asserting trade dress and design patent infringement to the plaintiff.¹⁵⁸² Despite the pendency of a second proceeding between the parties, the defendant never asserted its putative causes of action against the plaintiff in that case and, indeed, took no other action to raise them. That inaction

¹⁵⁷⁹ See *Thunderhead of Ankeny, Inc. v. Chicken Bones of Kearney, Inc.*, 142 F.4th 1055 (8th Cir. 2025).

¹⁵⁸⁰ *Id.* at 1059 (citation omitted).

¹⁵⁸¹ *Id.* at 1059–60.

¹⁵⁸² See *Foto Elec. Supply Co. v. Marut Enters.*, 777 F. Supp. 3d 179 (S.D.N.Y. 2025), *appeal dismissed*, No. 2025-1726, 2025 WL 2650845 (Fed. Cir. Sept. 16, 2025).

did not stop the plaintiff from filing its action a year after the letter, but it did cause the court to conclude—two years after the letter—that no actionable case and controversy existed between the parties. The court therefore granted the defendant’s motion to dismiss on that basis.¹⁵⁸³

2. The First Amendment

Numerous reported opinions addressed the Free Speech Clause of the First Amendment, including several in which the pro-defendant test for infringement originating in the Second Circuit’s circa-1989 decision in *Rogers v. Grimaldi*¹⁵⁸⁴ took center stage. Although the precise formulation of that test varies from court to court, it generally requires a plaintiff challenging the alleged imitation of its mark in the title or content of an artistic or expressive work to demonstrate that the imitation either has no artistic relevance to the underlying work or, if it does have any artistic relevance, it is explicitly misleading as to the work’s source or content.¹⁵⁸⁵ A plaintiff before a court applying *Rogers* must also demonstrate that confusion is likely, either as a standalone showing (as in the Ninth Circuit) or as part of the inquiry into whether the defendant’s use is explicitly misleading (as in the Second Circuit).¹⁵⁸⁶

Nevertheless, and especially following the Supreme Court’s 2023 decision in *Jack Daniel’s Properties, Inc. v. VIP Products LLC*,¹⁵⁸⁷ which held *Rogers* off limits in cases in which the challenged use is as a mark for the defendant’s own goods or services, *Rogers* was not a get-out-of-jail-free card for all defendants. This point was evident in a Ninth Circuit appeal in which the plaintiff established protectable rights to a series of nonfungible tokens featuring bored anthropomorphic simians, of which the following was a representative example:¹⁵⁸⁸

¹⁵⁸³ *Id.* at 184.

¹⁵⁸⁴ 875 F.2d 994 (2d Cir. 1989).

¹⁵⁸⁵ *Id.* at 999.

¹⁵⁸⁶ On the split between the Second Circuit’s and the Ninth Circuit’s approaches to *Rogers*, see generally Davis, *supra* note 864, at 543–49.

¹⁵⁸⁷ 599 U.S. 140 (2023).

¹⁵⁸⁸ See *Yuga Labs, Inc. v. Ripps*, 144 F.4th 1137, 1153 (9th Cir. 2025).



As reflected in the following example of the defendants' NFTs, their intentional copying of the plaintiff's products was evident and undisputed:¹⁵⁸⁹



Instead of denying their copying, the defendants characterized their imitations as part of a “broader expressive art project and public protest”;¹⁵⁹⁰ they also argued that the Supreme Court’s limitation on *Rogers* applied only in cases in which defendants attempted to trade on plaintiffs’ good will—a circumstance allegedly precluded by their putative criticism of the plaintiff. Noting both that the defendants had failed to address why their NFTs allegedly did not act as source indicators and also “[w]hether images, logos, or phrases operate as source identifiers (i.e., marks) does not depend on the subjective intent of the user,”¹⁵⁹¹ the Ninth Circuit held *Rogers* inapplicable.¹⁵⁹²

Jack Daniel’s also cast a long shadow over a dispute concerning the LIBERTARIAN PARTY mark in the state of Michigan.¹⁵⁹³ The defendants, a group of dissident members of the state party who continued to use the mark after the national party held them ineligible to do so, argued that the First Amendment protected that

¹⁵⁸⁹ *Id.* at 1154.

¹⁵⁹⁰ *Id.* at 1166.

¹⁵⁹¹ *Id.*

¹⁵⁹² *Id.* at 1166–67.

¹⁵⁹³ See *Libertarian Nat’l Comm., Inc. v. Saliba*, 116 F.4th 530 (6th Cir. 2024).

use. The court rejected that argument by holding that the First Amendment, “while implicated where a defendant uses the mark purely for protected expression, like satire, critique, or commentary, does not prohibit application of the Lanham Act to a defendant who uses the trademark to identify the source of his or her competing goods or services.”¹⁵⁹⁴ In that circumstance, it held, “the likelihood-of-confusion inquiry does enough work to account for the interest in free expression,”¹⁵⁹⁵ meaning that the preliminary injunction arising from that inquiry was appropriate.¹⁵⁹⁶

In contrast, First Amendment arguments failed to produce grants of at least some motions to dismiss. For example, a defense invocation of *Rogers* was unsuccessful in a case against the generative AI platform Midjourney.¹⁵⁹⁷ The plaintiffs alleged that that company’s CEO had published a list of 4,700 artists whose styles Midjourney could emulate and also that their names were used in showcasing works generated on the platform. Midjourney cited *Rogers* in challenging the sufficiency of the complaint, but the court denied that challenge. As it interpreted the plaintiffs’ averments, “[o]pen questions . . . remain whether Midjourney promoting its product for commercial gain for use by others to create artistic images is *itself* expressive use that creates ‘artistic relevance’ to plaintiffs’ underlying works. Discovery may show that it is or that is it not.”¹⁵⁹⁸

The same outcome—the denial of a *Rogers*-based motion to dismiss—occurred in a dispute in which the plaintiff claimed the defendants had violated the rights of publicity of major league baseball players by using their names, images, and likenesses to promote the defendants’ online sports gambling and entertainment platforms.¹⁵⁹⁹ The Pennsylvania federal district court assigned to the case noted the Supreme Court’s refusal in *Zacchini v. Scripps-Howard Broadcasting Co.*¹⁶⁰⁰ to hold that the First Amendment immunized from liability under a right of publicity theory the television broadcast of a human cannonball act;¹⁶⁰¹ it also cited the Third Circuit’s apparent approval of the transformative use test “as the appropriate method for balancing competing interests in the

¹⁵⁹⁴ *Id.* at 535.

¹⁵⁹⁵ *Id.* (quoting *Jack Daniel’s Props.*, 599 U.S. at 159); see also *id.* at 536 (“[I]n the narrow context where a defendant uses the trademark as a source identifier, the Lanham Act does not offend the First Amendment by imposing liability in the political arena.”).

¹⁵⁹⁶ *Id.*

¹⁵⁹⁷ See *Andersen v. Stability AI Ltd.*, 744 F. Supp. 3d 956 (N.D. Cal. 2024).

¹⁵⁹⁸ *Id.* at 978 (quoting *Brown v. Elec. Arts, Inc.*, 724 F.3d 1235, 1239 (9th Cir. 2013)).

¹⁵⁹⁹ See *MLB Players Inc. v. DraftKings, Inc.*, 771 F. Supp. 3d 513 (E.D. Pa. 2025), *mot. to certify appeal denied*, No. 24-4884-KSM, 2025 WL 1462547 (E.D. Pa. May 21, 2025).

¹⁶⁰⁰ 433 U.S. 562 (1977).

¹⁶⁰¹ *MLB Players*, 771 F. Supp. 3d at 547–48.

context of expressive, creative works.”¹⁶⁰² Ultimately, however, it declined to adopt a definitive test for evaluating the extent of the protection available to the defendants under the First Amendment, holding instead that it was “too early in the litigation to address the weighty issues necessary for First Amendment balancing. If appropriate, Defendants may raise their First Amendment defenses again at summary judgment.”¹⁶⁰³

In addition to the right to free speech, of course, the First Amendment protects the right to petition the government for redress of grievances,¹⁶⁰⁴ and some states have enacted anti-SLAPP statutes, or, in other words, legislation targeting “strategic lawsuits against public participation” to protect both rights. One such state is California,¹⁶⁰⁵ but, as a defendant discovered to its detriment, that jurisdiction’s anti-SLAPP statute is not a general purpose get-out-of-jail-free card.¹⁶⁰⁶ The plaintiff suing that defendant purported to represent a class of similarly situated individuals whose names and contact information had been used in violation of, among other things, the individuals’ rights of publicity under California law. The defendant, which operated “a searchable business-to-business database” containing information about businesses and other organizations across the United States unsuccessfully sought the dismissal of the plaintiff’s complaint before appealing—with an equal lack of success—to the Ninth Circuit. Like the district court before it, the court of appeals concluded that an exception to the statutory protection claimed by the defendant applied because: (1) the plaintiff did not seek relief different from the rest of the class of which she was a member;¹⁶⁰⁷ (2) the action would enforce an “important right affecting the public interest”;¹⁶⁰⁸ and (3) “[p]rivate enforcement [was] necessary and place[d] a disproportionate financial burden on the plaintiff.”¹⁶⁰⁹ Seeking to trump that exception, the defendant claimed its database was a protected “newspaper, magazine, or other periodical,”¹⁶¹⁰ but the court rejected that contention, therefore immunizing the plaintiff’s suit from challenge via an anti-SLAPP motion to dismiss.¹⁶¹¹

¹⁶⁰² *Id.* at 550 (citing *Hart v. Elec. Arts, Inc.*, 717 F.3d 141, 165 (3d Cir. 2013)).

¹⁶⁰³ *Id.* at 552.

¹⁶⁰⁴ See generally *E. R.R. Presidents Conf. v. Noerr Motor Freight, Inc.*, 365 U.S. 875 (1961); *United Mine Workers v. Pennington*, 381 U.S. 657 (1965).

¹⁶⁰⁵ See Cal. Civ. Proc. Code § 425.16 *et seq.*

¹⁶⁰⁶ See *Batis v. Dun & Bradstreet Holdings, Inc.*, 106 F.4th 932 (9th Cir. 2024).

¹⁶⁰⁷ *Id.* at 936.

¹⁶⁰⁸ *Id.*

¹⁶⁰⁹ *Id.* (quoting Cal. Civ. Proc. Code § 425.17(b)).

¹⁶¹⁰ Cal. Civ. Proc. Code § 425.17(d).

¹⁶¹¹ *Batis*, 106 F.4th at 939–40.

3. The Right to a Jury Trial Under the Seventh Amendment

The Seventh Amendment provides that “[i]n Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.”¹⁶¹² Three federal appellate courts addressed this right in different contexts. One was the Seventh Circuit, which found “no question” that a plaintiff was entitled to a jury trial on its request for punitive damages under Illinois law.¹⁶¹³ In doing so, it rejected a defense argument that the plaintiff could not pursue that remedy because his complaint had neglected to request it.¹⁶¹⁴

The Eleventh Circuit accepted a different Seventh Amendment–based argument by a different plaintiff.¹⁶¹⁵ Dissatisfied with a jury’s calculation of the statutory damages to which that plaintiff was entitled, the defendants challenged that calculation on appeal under various theories. The court of appeals affirmed, noting as an initial matter that any alteration of the award “outside the remittitur context—an option that [the defendants] forfeited on appeal—would usurp the jury’s well-established role as factfinder.”¹⁶¹⁶ That was because “[a] federal court has no general authority to reduce the amount of a jury’s verdict’ because ‘the Seventh Amendment prohibits re-examination of a jury’s determination of the facts, which includes its assessment of the extent of plaintiff’s injury.’”¹⁶¹⁷

Conversely, however, the Eighth Circuit held that a plaintiff alleging trade dress infringement was not entitled to a jury trial on its request for an accounting of the defendant’s profits.¹⁶¹⁸ The court framed the issue with the following observation:

The Seventh Amendment right applies to statutory as well as common law causes of action. “To determine whether a statutory action is more analogous to cases tried in courts of law than to suits tried in courts of equity or admiralty, we examine both the nature of the statutory action and the

¹⁶¹² U.S. Const. amend. VII.

¹⁶¹³ *Curry v. Revolution Lab’s*, 124 F.4th 441, 451 (7th Cir. 2024).

¹⁶¹⁴ *Id.* at 451–54.

¹⁶¹⁵ *See Top Tobacco, L.P. v. Star Imps. & Wholesalers, Inc.*, 135 F.4th 1344 (11th Cir. 2025).

¹⁶¹⁶ *Id.* at 1350.

¹⁶¹⁷ *Id.* (quoting *Johansen v. Combustion Eng’g, Inc.*, 170 F.3d 1320, 1328 (11th Cir. 1999)).

¹⁶¹⁸ *See Nat’l Presto Indus. v. U.S. Merchs. Fin. Grp.*, 121 F.4th 671 (8th Cir. 2024).

remedy sought.” “The second stage of this analysis is more important than the first.”¹⁶¹⁹

The plaintiff did not seriously contest the equitable nature of its requested remedy—a circumstance ordinarily rendering the amendment inapplicable—but sought to characterize that remedy as “a ‘proxy’ for a claim of [the plaintiff’s] damages for lost sales and therefore a quintessential legal remedy.”¹⁶²⁰

The court rejected that proposed characterization for two reasons. For one thing, as the district court had found, the plaintiff had not documented its alleged lost sales, thereby failing to substantiate the proposed equivalence of its losses and the plaintiff’s gains.¹⁶²¹ And, for another, “[t]hat [the plaintiff] (or its attorneys) *intended* the recovery of [the defendant’s] profits to be compensation—which we think goes without saying—does not transform an otherwise equitable remedy into a legal one.”¹⁶²² Finally, although “proving actual damages caused by trade dress infringement can be difficult,” the court held that that difficulty “does not make the remedy legal under the established Seventh Amendment analysis.”¹⁶²³

A Texas federal district court similarly denied a claimed right to a jury trial in a declaratory judgment action filed after the United States Department of Defense and several military branches under its auspices cancelled some trademark licenses issued to the plaintiff and threatened the plaintiff with infringement actions to protect the marks covered by those licenses and some others; the plaintiff also asserted a breach-of-contract claim arising from the termination of its license.¹⁶²⁴ Citing the risk of the defendants pursuing an award of damages, the plaintiff sought confirmation that it could have a jury hear its request for a finding of noninfringement. Absent an express counterclaim for that remedy, however, the court held no right to a jury trial existed, although it invited input from the parties on the possibility of using the jury that would hear the plaintiff’s contract-based cause of action to address the trademark claims in the case in an advisory capacity.¹⁶²⁵

¹⁶¹⁹ *Id.* at 677–78 (first quoting *Feltner v. Columbia Pictures Television, Inc.* 523 U.S. 340, 348 (1998); and then quoting *Granfinanciera, S.A. v. Nordberg*, 492 U.S. 33, 42 (1989)) (citation omitted).

¹⁶²⁰ *Id.* at 678.

¹⁶²¹ *Id.* at 679; *see also id.* at 680 (“Because [the plaintiff] failed to account for the [parties’] differing profit margins, it did not show that disgorgement of [the defendant’s] profits was an approximation of [the plaintiff’s] damages.”).

¹⁶²² *Id.* at 679–80.

¹⁶²³ *Id.* at 680.

¹⁶²⁴ *See Shields of Strength v. U.S. Dep’t of Def.*, 742 F. Supp. 3d 721 (E.D. Tex. 2024).

¹⁶²⁵ *Id.* at 724–25.

4. The Due Process Clauses of the Fifth and Fourteenth Amendments

Unusually, two federal appellate opinions addressed claims that jury-ordered monetary relief violated the constitutional guarantees of due process found in the Fifth Amendment¹⁶²⁶ and the Fourteenth Amendment.¹⁶²⁷ In the appeal producing the first opinion, a Georgia jury weighing the plaintiff's allegations of counterfeiting found the defendants had not acted willfully but nevertheless awarded the plaintiff \$123,000 in damages per registered mark asserted by the plaintiff—below the maximum of \$200,000 per mark permitted by Section 35(c) for nonwillful infringement—for a total award of \$1,107,000 in statutory damages.¹⁶²⁸ In rejecting the defendants' claim of unconstitutionality because the award exceeded the plaintiff's (unspecified) actual damages, the Eleventh Circuit held that “a statutory damages award violates due process ‘only where the penalty prescribed is so severe and oppressive as to be wholly disproportioned to the offense and obviously unreasonable.’”¹⁶²⁹ In part because of a prior Supreme Court opinion in another context suggesting that a statutory damages award of \$300 for a violation valued at only one cent could be constitutionally valid,¹⁶³⁰ the court concluded that “due process does not require that a statutory penalty ‘be confined or proportioned to . . . loss or damages; for, as it is imposed as a punishment for the violation of a public law, the legislature may adjust its amount to the public wrong rather than the private injury.’”¹⁶³¹ Especially in light of the public interest in eliminating counterfeiting, the award was not “so severe and oppressive as to be wholly disproportioned to the offense or obviously unreasonable.”¹⁶³²

In the second appeal, three adjudicated infringers argued to the Seventh Circuit that an award of \$9,000,000 in punitive damages was unconstitutionally large when compared to the jury's award of \$2,500 in compensatory damages and an accounting of the defendants' profits in the amount of \$547,095.44.¹⁶³³ Evaluating the defendants' argument that the Fourteenth Amendment required at least a remittitur of the punitive damages, the court of appeals observed as a threshold matter that:

¹⁶²⁶ U.S. Const. amend. V, cl. 4.

¹⁶²⁷ U.S. Const. amend. XIV, § 1.

¹⁶²⁸ See *Top Tobacco, L.P. v. Star Imps. & Wholesalers, Inc.*, 135 F.4th 1344 (11th Cir. 2025).

¹⁶²⁹ *Id.* at 1352 (quoting *St. Louis, Iron Mountain & S. Ry. Co. v. Williams*, 251 U.S. 63, 66–67 (1919)).

¹⁶³⁰ See *Williams*, 251 U.S. at 66–67.

¹⁶³¹ *Id.* at 1353 (quoting *Williams*, 251 U.S. at 66).

¹⁶³² *Id.* (quoting *Williams*, 251 U.S. at 67).

¹⁶³³ See *Curry v. Revolution Lab's*, 124 F.4th 441 (7th Cir. 2024).

The Supreme Court has instructed us to consider three guideposts when assessing the constitutionality of a punitive damage award: (1) the “degree of reprehensibility” of the defendant’s misconduct; (2) the “disparity between the harm or potential harm” suffered by the plaintiff and the punitive damage award; and (3) the difference between the punitive damage award and “the civil penalties authorized or imposed in comparable cases.” We have explained that when punitive damage awards based on state common-law claims do not come with “precise, reasoned legislative judgment[s],” such awards are subject to “more exacting . . . review.”¹⁶³⁴

As to the first of those factors, the court noted the trial record’s inclusion of evidence and testimony of the plaintiff’s financial vulnerability,¹⁶³⁵ the defendants’ initial decision to “let him sue” in response to his concerns and Amazon’s designation of its mark as a counterfeit,¹⁶³⁶ and the “serial” nature of the defendants’ infringement;¹⁶³⁷ substantial evidence therefore supported the jury’s verdict under that factor, even if the plaintiff’s harm was economic instead of physical.¹⁶³⁸ The second factor also weighed against an overturning of the jury’s award because “[t]he appropriate ratio [under that factor] is \$300,000 in punitive damages per defendant compared against \$549,595.44 [in disgorged profits]. As the district court explained, this ratio of less than 1:1 is ‘easily permissible.’”¹⁶³⁹ Finally, as to the third factor, the court held that “[t]he fact that a federal statute [*i.e.*, the Lanham Act] does not authorize imposition of a penalty [in the form of punitive damages] is irrelevant to whether punitive damages may be awarded under a separate state-law cause of action.”¹⁶⁴⁰ The jury’s award of punitive damages therefore withstood appellate scrutiny.

¹⁶³⁴ *Id.* at 454 (first alteration in original) (first quoting *BMW of N. Am., Inc. v. Gore*, 517 U.S. 559, 575 (1996); and then quoting *Motorola Sols., Inc. v. Hytera Commc’ns Corp. Ltd.*, 108 F.4th 458, 499 (7th Cir. 2024), *reh’g and reh’g in banc dismissed*, No. 22-2370, 2024 WL 4416886 (7th Cir. Oct. 4, 2024), *cert. denied*, 145 S. Ct. 1182 (2025)).

¹⁶³⁵ *Id.* at 455–56.

¹⁶³⁶ *Id.* at 456.

¹⁶³⁷ *Id.* at 456–57.

¹⁶³⁸ *Id.* at 455.

¹⁶³⁹ *Id.* at 462.

The defendants unsuccessfully argued under the second factor that the only proper point of comparison was the jury’s award of \$2,500 in compensatory damages and also (in a footnote) that the district court should only have considered the defendants’ sales in the state of Illinois. *See id.* at 461–62.

¹⁶⁴⁰ *Id.* at 463.

5. The Dormant Commerce Clause

“The Commerce Clause of the U.S. Constitution, ‘not only vests Congress with the power to regulate interstate trade; the Clause also contains a further, negative command, one effectively forbidding the enforcement of certain state economic regulations even when Congress has failed to legislate on the subject.’”¹⁶⁴¹ This negative effect of the Clause—typically characterized as the Dormant Commerce Clause—has two consequences for overambitious state and local legislation and regulations. The first is that states and their political subdivisions cannot undertake economic protectionism, or, in other words, intentionally burden out-of-state competitors of their own domiciliaries.¹⁶⁴² The second is that, even if not motivated by such an intent, states and their subdivisions cannot impose burdens on interstate commerce clearly outweighing the benefits associated with those burdens.¹⁶⁴³

Accused of having violated the New York dilution statute,¹⁶⁴⁴ one defendant sought to escape liability by arguing in a motion to dismiss that the statute was void as an impermissible burden on interstate commerce under the first of the two tests for that circumstance.¹⁶⁴⁵ One reason that argument failed was that the statute on its face allowed for injunctive relief against the likely dilution of a mark used in connection with goods “sold or transported in commerce *in this state*.”¹⁶⁴⁶ The court observed of that qualifying language that:

[The statute] “plainly does not facially discriminate against interstate commerce[,] [n]or does it harbor a discriminatory purpose.” [The defendant] has not identified any out-of-New York-state competitor that would be disadvantaged vis-a-vis New York competitors due to [the statute], nor has it articulated a discriminatory purpose against out-of-state competitors underlying the statute. [The statute] does not “erect[] an economic barrier protecting a major local industry against competition from without the State,” operate like “a tariff or customs duty” in order to protect New York competitors from outside competition, or

¹⁶⁴¹ *N.Y. Times Co. v. Microsoft Corp.*, 777 F. Supp. 3d 283, 325 (S.D.N.Y. 2025) (citing U.S. Const. art. I, § 8, cl. 3) (quoting *Nat'l Pork Producers Council v. Ross*, 598 U.S. 356, 368 (2023)).

¹⁶⁴² *See, e.g., Nat'l Pork Producers Council*, 598 U.S. at 369 (declining to invalidate California prohibition on the sale of pork from pigs “confined in a cruel manner” (quoting Cal. Health & Safety Code Ann. § 25990(b)(2))).

¹⁶⁴³ *See, e.g., Pike v. Bruce Church, Inc.*, 397 U.S. 137, 146 (1970) (invalidating Arizona regulation preventing the transportation of uncrated cantaloupes).

¹⁶⁴⁴ N.Y. Gen. Bus. Law § 360-1.

¹⁶⁴⁵ *See N.Y. Times Co.*, 777 F. Supp. 3d at 325–27.

¹⁶⁴⁶ *Id.* at 325 (N.Y. Gen. Bus. Law § 360-1).

“deliberately rob[]” out-of-state competitors of “whatever competitive advantages they may possess” over in-state competitors. Quite the opposite, [the statute] fits within the myriad laws in our “interconnected national marketplace,”—including “libel laws, securities requirements, charitable registration requirements, franchise laws, tort laws,” as well as “inspection laws, quarantine laws, and health laws of every description,”—that have “the practical effect of controlling extraterritorial behavior” but do not violate the Commerce Clause. The New York dilution statute may “have a considerable influence on commerce outside [New York’s] borders,” but [the defendant] has not contended much less shown that [the statute] discriminates against out-of-state commerce.¹⁶⁴⁷

With the defendant having not argued that the statute was void under the second test for invalidity, its motion to dismiss fell short of the mark.¹⁶⁴⁸

D. Procedural Matters

1. Federal Subject-Matter Jurisdiction

a. Bases of Jurisdiction

Three disputes originating in state-court actions removed to federal courts produced varying outcomes when the defendants in those cases sought remands. The declaratory judgment complaint in the first dispute was filed in an Iowa federal district court after the defendant petitioned the Trademark Trial and Appeal Board to cancel a registration owned by the plaintiff and then sued the plaintiff in Iowa state court asserting, among other things, trademark infringement and trade secret misappropriation.¹⁶⁴⁹ The district court dismissed the complaint for want of federal subject-matter jurisdiction over the plaintiff’s request for declaratory relief, and the Eighth Circuit affirmed. Like the district court, the court of appeals found the absence of express claims under federal law from the defendant’s state-court complaint significant in light of congressional failure to preempt state trademark and trade secret law when legislating in those fields.¹⁶⁵⁰ As it saw things, “the record

¹⁶⁴⁷ *Id.* at 326–27 (second, third, seventh, and ninth alterations in original) (first quoting *Rest. L. Ctr. v. City of New York*, 90 F.4th 101, 106 (2d Cir. 2024); then quoting *Dean Milk Co. v. Madison*, 340 U.S. 349, 354 (1951); then quoting *W. Lynn Creamery, Inc. v. Healy*, 512 U.S. 186, 194 (1994); then quoting *Nat’l Pork*, 598 U.S. at 374; then quoting *id.* at 374–75; and then quoting *id.* at 375).

¹⁶⁴⁸ *Id.* at 327.

¹⁶⁴⁹ See *Thunderhead of Ankeny, Inc. v. Chicken Bones of Kearney, Inc.*, 142 F.4th 1055 (8th Cir. 2025).

¹⁶⁵⁰ *Id.* at 1059–60.

contains no hint that [the defendant] will bring federal intellectual property claims against [the plaintiff]. What [the plaintiff] cites as evidence that a federal-law dispute will materialize is just evidence that a state-law dispute has materialized.”¹⁶⁵¹ It additionally held that the defendant’s petition for cancellation did nothing more than “confirm the existence of a trademark infringement dispute between the parties” without suggesting the defendant would bring a federal claim against the plaintiff in addition to the defendant’s pending state-law claims.¹⁶⁵² Federal subject-matter jurisdiction therefore did not exist.

The second dispute presenting the issue of federal subject-matter jurisdiction did so in the context of a claim by the plaintiff of both federal question and diversity jurisdiction.¹⁶⁵³ It originated in a complaint filed in Louisiana state court to vindicate rights to several marks—including some allegedly covered by federal registrations—that asserted only causes of action under the law of that state and sought only \$74,000 in damages. The defendant promptly removed the action to federal district court, only to face a motion to remand by the plaintiff.

The court’s evaluation of the motion began in a less than auspicious fashion for the defendant. Although the defendant argued that the plaintiff’s causes of action presented federal questions, the court disagreed. It explained that “[a] plaintiff can choose any one of three types of trademark actions: a state common law trademark infringement suit, a state law unfair competition suit, or a federal law trademark infringement suit. When a plaintiff does not clearly state he is seeking relief under the Lanham Act, removal is improper.”¹⁶⁵⁴ That proposition rendered the defendant’s assertion that a federal question existed meritless because:

Plaintiff exercised its right to plead only state law causes of action against the Defendant in a non-preempted field, and Defendant did not show that any remedy Plaintiff seeks raises a ‘substantial, disputed question’ about an essential element of a federal right, Defendant has failed to carry its burden of demonstrating that a federal question exists.¹⁶⁵⁵

All was not lost for the defendant, however, for the court then accepted its backup argument that diversity jurisdiction over the complaint existed pursuant to 28 U.S.C. § 1332, which provides “[t]he district courts shall have original jurisdiction of all civil actions where the matter in controversy exceeds the sum or value of

¹⁶⁵¹ *Id.* at 1058–59 (citation omitted).

¹⁶⁵² *Id.* at 1059.

¹⁶⁵³ *See* S. Marsh Collection, LLC v. S. Proper Co., 771 F. Supp. 3d 852 (M.D. La. 2025).

¹⁶⁵⁴ *Id.* at 859–60 (footnotes omitted).

¹⁶⁵⁵ *Id.* at 863.

\$75,000, exclusive of interest and costs, and is between . . . citizens of different States.”¹⁶⁵⁶ The court accepted the defendant’s argument that the parties were of diverse citizenship.¹⁶⁵⁷ Nevertheless, the plaintiff’s allegation of monetary damages up to (but not exceeding) \$74,000 threatened to place the case outside the scope of Section 1332 unless the defendant could show “by a preponderance of the evidence that the amount in controversy is greater than the jurisdictional amount.”¹⁶⁵⁸ The defendant accomplished that by proffering declaration testimony from a local trademark litigator that, as the court summarized it, “it would take approximately 223 total hours of attorney time to result in attorneys’ fees of \$75,000 and that, in her experience, it takes more than 223 hours per side to provide the legal services necessary to prosecute or defend through trial a trademark litigation, unfair competition, and/or dilution matter.”¹⁶⁵⁹ Because the plaintiff sought an award of its attorneys’ fees as well as its damages, its prayer for relief put the case over the top for purposes of diversity jurisdiction: “Evidence that Plaintiff’s attorneys’ fees alone will likely exceed the jurisdictional amount is enough to show by a preponderance of the evidence that the amount in controversy likely exceeds \$75,000, exclusive of interest and costs.”¹⁶⁶⁰

Finally, federal diversity jurisdiction also proved a ticket to federal court for a defendant veterinary practice accused of violating the right of publicity of one of its former doctors.¹⁶⁶¹ The plaintiff complained that the defendant had sent letters to the owners of her former patients that appeared to have come from the plaintiff herself. The plaintiff’s prayer for relief sought “damages in excess of \$50,000.00, plus unjust enrichment and other damages”;¹⁶⁶² apparently in the alternative, she also sought an award of \$1,000 in statutory damages for each letter sent out by the defendant.¹⁶⁶³ With complete diversity between the parties undisputed, the court found plausible the defendant’s claim of potential exposure to more than the \$75,000 trigger contemplated by 28 U.S.C. § 1332:

The text of the Illinois Right of Publicity Act does not place a cap on the number of violations that can give rise to statutory damages, and [the defendant] makes no argument that a recovery of \$75,000 would be legally impossible. Rather, she continues to assert that the total damages to be recovered

¹⁶⁵⁶ 28 U.S.C. § 1332(a).

¹⁶⁵⁷ *S. Marsh Collection*, 771 F. Supp. 3d at 869–70.

¹⁶⁵⁸ *Id.* at 865.

¹⁶⁵⁹ *Id.* at 867.

¹⁶⁶⁰ *Id.*

¹⁶⁶¹ *See Johnson v. BetterVet, LLC*, 728 F. Supp. 3d 881 (N.D. Ill. 2024).

¹⁶⁶² *Id.* at 884.

¹⁶⁶³ *Id.* at 885.

remains unknown. But it is more than plausible that the amount at stake is well over \$75,000. As a result, [the defendant's] estimate of the amount in controversy controls, and the jurisdictional minimum for diversity jurisdiction is satisfied.¹⁶⁶⁴

The plaintiff therefore struck out in her bid for a remand.

b. Abstention

Even if subject-matter jurisdiction otherwise exists over a claim for relief under the Declaratory Judgment Act,¹⁶⁶⁵ a federal court “*may* declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought.”¹⁶⁶⁶ In a dispute spawning two competing actions, the first-filed one before a California federal district court and the second-filed one for a declaratory judgment from a New York bankruptcy court, the latter tribunal examined the following factors while weighing the defendant’s request that it abstain from exercising jurisdiction over the plaintiff’s claims for a declaratory judgment that the plaintiff, and not the defendant, owned certain marks:

(1) “whether the [declaratory] judgment [sought] will serve a useful purpose in clarifying or settling the legal issues involved”; (2) “whether [such] a judgment would finalize the controversy and offer relief from uncertainty”; (3) “whether the proposed remedy is being used merely for procedural fencing or a race to *res judicata*”; (4) “whether the use of a declaratory judgment would increase friction between sovereign legal systems or improperly encroach on the domain of a state or foreign court”; (5) “whether there is a better or more effective remedy,” . . . ; and (6) whether concerns for “judicial efficiency” and “judicial economy” favor declining to exercise jurisdiction[.]¹⁶⁶⁷

The court did not examine each of the six factors *seriatim*.¹⁶⁶⁸ Nevertheless, clearly viewing the proceeding before it as an exercise in forum shopping by the plaintiff, it declined to exercise jurisdiction, concluding that “[t]his lawsuit appears to be a race to *res judicata*. The ‘better’ and ‘more effective’ remedy appears to be

¹⁶⁶⁴ *Id.* at 887 (citing 765 Ill. Comp. Stat. § 1075/40) (citation omitted).

¹⁶⁶⁵ 28 U.S.C. § 2201 *et seq.*

¹⁶⁶⁶ *Id.* § 2201(a) (emphasis added).

¹⁶⁶⁷ *In re SVB Fin. Grp.*, 671 B.R. 351, 372 (Bankr. S.D.N.Y. 2025) (alterations in original) (quoting *Admiral Ins. Co. v. Niagara Transformer Corp.*, 57 F.4th 85, 99–100 (2d Cir. 2023)).

¹⁶⁶⁸ It did, however, carefully examine the closely similar factors governing whether it should decline to hear the plaintiff’s claims under the Bankruptcy Code. *See id.* at 375.

permitting the litigation to proceed in California—and this is certainly what judicial economy counsels.”¹⁶⁶⁹

Applying the same six-factor test, a New York federal district court also declined to exercise jurisdiction over a trademark-related dispute.¹⁶⁷⁰ With the defendants having reported it to Amazon for selling goods bearing counterfeit imitations of the lead defendant’s mark, the plaintiff asserted various causes of action under New York law, including for defamation per se, trade libel, tortious interference with contract, and tortious interference with business relations; it also sought a declaratory judgment of nonliability for violations of the defendants’ “trademark rights or other rights, whether under Federal or State law.”¹⁶⁷¹ The court dismissed the second, third, and fourth of those causes of action for failure to state claims,¹⁶⁷² but it held the plaintiff’s averments of defamation per se adequate. The plaintiff’s success in defending that cause of action ironically weighed against the court entertaining its request for declaratory relief because, “[a]t its core, Plaintiff’s declaratory claim is asking the Court to resolve the same question that will need to be addressed to resolve its defamation per se claim: whether the . . . listings that Defendants reported to Amazon as infringing on [the lead Defendant’s] marks were for counterfeit goods or genuine . . .”¹⁶⁷³ An additional reason for that disposition, though, was that the plaintiff’s request for a judgment it had not violated “other rights, whether under Federal or State law,” which the court deemed overbroad:

Plaintiff does not specify the “other rights” under federal or state law for the Court to decide and, based on the stated purpose of the declaration as remedying the issue of Plaintiff’s right to resell genuine trademarked [goods], is significantly broader than necessary. Such an ill-defined declaratory judgment claim renders it impossible for the Court to conclusively determine that the broad declaration would “serve a useful purpose in clarifying or settling the legal issues involved,” “finalize the controversy and offer relief from uncertainty,” or not “improperly encroach on the domain” of another court.¹⁶⁷⁴

Because “Plaintiff has not shown any basis for the Court to find [that] such a broad declaration that Plaintiff has not infringed on unspecified rights beyond trademark rights would have any

¹⁶⁶⁹ *Id.*

¹⁶⁷⁰ *See* YCF Trading Inc. v. Skullcandy, Inc., 781 F. Supp. 3d 56 (E.D.N.Y. 2025).

¹⁶⁷¹ *Id.* at 96 (emphasis omitted).

¹⁶⁷² *Id.* at 72–74, 84–93.

¹⁶⁷³ *Id.* at 97.

¹⁶⁷⁴ *Id.* at 96 (quoting Admiral Ins. Co. v. Niagara Transformer Corp., 57 F.4th 85, 99–100 (2d Cir. 2023)).

practical implications on the dispute before the Court,”¹⁶⁷⁵ the court held it appropriate to decline to exercise jurisdiction even without a congruence between the plaintiff’s causes of action for defamation per se and for declaratory relief.¹⁶⁷⁶

2. Appellate Jurisdiction

Under ordinary circumstances, the dismissal of a complaint with leave to amend is not a final decision under 28 U.S.C. § 1291 for purposes of appellate jurisdiction.¹⁶⁷⁷ Nevertheless, having had a California federal district court hold that it had failed to state a claim for trade dress infringement, one plaintiff gave formal notice of its intent not to amend, which led the district court to dismiss that cause of action with prejudice.¹⁶⁷⁸ That disposition, the Ninth Circuit held, constituted a final decision allowing it to exercise jurisdiction over the plaintiff’s appeal (although ultimately rejecting the plaintiff’s arguments on the merits).¹⁶⁷⁹

3. Standing

Under federal law, the standing inquiry contemplates two separate concepts. The first is standing under Article III of the Constitution, which requires a plaintiff to have “(1) suffered an injury in fact, (2) that is fairly traceable to the challenged conduct of the defendant, and (3) that is likely to be redressed by a favorable judicial decision.”¹⁶⁸⁰ The second is whether the plaintiff has standing to invoke the cause of action under which it purports to proceed, which is increasingly governed by the Supreme Court’s 2014 opinion in *Lexmark International, Inc. v. Static Control Components, Inc.*;¹⁶⁸¹ that opinion requires the plaintiff to demonstrate an injury within the “zone of interests” protected by its cause of action and proximately caused by the defendant’s conduct.¹⁶⁸²

¹⁶⁷⁵ *Id.*

¹⁶⁷⁶ *Id.* at 97.

¹⁶⁷⁷ *See, e.g.,* N.C. Nat’l Bank v. Montilla, 600 F.2d 333, 334 (1st Cir. 1979) (per curiam) (holding that order dismissing an action with leave to amend is interlocutory).

¹⁶⁷⁸ *See* Tangle, Inc. v. Aritzia, Inc., 125 F.4th 991, 994 (9th Cir. 2025).

¹⁶⁷⁹ *Id.* at 995.

¹⁶⁸⁰ *LLT Mgmt. LLC v. Emory*, 766 F. Supp. 3d 576, 589 (E.D. Va. 2025) (quoting *Spokeo, Inc. v. Robins*, 578 U.S. 330, 338 (2016)), *reconsideration denied sub nom. Pecos River Talc LLC v. Emory*, No. 4:24-cv-75, 2025 WL 1249947 (E.D. Va. Apr. 30, 2025).

¹⁶⁸¹ 572 U.S. 118 (2014).

¹⁶⁸² *Id.* at 129–30; *see also* *LLT Mgmt.*, 766 F. Supp. 3d at 590.

a. Opinions Finding Standing

When a group of defendants—all pathologists—published an article in a scientific journal in which they claimed to have identified 75 mesothelioma patients whose only known asbestos exposure was to cosmetic talc of the sort produced by the plaintiff's predecessor, the plaintiff responded by asserting that the claim was, among other things, false advertising for the defendants' services as expert witnesses.¹⁶⁸³ On the defendants' standing-based motion to dismiss, the court found that the plaintiff had established its Article III standing in part by alleging the article had produced decreased sales of talc manufactured by the plaintiff's predecessor; indeed, the court noted, the plaintiff alleged its predecessor had been forced to withdraw that product from the market altogether. "So while the evidence might ultimately show that the portion of [the plaintiff's] losses attributable to the defendants' statements is small, or even that the article did not change [the predecessor's] financial position at all," the court held, "[the plaintiff's] allegations are sufficient to establish standing to sue."¹⁶⁸⁴ Moreover, and independent of the plaintiff's alleged lost sales, the plaintiff claimed the article had increased its litigation costs because "it is facially plausible that for some people who developed cancer after using [the talc] and decided to sue, the defendants' allegedly false statements of fact played some role in that decision"¹⁶⁸⁵ and because "[e]very time [the plaintiff] has to defend against an expert witness who relies on the defendants' allegedly false statements in litigation, it costs money [the plaintiff] would not otherwise have to spend."¹⁶⁸⁶

The court next held that the plaintiff had successfully averred statutory standing under the two-part *Lexmark* test. With respect to that test's first prong, the court credited the plaintiff's "plausibl[e]" allegations of injuries to the plaintiff's reputation and to sales of its talc.¹⁶⁸⁷ The court then determined under *Lexmark*'s second prong that the plaintiff had averred with equal plausibility that the defendants' conduct had proximately caused the plaintiff's alleged damages. "[B]y falsely claiming their study identified 75 new people who developed cancer after using cosmetic talc but had no other known exposure to asbestos," the court held under that prong, "the defendants led consumers to believe exactly what they later claimed that meant: that 'cosmetic talc should be considered a

¹⁶⁸³ See *LLT Mgmt.*, 766 F. Supp. 3d at 587.

¹⁶⁸⁴ *Id.* at 595.

¹⁶⁸⁵ *Id.* at 596.

¹⁶⁸⁶ *Id.*

¹⁶⁸⁷ *Id.* at 597.

probable cause of mesothelioma.”¹⁶⁸⁸ The plaintiff’s complaint therefore survived the pleadings stage.

In a case in which the plaintiff sought the cancellation of a registration blocking an application to register its own mark, the court applied a somewhat simpler non-*Lexmark* analysis.¹⁶⁸⁹ On the parties’ cross-motions for summary judgment, it held that:

A plaintiff has standing to seek cancellation of a federally registered trademark if it possesses “a real commercial interest in its own marks and a reasonable basis for its belief that it would be damaged in the absence of cancellation. This standard is met where, *inter alia*, (1) the trademark for which cancellation is sought has been cited against the applications of plaintiff’s own trademarks, or (2) plaintiff is using the same or a similar mark for the same or similar goods.”¹⁶⁹⁰

Because the parties agreed their marks were confusingly similar, the plaintiff had standing to pursue (successfully, as it turned out) the cancellation of the defendant’s registration.¹⁶⁹¹

The issue of Article III standing also presented itself in two reported opinions from courts entertaining claims under the Illinois Right of Publicity Act (IRPA).¹⁶⁹² The first opinion was the more substantive of the two and originated in objections by a plaintiff to the inclusion of certain of her personal information on a searchable online platform operated by the defendant.¹⁶⁹³ “To establish Article III standing,” that opinion held, “a plaintiff must show ‘(1) an injury in fact (2) a sufficient causal connection between the injury and the conduct complained of, and (3) a likel[i]hood that the injury will be redressed by a favorable decision.’”¹⁶⁹⁴ In challenging the plaintiff’s standing, the defendant argued the plaintiff could not establish “a legally protected interest that is concrete and particularized and actual or imminent, not conjectural or hypothetical”¹⁶⁹⁵ and that her claim of standing therefore failed under the first prong of the analysis. Noting that the IRPA had superseded Illinois’ common-law tort for right-of-publicity violations and that prior interpretations of that tort had recognized individuals’ standing

¹⁶⁸⁸ *Id.*

¹⁶⁸⁹ *See* *Med. Depot, Inc. v. Med Way US, Inc.*, 774 F. Supp. 3d 554 (E.D.N.Y. 2025), *appeal withdrawn*, No. 25-1049, 2025 WL 2269807 (2d Cir. July 30, 2025).

¹⁶⁹⁰ *Id.* at 574 (quoting *Citigroup Inc. v. City Holding Co.*, 99-CV-10115 (RWS), 2003 WL 282202, at *15 (S.D.N.Y. Feb. 10, 2003)).

¹⁶⁹¹ *Id.* at 574–75.

¹⁶⁹² 765 Ill. Comp. Stat. § 1075/30.

¹⁶⁹³ *See Hoffower v. Seamless Contacts Inc.*, 736 F. Supp. 3d 605 (N.D. Ill. 2024).

¹⁶⁹⁴ *Id.* at 611 (alteration in original) (quoting *Susan B. Anthony List v. Driehaus*, 573 U.S. 149, 157–58 (2014)).

¹⁶⁹⁵ *Id.* at 613 (quoting *Spokeo, Inc. v. Robins*, 578 U.S. 330, 339 (2016)).

under it, the court rejected that theory. “Given that the statutory rights provided by IRPA stem directly from the common law right of publicity,” it held, “[the plaintiff] has identified an adequate common-law analogue that supports her asserted injury as a sufficient basis to confer standing.”¹⁶⁹⁶

In a far more cursory discussion, the second opinion—also from an Illinois federal district court—reached the same conclusion on closely similar facts, namely the defendant’s operation of an online platform allegedly using the plaintiffs’ names, identities, images, and likenesses to advertise and solicit the defendant’s paid products and services without their consent.¹⁶⁹⁷ Instead of doing so on a motion to dismiss (as the first court had), the second court disposed of the defendant’s challenge to the plaintiff’s standing on summary judgment. Based largely on the analysis of the first court, the second one reached the same conclusion as the first, namely that an IRPA violation inflicted an actionable concrete injury-in-fact for purposes of Article III standing.¹⁶⁹⁸

b. Opinions Declining to Find Standing

The *Lexmark* framework took its toll on some plaintiffs in the context in which that framework was first articulated, namely, in cases presenting federal causes of action for false advertising. In a proceeding initiated by a complaint apparently replete with “muddled allegations” and “preposterous” claims, an Arizona federal district court granted a motion to dismiss based on the plaintiff’s lack of standing to assert its federal false advertising cause of action.¹⁶⁹⁹ Perhaps understandably, the court did not describe the gravamen of that cause of action in detail, but the plaintiff apparently asserted liability under Section 43(a) because of the defendants’ alleged failure to disclose that body cameras the defendants sold to law enforcement officials (among other customers) contained modules allowing foreign governments to hack into videos recorded by the cameras. A key deficiency in the plaintiff’s complaint was any allegation that the plaintiff actually competed with the defendants; instead, the plaintiff referred to itself as merely a “potential entrant[]” in the market for those goods.¹⁷⁰⁰ “To be sure,” the court held, “hypothetical plaintiffs need not provide definitive proof that a defendant’s advertisements caused plaintiffs to lose sales, but those plaintiffs must otherwise put forth sufficient facts to show a plausible inference of economic

¹⁶⁹⁶ *Id.* at 612.

¹⁶⁹⁷ See *Braundmeier v. Ancestry.Com Operations, Inc.*, 764 F. Supp. 3d 749 (N.D. Ill. 2025).

¹⁶⁹⁸ *Id.* at 755.

¹⁶⁹⁹ See *GovernmentGPT Inc. v. Axon Enter.*, 769 F. Supp. 3d 959, 980, 992 (D. Ariz. 2025).

¹⁷⁰⁰ *Id.* at 987 (alteration in original).

or reputational injury wrought by the deceptive marketing.”¹⁷⁰¹ The “tenuous” link between the plaintiff’s purported lost sales and the defendants’ conduct therefore mandated the dismissal of its claim of false advertising for want of standing.¹⁷⁰²

An equally restrictive application of *Lexmark* proved the downfall of a tutoring and educational consulting company that accused a set of former employees of various torts, including false advertising in violation of Section 43(a).¹⁷⁰³ That plaintiff’s complaint alleged the defendants were “profiting at [the plaintiff’s] expense” and that their false advertising had caused the plaintiff “lost profits, loss of market share, loss of sales, and loss of reputation and goodwill.”¹⁷⁰⁴ Although the complaint also established the directly competitive relationship between the parties, the court held on the defendants’ motion to dismiss that “the [complaint] lacks allegations tethering any false statements by [the defendant] to harm to [the plaintiff’s] business. In other words, the [complaint] does not allege *how* [the plaintiff’s] false advertising could harm [the defendants’] business.”¹⁷⁰⁵ Because the plaintiff’s allegations of standing therefore were inadequate, the defendant’s motion to dismiss was well-taken.

A similar failure to articulate how he was damaged by the alleged false advertising of his litigation opponents resulted in the dismissal of the complaint of a different plaintiff.¹⁷⁰⁶ That plaintiff’s averments of false advertising rested on the defendants’ alleged misrepresentation of themselves as owning the copyright covering a sculpture comprising the word “love,” which was similar in appearance to a stylized image of the word “hope” originating with, and licensed by, the plaintiff.¹⁷⁰⁷

¹⁷⁰¹ *Id.* at 988 (citation omitted).

¹⁷⁰² *Id.*

¹⁷⁰³ *See* 7EDU Impact Acad. Inc. v. You, 760 F. Supp. 3d 981 (N.D. Cal. 2024).

¹⁷⁰⁴ *Id.* at 1006.

¹⁷⁰⁵ *Id.*

¹⁷⁰⁶ *See* McKenzie v. Artists Rts. Soc’y, Inc., 757 F. Supp. 3d 427 (S.D.N.Y. 2024).

¹⁷⁰⁷ The illustrations in the text accompanying this footnote do not appear in the opinion but are instead reproduced from the complaint. *See* Complaint at 8, 18, McKenzie v. Artists Rts. Soc’y, Inc., 757 F. Supp. 3d 427 (S.D.N.Y. 2024) (No. 22 Civ. 1619 (JHR)).



On the defendants' motion to dismiss, the court explained the plaintiff's bid for standing under *Lexmark* in the following manner:

To allege causation, Plaintiff avers that "HOPE and LOVE, as images, have no other competition than each other." Plaintiff also claims that Defendants' use of "the false copyright assertion in relation to its many licenses of the LOVE image has greatly enhanced the revenues derived from the LOVE image, and made it appear more valuable than the HOPE image given its supposedly copyright-protected status and the extensive public visibility it has acquired."¹⁷⁰⁸

Critically, that theory failed to incorporate allegations either that consumers were deceived by the challenged representations or that they had withheld trade from the plaintiff as a consequence.¹⁷⁰⁹ The defendants' motion to dismiss therefore succeeded.

The *Lexmark* analysis similarly led the Fifth Circuit to affirm the dismissal of an action for infringement, likely dilution, and false advertising brought by a former member of a three-singer musical group against the group's two other members after they invited another performer to replace her and the resulting new three-singer group resumed touring under the original group's registered service mark.¹⁷¹⁰ The fatal infirmity in the plaintiff's claim of standing was an agreement between the group's three original members that they owned the disputed mark in equal shares. In affirming the district court's grant of the defendant's motion for summary judgment, the Fifth Circuit held that:

[T]he Lanham Act was intended to "to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks." This aim sounds in protecting two categories of

¹⁷⁰⁸ 757 F. Supp. 3d at 437 (citation omitted).

¹⁷⁰⁹ *Id.* at 437–38.

¹⁷¹⁰ *See Reed v. Marshall*, 142 F.4th 338 (5th Cir. 2025).

persons: consumers who are deceived by knockoff products, and owners, whose products and services are defrauded by imitators, from a third group: mark infringers who profit off of deception. Co-owners of a mark, who generally have the right to use their marks as they please, fall only on one side of this dividing line.¹⁷¹¹

The appellate court's rejection as a matter of law of the plaintiff's federal claims of likely dilution, false advertising, and false association were substantively identical.¹⁷¹² In the final analysis, it held, "[t]his case is illustrative of the perils associated with co-ownership of a mark, and serves as a clarion call that parties considering such should establish an agreement outlining their contractual rights in the event they part ways."¹⁷¹³

Not all courts invoked *Lexmark* en route to findings that plaintiffs lacked standing. Appealing to the Federal Circuit from a finding of infringement, a pair of defendants successfully demonstrated to that court's satisfaction that a putative assignment with a nonparty on which the lead plaintiff relied was not actually an assignment and, if it were a license from the plaintiff to the nonparty, it would not cover the disputed mark's use.¹⁷¹⁴ Although the lead plaintiff eventually acquired the mark almost six years after filing suit, that after-the-fact assignment could not salvage its standing at the time of its complaint.¹⁷¹⁵ The court therefore reversed the district court's finding of infringement following a bench trial.

Another failed claim of standing presented itself in a case in which the defendant responded to an allegation of infringement by denying the existence of likely confusion but also by counterclaiming for the cancellation of its opponent's registrations.¹⁷¹⁶ Because the challenged registrations had not yet passed their fifth anniversaries, the court acknowledged their vulnerability to cancellation under Section 2(d) of the Act.¹⁷¹⁷ Nevertheless, having otherwise averred that confusion was unlikely, the defendant lacked standing to pursue the registrations' cancellation.¹⁷¹⁸

¹⁷¹¹ *Id.* at 346 (quoting 15 U.S.C. § 1127).

¹⁷¹² *Id.* at 347–50.

¹⁷¹³ *Id.* at 350.

¹⁷¹⁴ *See* Focus Prods. Grp. Int'l, LLC v. Kartri Sales Co., 156 F.4th 1259, 1283 (Fed. Cir. 2025).

¹⁷¹⁵ *Id.* (“[T]he [disputed] mark was not transferred by [the nonparty] to [the lead plaintiff] until September 2021. This means that when the case was filed in December 2015, [the lead plaintiff] did not have ownership of the . . . mark, and thus did not have standing to sue for trademark infringement related to that mark.” (citation omitted)).

¹⁷¹⁶ *See* MFB Fertility, Inc. v. Action Care Mobile Veterinary Clinic, LLC, 730 F. Supp. 3d 740 (N.D. Ill. 2024).

¹⁷¹⁷ *Id.* at 755 (citing 15 U.S.C. § 1052(d)).

¹⁷¹⁸ *Id.* at 755–56.

4. Personal Jurisdiction

Disputes over the propriety of an exercise of personal jurisdiction over a nonresident defendant generally require a two-part analysis. Courts first apply the long-arm statute of the forum state to see whether it permits the exercise of personal jurisdiction over the defendant. If the laws of the forum state permit jurisdiction, courts then consider whether an exercise of jurisdiction would comport with constitutional due process. If the reach of the relevant long-arm statute is coextensive with the reach of due process, the two inquiries fold into each other and only the constitutional analysis is necessary; if not, however, that conflation of inquiries is not possible.

The due process inquiry is itself subject to multiple steps. Specifically, if its contacts with the forum are sufficiently continuous and systematic, a defendant may be subject to an exercise of general jurisdiction. “General jurisdiction exists when the defendant has ‘continuous and systematic’ contacts with the forum state,” whereas specific jurisdiction exists when the controversy arises from or is related to the defendant’s contact with the forum state.¹⁷¹⁹ Under the Supreme Court’s opinion in *Daimler AG v. Bauman*,¹⁷²⁰ the test for general jurisdiction is a restrictive one and normally will be satisfied only if a forum is either the jurisdiction in which a defendant is organized or has its primary place of business.

Alternatively, the courts of the forum can exercise specific personal jurisdiction over a nonresident defendant if three essential requirements are met:

- (1) The non-resident defendant must purposefully direct his activities or consummate some transaction with the forum or resident thereof; or perform some act by which he purposefully avails himself of the privilege of conducting activities in the forum, thereby invoking the benefits and protections of its laws;
- (2) the claim must be one which arises out of or relates to the defendant’s forum-related activities; and
- (3) the exercise of jurisdiction must comport with fair play and substantial justice, i.e. it must be reasonable.¹⁷²¹

¹⁷¹⁹ *GovernmentGPT Inc. v. Axon Enter.*, 769 F. Supp. 3d 959, 975 (D. Ariz. 2025) (quoting *Helicopteros Nacionales de Colombia, S.A. v. Hall*, 466 U.S. 408, 415 (1984)).

¹⁷²⁰ 571 U.S. 117 (2014).

¹⁷²¹ *GovernmentGPT*, 769 F. Supp. 3d at 976 (quoting *Picot v. Weston*, 780 F.3d 1206, 1211 (9th Cir. 2015)).

Several courts applied the same analysis,¹⁷²² with one explaining of the parties' respective burdens under this framework that "[t]he plaintiff bears the burden of satisfying the first two prongs of the test.' If the plaintiff satisfies the first two prongs, 'the burden then shifts to the defendant to 'present a compelling case' that the exercise of jurisdiction would not be reasonable.'"¹⁷²³

A final option for plaintiffs unable to meet the requirements of a state long-arm statute is Rule of Civil Procedure 4(k)(2).¹⁷²⁴ That rule provides that:

For a claim that arises under federal law, serving a summons or filing a waiver of service establishes personal jurisdiction over a defendant if:

(A) the defendant is not subject to jurisdiction in any state's courts of general jurisdiction; and

(B) exercising jurisdiction is consistent with the United States Constitution and laws.¹⁷²⁵

The Eleventh Circuit explained of personal jurisdiction under Rule 4(k)(2) that:

Nationwide jurisdiction cases under Rule 4(k)(2) implicate the Due Process Clause of the Fifth Amendment, rather than the Fourteenth. The analysis under the two is mostly the same. The only major difference is that where the Fifth Amendment applies, the court weighs the defendant's contacts with the United States as a whole, rather than with a single state.¹⁷²⁶

a. Opinions Exercising Personal Jurisdiction

In an application of Rule 4(k)(2), the Eleventh Circuit invoked the specter of naked licensing to find proper an exercise of personal jurisdiction over a Macau-based defendant in Georgia.¹⁷²⁷ That defendant maintained it did not itself do business in the United States and also that it was not responsible for the actions of other companies alleged to be its affiliates, which had imported goods bearing an infringing mark into Georgia and sold them to Georgia

¹⁷²² See also *Jekyll Island-State Park Auth. v. Polygroup Macau Ltd.*, 140 F.4th 1304, 1317 (11th Cir. 2025); *Advanced Hair Restoration LLC v. Parsa Mohebi, M.D., Inc.*, 793 F. Supp. 3d 1306, 1314 (W.D. Wash. 2025); *Sam & Ash, LLP v. Sam Bernstein L. Firm, PLLC*, 788 F. Supp. 3d 1114, 1117 (D. Nev. 2025).

¹⁷²³ *GovernmentGPT*, 769 F. Supp. 3d at 976 (quoting *Schwarzenegger v. Fred Martin Motor Co.*, 374 F.3d 797, 802 (9th Cir. 2004)); see also *Advanced Hair Restoration*, 793 F. Supp. 3d at 1314.

¹⁷²⁴ Fed. R. Civ. P. 4(k)(2).

¹⁷²⁵ *Id.*

¹⁷²⁶ *Jekyll Island-State Park Auth.*, 140 F.4th at 1316.

¹⁷²⁷ See *id.* at 1315–29.

purchasers. The defendant had, however, registered its allegedly infringing marks with the USPTO. The defendant did not dispute that the plaintiff's Lanham Act claims arose under federal law and that it was not subject to an exercise of personal jurisdiction in any state other than Georgia, but it did maintain that haling it into court in the Peach State would be fatally inconsistent with constitutional due process.

That argument succeeded before the district court, but the Eleventh Circuit differed in its application of the usual three-part test, beginning with the inquiry into whether the defendant had purposefully availed itself of United States law. On that issue, the court concluded that “[a] foreign defendant ‘who has sought and obtained a property interest from a U.S. agency has purposefully availed itself of the laws of the United States.’”¹⁷²⁸ “If anything,” the court continued, “the differences between patents and trademarks bolster our conclusion that a trademark registration is a purposeful effort to avail oneself of the benefits of doing business in the United States. A federal trademark *registration* does not ‘create’ a trademark in the way that a federal patent *grant* creates the exclusive rights to make, use, and sell the patented technology.”¹⁷²⁹ Indeed, in light of the territorial nature of trademark rights, “there is no explanation for [the defendant’s] decision to register trademarks with the USPTO *other than* to seek out the ‘benefits afforded by this country’s regulatory regime.’”¹⁷³⁰ Of equal significance, the file-wrapper histories of the defendant’s registrations recited the marks were used in commerce, of which the court observed that:

[T]he most likely scenario [is that the defendant] exercises a certain level of control over the use of the marks by its sister companies, even without a formal agreement. At minimum, because [the defendant’s] U.S. trademark registrations and continued protections depend on the marks’ use in U.S. commerce, and [the defendant] does not use the marks itself, it should have known that they would be used in United States commerce by related . . . companies.¹⁷³¹

Having thus found the first of the three due process factors satisfied, the court turned to the second, namely, whether the plaintiff’s trademark causes of action arose out of, or were related to, the defendant’s contacts with the United States. Faulting the district court’s requirement of a but-for causal relationship between those contacts and the plaintiff’s causes of action, the court

¹⁷²⁸ *Id.* at 1318 (quoting *Touchcom, Inc. v. Bereskin & Parr*, 574 F.3d 1403, 1416 (Fed. Cir. 2009)).

¹⁷²⁹ *Id.*

¹⁷³⁰ *Id.* at 1320 (quoting *Ayla, LLC v. Alya Skin Pty. Ltd.*, 11 F.4th 972, 982 (9th Cir. 2021)).

¹⁷³¹ *See id.* at 1324.

determined that “[t]he relevant contacts here are [the defendant’s] ‘own choices’ to register trademarks with the USPTO, rely on its affiliated companies’ use of those marks in U.S. commerce to obtain trademark protection, and to license and enforce its trademark rights in U.S. courts.”¹⁷³² “And these contacts of obtaining and defending dozens of U.S. trademarks,” the court observed, “share a common link with the litigation before us: [the plaintiff’s] claims for trademark infringement, unfair competition, and cancellation [of the defendant’s registrations] under the Lanham Act.”¹⁷³³

That left the third consideration, namely, whether an exercise of personal jurisdiction over the defendant would offend traditional notions of fair play. Citing the following reasons, the court held it would not: (1) the defendant had used and registered its marks in the United States;¹⁷³⁴ (2) the defendant had “shown its familiarity with the United States administrative and legal process’ by maintaining its substantial portfolio of patents and trademarks with the USPTO and engaging in litigation throughout the United States as a plaintiff and a defendant”;¹⁷³⁵ (3) “[the defendant’s] general counsel is barred in Georgia and the firm it has used as outside counsel for several decades is headquartered in Atlanta”;¹⁷³⁶ and (4) “[the defendant] has a sister entity headquartered in the United States that has done business on its behalf and funds any infringement litigation arising out of the use of its trademarks in the United States.”¹⁷³⁷ “Considering the strong interest of the United States in resolving disputes about property interests that exist exclusively within its borders,” the court concluded in reversing the district court’s dismissal of the action for want of personal jurisdiction, “[the defendant] has not made the ‘compelling case’ that the exercise of jurisdiction is improper. And it is in the best interest of [the plaintiff], the United States, and U.S. courts to resolve this dispute efficiently in the only forum that can hear it.”¹⁷³⁸

Reliance on Rule 4(k)(2) also proved a winning strategy for a Seattle-based plaintiff, despite its opponent’s status as a California corporation.¹⁷³⁹ Although that domicile should have exposed the defendant to suit in California—thereby rendering Rule 4(k)(2) inapplicable—the defendant’s default led the court to accept as true

¹⁷³² *Id.* at 1326.

¹⁷³³ *Id.*

¹⁷³⁴ *Id.* at 1328.

¹⁷³⁵ *Id.* (quoting *Tobin v. Astra Pharm. Prods., Inc.*, 993 F.2d 528, 545 (6th Cir. 1993)).

¹⁷³⁶ *Id.*

¹⁷³⁷ *Id.*

¹⁷³⁸ *Id.* at 1328–29 (quoting *Louis Vuitton Malletier, S.A. v. Mosseri*, 736 F.3d 1339, 1355 (11th Cir. 2013)).

¹⁷³⁹ *See Advanced Hair Restoration LLC v. Parsa Mohebi, M.D., Inc.*, 793 F. Supp. 3d 1306 (W.D. Wash. 2025).

the plaintiff's averment that the defendant was not subject to an exercise personal jurisdiction in any state.¹⁷⁴⁰ The court then undertook the first step of the due process analysis by invoking the Supreme Court's analysis from *Calder v. Jones*¹⁷⁴¹ to determine that the defendant had purposefully directed its activities toward the state of Washington because:

One, Defendant used its website and YouTube channel to promote its services through the use of Plaintiff's marks. Two, Defendant[] directed these advertisements to consumers in the United States. Three, it was foreseeable that Defendant's infringing use of the marks would harm Plaintiff in the United States and Washington, where it is located.¹⁷⁴²

Moving to the second prong of the constitutional analysis, the court incorrectly relied on outdated Ninth Circuit authority by requiring proof of a "but-for" causal relationship between the plaintiff's causes of action and the defendant's activities in Washington;¹⁷⁴³ that error, however proved harmless in light of the court's finding of such a relationship. Finally, and unsurprisingly in light of the defendant's failure to contest the issue, the court found that requiring the defendant to litigate in Washington would not be constitutionally unreasonable under the Ninth Circuit's standard factors for that inquiry, namely:

(1) the extent of a defendant's purposeful interjection; (2) the burden on the defendant in defending in the forum; (3) the extent of conflict with the sovereignty of the defendant's state; (4) the forum state's interest in adjudicating the dispute; (5) the most efficient judicial resolution of the controversy; (6) the importance of the forum to the plaintiff's interest in convenient and effective relief; and (7) the existence of an alternative forum.¹⁷⁴⁴

In an appeal turning on the scope of the New York long-arm statute¹⁷⁴⁵ instead of Rule 4(k)(2), the Second Circuit concluded that

¹⁷⁴⁰ *Id.* at 1314 (“[W]hile Defendant is a Californian corporation—and likely within the jurisdiction of Californian [sic] state courts, Plaintiff has presumptively satisfied this prong due to Defendant being found in default.”).

¹⁷⁴¹ 465 U.S. 783 (1984).

¹⁷⁴² *Advanced Hair Restoration*, 793 F. Supp. 3d at 1315.

¹⁷⁴³ *Id.* (citing *Ballard v. Savage*, 65 F.3d 1495, 1500 (9th Cir. 1995)). In fact, and consistent with the Supreme Court's numerous pronouncements on the subject, e.g., *Ford Motor Co. v. Montana Eighth Judicial District Court*, 592 U.S. 351, 361–62 (2021), the Ninth Circuit does not require “but-for” causation. *See, e.g., Impossible Foods Inc. v. Impossible X LLC*, 80 F.4th 1079, 1093–94 (9th Cir. 2023).

¹⁷⁴⁴ *Advanced Hair Restoration*, 793 F. Supp. 3d at 1315 (quoting *Rio Props., Inc. v. Rio Int'l Interlink*, 284 F.3d 1007, 1021 (9th Cir. 2002)).

¹⁷⁴⁵ N.Y. C.P.L.R. § 302.

the shipment by defendants of goods associated with counterfeit imitations of a plaintiff's registered marks subjected those defendants to an exercise of specific personal jurisdiction in the Empire State.¹⁷⁴⁶ Having found themselves on the receiving end of a temporary restraining order, those defendants successfully pursued the dissolution of that relief after declining to honor orders requiring them to ship their goods to New York purchasers. In dismissing the action, the district court held that the orders' cancellation precluded the plaintiff's reliance on prongs of the long-arm statute referencing defendants "transact[ing] any business within the state or contract[ing] anywhere to supply goods or services within the state" or "commit[thing] a tortious act without the state causing injury to person or property within the state."¹⁷⁴⁷ Without those transactions, it found, the plaintiff had failed to demonstrate that the defendants' conduct fell within the statute's scope.

That holding did not withstand appellate scrutiny. The Second Circuit noted that the state long-arm statute "is a 'single act statute' and proof of one transaction in New York is sufficient to invoke jurisdiction, even though the defendant never enters New York, so long as the defendant's activities here were purposeful and there is a substantial relationship between the transaction and the claim asserted."¹⁷⁴⁸ That meant that "the jurisdictional inquiry is twofold: under the first prong the defendant must have conducted sufficient activities to have transacted business in the state, and under the second prong, the claims must arise from the transactions."¹⁷⁴⁹ The defendants' cancellation of certain orders placed from within the state was irrelevant under the first prong because "transaction" did not necessarily require a "shipment,"¹⁷⁵⁰ and the court had "little

¹⁷⁴⁶ See *Am. Girl, LLC v. Zembrka*, 118 F.4th 271 (2d Cir. 2024), *cert. denied*, 145 S. Ct. 1130 (2025).

¹⁷⁴⁷ N.Y. C.P.L.R. § 302(a).

¹⁷⁴⁸ *Am. Girl*, 118 F.4th at 276 (quoting *Chloe v. Queen Bee of Beverly Hills, LLC*, 616 F.3d 158, 170 (2d Cir. 2010)).

¹⁷⁴⁹ *Id.* at 276–77 (quoting *Al Rushaid v. Pictet & Cie*, 68 N.E.3d 1, 7 (N.Y. 2016)).

¹⁷⁵⁰ The court explained its holding on this point in the following manner:

The evidence demonstrates that [the defendants] accepted orders with New York shipping addresses, sent confirmatory emails with New York shipping addresses containing commitments to ship to those New York addresses, and accepted payments from a customer with a New York address. We have little difficulty concluding that this activity constitutes transacting business within New York for purposes of jurisdiction under [the longarm statute].

The fact that [the defendants] cancelled the orders and refunded the purchase price to the customer does not change this conclusion. [The defendants] breached their commitment to sell and ship apparently only after they received notice of this litigation. [The long-arm statute] doesn't require a completed sale. It only requires a transaction.

Id. at 277–78 (footnotes omitted).

difficulty concluding that [the plaintiff] has adequately satisfied the second requirement that ‘the claims must arise from the transactions.’”¹⁷⁵¹ Proceeding to the due process portion of the inquiry, the court first held that, “[f]or the same reasons that [the defendants]’ engagement with New York satisfies [the long-arm statute], it also satisfies the minimum contacts requirement.”¹⁷⁵² It then held the following five factors relevant for consideration when weighing whether an exercise of jurisdiction over the defendant would comport with fair play and substantial justice:

(1) the burden that the exercise of jurisdiction will impose on the defendant; (2) the interests of the forum state in adjudicating the case; (3) the plaintiff’s interest in obtaining convenient and effective relief; (4) the interstate judicial system’s interest in obtaining the most efficient resolution of the controversy; and (5) the shared interest of the states in furthering substantive social policies.¹⁷⁵³

Although the fact that the defendants were based in China weighed in their favor, the court otherwise determined that “we not only find that the ‘minimum contacts’ showing is quite strong, but also that Defendants have failed to convincingly demonstrate that the exercise of jurisdiction would be unreasonable.”¹⁷⁵⁴

The New York long-arm statute also allowed a group of news publishers to hale a California-based defendant into court on their home turf.¹⁷⁵⁵ The defendant was not without ties to New York. Indeed, the contrary was true because “Defendant conducts business in New York in a manner similar to that of a traditional business: Defendant is registered to do business in New York; rents an office in New York; employs staff, including a ‘Chief Strategy Officer,’ in New York; recruits employees to work in New York; and specifically targets New York with advertisements.”¹⁷⁵⁶ Taken together with the defendants’ highly interactive website, those considerations meant that the defendant was transacting business in New York under the prong of the long-arm statute addressing that issue.¹⁷⁵⁷ Nor was that all, for the court also found that the

¹⁷⁵¹ *Id.* at 279 (quoting *Al Rushaid*, 68 N.E.3d at 7); see also *id.* at 277 (“The evidence demonstrates that [the defendants] accepted orders with New York [s]hipping addresses, sent confirmatory emails with New York [s]hipping addresses containing commitments to ship to those New York addresses, and accepted payments from a customer with a New York address. We have little difficulty concluding that this activity constitutes transacting business within New York for purposes of [personal] jurisdiction . . .”).

¹⁷⁵² *Id.* at 279.

¹⁷⁵³ *Id.* (quoting *In re Platinum & Palladium Antitrust Litig.*, 61 F.4th 242, 273 (2d Cir. 2023)).

¹⁷⁵⁴ *Id.* at 279–80.

¹⁷⁵⁵ See *Dow Jones & Co. v. Perplexity AI, Inc.*, 797 F. Supp. 3d 305 (S.D.N.Y. 2025).

¹⁷⁵⁶ *Id.* at 321.

¹⁷⁵⁷ *Id.* at 320–22 (citing N.Y. C.P.L.R. § 302(a)(1)).

alleged potential confusion and deception of internet users in New York arising from the defendant's alleged imitations of the plaintiffs' marks satisfied a separate provision of the statute addressing harm caused by tortious conduct outside the state to the plaintiffs as mark owners within the state.¹⁷⁵⁸

Addressing the defendant's claim that an exercise of personal jurisdiction over it would offend due process, the court held that "[t]he due process analysis proceeds in two steps. *First*, a court evaluates whether the defendant has sufficient minimum contacts with the forum; and *second*, the court considers whether, in light of various factors, the exercise of jurisdiction would comport with fair play and substantial justice."¹⁷⁵⁹ "Generally," it explained with respect to the first step, "if a defendant meets the contacts requirement under the long-arm statute, it also meets the minimum contacts requirement under the constitutional analysis."¹⁷⁶⁰ And, considering the second, the court held the following factors merited consideration:

[i] the burden that the exercise of jurisdiction will impose on the defendant; [ii] the interests of the forum state in adjudicating the case; [iii] the plaintiff's interest in obtaining convenient and effective relief; [iv] the interstate judicial system's interest in obtaining the most efficient resolution of the controversy; and [v] the shared interest of the states in furthering substantive social policies.¹⁷⁶¹

In holding that these factors favored the plaintiffs, the court found *seriatim* that: (1) although the defendant claimed to be a startup company, the defendant allegedly had just raised \$500 million and was valued at \$9 billion; (2) New York had interests in providing redress for its citizens and protecting them against confusion; (3) the plaintiffs' interest in securing convenient and effective relief favored an exercise of jurisdiction; (4) the fourth factor was neutral; and (5) the fifth was as well.¹⁷⁶² "Consequently," the court found, "the exercise of jurisdiction over Defendant comports with due process under the Constitution."¹⁷⁶³

¹⁷⁵⁸ *Id.* at 325–30 (citing N.Y. C.P.L.R. § 302(a)(3)).

¹⁷⁵⁹ *Id.* at 330.

¹⁷⁶⁰ *Id.*

¹⁷⁶¹ *Id.* at 331 (alteration in original) (quoting *Peterson v. Bank Markazi*, 121 F.4th 983, 1006 (2d Cir. 2024), *cert. denied*, 145 S. Ct. 2819 (2025)).

¹⁷⁶² *Id.* at 332.

¹⁷⁶³ *Id.*

***b. Opinions Declining to Exercise
Personal Jurisdiction***

The perennial issue of whether a single demand letter sent by a nonresident defendant into a particular forum will support an exercise of personal jurisdiction over that defendant arose in a battle between two personal-injury law firms, one (the declaratory judgment plaintiff) located in Nevada and the other (the declaratory judgment defendant) located in Michigan.¹⁷⁶⁴ Claiming protectable rights to the CALL SAM mark, the defendant wrote to object to the plaintiff's use of, and pending application to register, IN A CRASH? CALL SAM & ASH; that communication threatened the defendant's pursuit of injunctive relief if a satisfactory response was not received within ten days, but it also expressed the defendant's willingness to consider a "reasonable transition period."¹⁷⁶⁵ Applying Ninth Circuit law to the effect that demand letters ordinarily did not constitute purposeful availment unless "abusive, tortious or otherwise wrongful," the court found that the defendant's letter did not fall within that category.¹⁷⁶⁶ It therefore granted the defendant's motion to dismiss on that basis and without questioning whether the plaintiff's causes of action arose from or were related to the defendant's ties to Nevada and whether it would be constitutionally unfair to hale the defendant into court in that state.¹⁷⁶⁷

5. Venue

Under 28 U.S.C. § 1391(b), venue in a federal court action will properly lie in a district in which "any defendant resides, if all defendants are residents of the State in which the district is located," "in which a substantial part of the events or omissions giving rise to the claim occurred," or in which any defendant may be found "if there is no district in which an action may otherwise be brought."¹⁷⁶⁸ A challenge to the venue chosen by a plaintiff can take the form of a motion to dismiss brought under Federal Rule of Civil Procedure 12(b)(3) and 28 U.S.C. § 1406(a), the latter of which authorizes federal district courts to transfer or dismiss cases "laying venue in the wrong division or district"¹⁷⁶⁹ and is arguably a

¹⁷⁶⁴ See *Sam & Ash, LLP v. Sam Bernstein L. Firm, PLLC*, 788 F. Supp. 3d 1114 (D. Nev. 2025).

¹⁷⁶⁵ *Id.* at 1118.

¹⁷⁶⁶ *Id.* (quoting *Yahoo! Inc. v. La Ligue Contre Le Racisme Et L'Antisemitisme*, 433 F.3d 1199, 1209 (9th Cir. 2006)).

¹⁷⁶⁷ *Id.* at 1119.

¹⁷⁶⁸ 28 U.S.C. § 1391(b).

¹⁷⁶⁹ *Id.* § 1406(a).

codification of the common-law doctrine of *forum non conveniens*.¹⁷⁷⁰ A venue challenge can also comprise a motion for a transfer under 28 U.S.C. § 1404(a), which provides that, “[f]or the convenience of [the] parties and [the] witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought.”¹⁷⁷¹ Likewise, 28 U.S.C. § 1631 authorizes the transfer of cases in which the original court finds that “there is a want of [personal] jurisdiction.”¹⁷⁷² Finally, under Federal Rule of Civil Procedure 45(f), a showing of “exceptional circumstances” can justify the transfer of subpoena-related motions to the court of issuance.¹⁷⁷³

a. Opinions Finding Venue Proper

Having been sued in a New York federal district court for both unfair competition and likely dilution (as well as for copyright infringement), a California-based startup company challenged the propriety of New York as an appropriate forum.¹⁷⁷⁴ The defendant first claimed venue was improper under 28 U.S.C. § 1391(b), but, as the court held, that statute provided that a civil action could be brought in, among other districts, any one in which the defendant resided. Moreover, “a corporate defendant ‘resides’ in a district where it is ‘subject to the court’s personal jurisdiction with respect to the civil action in question,’” which meant the court’s prior finding that the defendant was subject to an exercise of specific personal jurisdiction in New York foreclosed a claim of improper venue.¹⁷⁷⁵

The defendant’s backup argument that the court should transfer the matter from the Southern District of New York to the Northern District of California under 28 U.S.C. § 1404(a) fared no better. The court held the merits of that argument properly evaluated under the following factors:

[i] the convenience of the witnesses, [ii] the convenience of the parties, [iii] the location of relevant documents and the relative ease of access to sources of proof, [iv] the locus of operative facts, [v] the availability of process to compel the attendance of unwilling witnesses, [vi] the relative means of the parties, [vii] the forum’s familiarity with governing law,

¹⁷⁷⁰ See generally *Sinochem Int’l Co. v. Malaysia Int’l Shipping Corp.*, 549 U.S. 422, 432 (2007) (noting that dismissal or transfer appropriate under *forum non conveniens* “when considerations of convenience, fairness, and judicial economy so warrant”).

¹⁷⁷¹ 28 U.S.C. § 1404(a).

¹⁷⁷² *Id.* § 1631.

¹⁷⁷³ Fed. R. Civ. P. 45(f).

¹⁷⁷⁴ See *Dow Jones & Co. v. Perplexity AI, Inc.*, 797 F. Supp. 3d 305 (S.D.N.Y. 2025).

¹⁷⁷⁵ *Id.* at 334 (quoting 28 U.S.C. § 1391(c)(2)).

[viii] the weight accorded to plaintiff's choice of forum, and
 [ix] trial efficiency and the interests of justice.¹⁷⁷⁶

The court found only two factors relevant to the transfer inquiry, with the remaining ones being neutral. The first was the plaintiffs' choice of forum, which the court held entitled to "considerable weight," especially because the plaintiffs themselves were domiciled there.¹⁷⁷⁷ The second was the locus of the operative facts, namely the defendant's alleged acts of unfair competition and likely dilution (along with its alleged copyright infringement), which was California and which therefore favored a transfer.¹⁷⁷⁸ "Though the locus of operative facts weighs slightly in favor of Defendant," the court ultimately found, it did not accord that factor weight "sufficient to override Plaintiffs' choice of forum," and it therefore denied the defendant's bid for a transfer.¹⁷⁷⁹

b. Opinions Declining to Find Venue Proper

As a Chapter 11 bankruptcy proceeding in the Southern District of New York wound down, competing claimants to certain marks originally contained in the estate found themselves embroiled in two actions before federal courts intended to determine which party owned the marks.¹⁷⁸⁰ The first-filed action was lodged in the Northern District of California, while the second was filed in the bankruptcy court. In dismissing the claims before it, the bankruptcy court observed that "[t]here is a strong presumption in favor of the forum where the case is first filed."¹⁷⁸¹ Nevertheless, it also recognized two exceptions to that general rule, namely, where: (1) the balance-of-convenience factors favored allowing the second-filed suit to proceed; and (2) special circumstances warranted giving priority to that suit.¹⁷⁸² The court's grant of the defendant's motion to transfer did not make clear which of the two exceptions the

¹⁷⁷⁶ *Id.* at 335 (alterations in original) (quoting *Enigma Software Grp. USA, LLC v. Malwarebytes Inc.*, 260 F. Supp. 3d 401, 407 (S.D.N.Y. 2017)).

¹⁷⁷⁷ *Id.* at 336 (quoting *Alpha Indus. v. Alpha Clothing Co.*, No. 21 Civ. 87 (KPF), 2021 WL 2688722, at *12 (S.D.N.Y. June 30, 2021)).

¹⁷⁷⁸ *Id.* at 336–37.

¹⁷⁷⁹ *Id.* at 339.

¹⁷⁸⁰ *See In re SVB Fin. Grp.*, 671 B.R. 351 (Bankr. S.D.N.Y. 2025).

¹⁷⁸¹ *Id.* at 369.

¹⁷⁸² *Id.* According to the court, the factors relevant to the first exception were:

(1) the plaintiff's choice of forum, (2) the convenience of witnesses, (3) the location of relevant documents and relative ease of access to sources of proof, (4) the convenience of the parties, (5) the locus of operative facts, (6) the availability of process to compel the attendance of unwilling witnesses, [and] (7) the relative means of the parties.

Id. (alteration in original) (quoting *D.H. Blair & Co. v. Gottdiener*, 462 F.3d 95, 106–07 (2d Cir. 2006)).

plaintiff believed applied to its second-filed action. In light of the court’s observation that “[g]iven the centrality of the balance of convenience, the ‘special circumstances’ in which a district court may dismiss the first-filed case without this analysis are quite rare,”¹⁷⁸³ however, the plaintiff apparently—but unsuccessfully—asserted their existence.¹⁷⁸⁴

The first-to-file rule similarly helped a Nevada federal district court decide to transfer a second-filed trade dress infringement action to California, where the parties were embroiled in an earlier action brought by the defendant for a declaratory judgment of nonliability.¹⁷⁸⁵ The sequence of the parties’ respective complaints was not the only reason for the court’s grant of the defendant’s motion for a transfer under 28 U.S.C. § 1404(a), which the court held properly governed by the following factors:

- (1) the location where [any] relevant agreements were negotiated and executed, (2) which state is most familiar with the governing law, (3) the plaintiff’s choice of forum, (4) the respective parties’ contacts with the forum, (5) the contacts relating to the plaintiff’s cause of action in the chosen forum, (6) the differences in the costs of litigation in the two forums, (7) the availability of compulsory process to compel attendance of unwilling non-party witnesses, and (8) the ease of access to sources of proof.¹⁷⁸⁶

“On balance,” the court found, “this case should be litigated in the Northern District of California,”¹⁷⁸⁷ in part because “[n]either party has strong ties to this district.”¹⁷⁸⁸ Although incorporated in Nevada, the defendant was based in California, and the plaintiff was a Texas domiciliary. The court therefore determined that the plaintiff’s attempt to keep the case in Nevada “fails to consider the costs of bringing two parties to a district in which no one is truly at home: double the car rentals, hotels, and plane tickets. When

¹⁷⁸³ *Id.* (quoting *Emps. Ins. of Wausau v. Fox Ent. Grp.*, 522 F.3d 271, 275 (2d Cir. 2008)).

¹⁷⁸⁴ En route to its dismissal of the action, the court explained that:

“There are only a limited number of such circumstances.” “Special circumstances include manipulative or deceptive behavior on the part of the first-filing plaintiff,” for example, when the first-filed lawsuit is an “improper anticipatory declaratory judgment action,” or where “forum shopping *alone* motivated the choice of the situs for the first suit.”

Id. at 370 (first quoting *Emps. Ins. of Wausau*, 522 F.3d at 275; then quoting *N.Y. Marine & Gen. Ins. Co. v. Lafarge N. Am., Inc.*, 599 F.3d 102, 112 (2d Cir. 2010); then quoting *Berkley Assurance Co. v. MacDonald-Miller Facility Sols., Inc.*, No. 19-CV-7627 (JPO), 2019 WL 6841419, at *6 (S.D.N.Y. Dec. 16, 2019); and then quoting *id.*).

¹⁷⁸⁵ See *Buzzballz, LLC v. MPL Brands NV, Inc.*, 741 F. Supp. 3d 889 (D. Nev. 2024).

¹⁷⁸⁶ *Id.* at 895–96 (quoting *Jones v. GNC Franchising, Inc.*, 211 F.3d 495, 498–99 (9th Cir. 2000)).

¹⁷⁸⁷ *Id.* at 897.

¹⁷⁸⁸ *Id.*

weighing the overall burdens of litigation in this case, [the defendant’s] proposed forum lessens them considerably for [the defendant], and only minimally increases them for [the plaintiff].”¹⁷⁸⁹ Other considerations favoring a transfer included the parties’ potential inability to compel the testimony of a nonresident nonparty witness¹⁷⁹⁰ and the availability of evidence in California.¹⁷⁹¹

6. Issue and Claim Preclusion

In *B & B Hardware, Inc. v. Hargis Industries*,¹⁷⁹² the Supreme Court observed that:

Sometimes two different tribunals are asked to decide the same issue. When that happens, the decision of the first tribunal usually must be followed by the second, at least if the issue is really the same. Allowing the same issue to be decided more than once wastes litigants’ resources and adjudicators’ time, and it encourages parties who lose before one tribunal to shop around for another.¹⁷⁹³

Although the Court’s observation occurred in the context of a discussion of the doctrine of issue preclusion, the concerns underlying it apply with equal force to the related—but distinguishable—doctrine of claim preclusion. Both made appearances in reported opinions, albeit on a very limited scale.

a. Issue Preclusion (Collateral Estoppel)

Having prevailed as a plaintiff in a sprawling matter before a Singaporean court, a California-based company found itself named a defendant in a complaint filed with a federal district court by its former adversary.¹⁷⁹⁴ The new action accused a corporate defendant and an individual defendant of defrauding the plaintiff into assigning away certain trademarks. Those defendants moved for summary judgment on the theory that the Singaporean judgment had issue-preclusive, or collateral estoppel, effect. Weighing that argument, the court held that “[c]ollateral estoppel applies: ‘(1) after final adjudication (2) of an identical issue (3) actually litigated and necessarily decided in the first suit and (4) asserted against one who was a party in the first suit or one in privity with that party.’”¹⁷⁹⁵ It

¹⁷⁸⁹ *Id.*

¹⁷⁹⁰ *Id.* at 897–98.

¹⁷⁹¹ *Id.* at 898.

¹⁷⁹² 575 U.S. 138 (2015).

¹⁷⁹³ *Id.* at 140.

¹⁷⁹⁴ See *BCS Bus. Consulting Servs. Pet. Ltd. v. Baker*, 755 F. Supp. 3d 1285 (C.D. Cal. 2024).

¹⁷⁹⁵ *Id.* at 1300 (quoting *DKN Holdings LLC v. Faerber*, 352 P.3d 378, 387 (Cal. 2015)).

then rejected the defendants' motion because the Singaporean court had expressly carved the issue of the alleged fraud out of its final judgment by holding that "[the plaintiff] shall not be restrained in . . . pursuing claims . . . against [the individual defendant] for allegedly holding himself out as an officer of or for signing of the assignment agreement transferring the trademark rights . . ." ¹⁷⁹⁶ The requirements for issue preclusion therefore did not apply.

b. Claim Preclusion (Res Judicata)

A New York intermediate appellate panel held that:

"Res judicata, or claim preclusion, bars successive litigation based upon the same transaction or series of connected transactions . . . if: (i) there is a judgment on the merits rendered by a court of competent jurisdiction, and (ii) the party against whom the doctrine is invoked was a party to the previous action, or in privity with a party who was." Thus, res judicata "operates to preclude the renewal of issues actually litigated and resolved in a prior proceeding as well as claims for different relief which arise out of the same factual grouping or transaction and which should have or could have been resolved in the prior proceeding." ¹⁷⁹⁷

The court adopted that definition in a case in which the plaintiffs previously had filed a circa-2018 action challenging the defendant's alleged service mark infringement. Having lost that action on summary judgment, the plaintiffs returned to court in 2023 and once again accused the defendant of infringement and cybersquatting based on acts undertaken by the defendant after the filing of the complaint in the first action. The defendant unsurprisingly moved the court to dismiss the second action as barred by claim preclusion, and the court granted that motion. A key issue obviously was whether the plaintiffs could have asserted their new causes of action in the earlier case. "Although certain allegations asserted in the complaint in the instant action related to events that had not yet occurred when the prior action was commenced," the court held regarding that question, "res judicata nonetheless applies and precludes the plaintiffs' related claims because the plaintiffs could have moved to amend the complaint in the prior action before the court, in effect, directed dismissal of [that] complaint, but failed to do so." ¹⁷⁹⁸

¹⁷⁹⁶ *Id.* at 1302 (first and second alterations in original).

¹⁷⁹⁷ *Wymara Ltd. v. Gansevoort Hotel Grp.*, 244 N.Y.S.3d 733, 745 (App. Div. 2025) (alteration in original) (first quoting *Heller v. N.Y.C. Sch. Support Servs., Inc.*, 230 N.Y.S.3d 672, 675 (App. Div. 2025); and then quoting *Pedote v STP Assocs.*, 998 N.Y.S.3d 894, 857 (Sup. Ct. 2015) (mem.)).

¹⁷⁹⁸ *Id.* at 746.

7. Judicial Estoppel

A party claiming the benefit of judicial estoppel must demonstrate “(1) the party against whom it is asserted must have advanced an inconsistent position in a prior proceeding, and (2) the inconsistent position must have been adopted by the court in some matter.”¹⁷⁹⁹ Few courts hearing trademark and unfair competition causes of action addressed the doctrine, but a New York bankruptcy court did so.¹⁸⁰⁰ The declaratory judgment complaint in that action filed arose from a prior Chapter 11 liquidation proceeding and sought a ruling that the plaintiff owned the rights to certain marks. The plaintiff accused the defendant of representing during the liquidation that the proposed confirmation order and plan (eventually entered by the court) preserved the parties’ rights to litigate the issue of ownership at a later date. According to the plaintiff, the order and plan precluded the defendant from pursuing its own (prior-filed) action in California federal district court. Noting that the order and plan did not require the defendant to proceed in the bankruptcy court, that tribunal declined to hold the defendant judicially estopped from pursuing relief from the California court.¹⁸⁰¹

8. Extraterritorial Applications of the Lanham Act

The Supreme Court’s 2023 decision in *Abitron Austria GmbH v. Hetronic International, Inc.*¹⁸⁰² continued to take its toll on plaintiffs seeking redress against unlawful conduct outside the United States. One such plaintiff to fall short in an appeal to the Ninth Circuit was a domestic operator of a legal-services website that objected to the use of a service mark allegedly confusingly similar to its own by a company in Japan.¹⁸⁰³ In affirming the dismissal of the plaintiff’s complaint, the court interpreted *Abitron* in the following manner:

To determine when a statute applies extraterritorially, we apply [a] two-step test

The first step asks “whether Congress has affirmatively and unmistakably instructed that the provision at issue should apply to foreign conduct.” As the Supreme Court held, the text of the Lanham Act does not provide “a clear, affirmative indication” that the provisions apply extraterritorially.

¹⁷⁹⁹ See *In re SVB Fin. Grp.*, 671 B.R. 351 (Bankr. S.D.N.Y. 2025) (quoting *Peralta v. Vasquez*, 467 F.3d 98, 105 (2d Cir. 2006)).

¹⁸⁰⁰ See *id.* at 373–74.

¹⁸⁰¹ *Id.* at 374.

¹⁸⁰² 600 U.S. 412 (2023).

¹⁸⁰³ See *LegalForce RAPC Worldwide, PC v. LegalForce, Inc.*, 124 F.4th 1122 (9th Cir. 2024).

The second step asks “whether the suit seeks a (permissible) domestic or (impermissible) foreign application of the provision,” based on the statute’s “focus” and “whether the conduct relevant to that focus occurred in the United States territory.” The conduct relevant to trademark infringement is the defendant’s “use in commerce” of the mark.¹⁸⁰⁴

“In sum,” it concluded in teeing up the relevant analysis, “if the mark is used ‘in connection with’ goods and services only outside United States territory, the Lanham Act cannot apply.”¹⁸⁰⁵ With the plaintiff not alleging such a use, the district court had properly granted the defendant’s motion to dismiss.¹⁸⁰⁶

Abitron also proved the downfall of a counterclaim plaintiff incorporated in Delaware and based in Tennessee, which accused a counterclaim defendant based in the United Kingdom of infringing the counterclaim plaintiff’s marks in multiple European countries, including the United Kingdom and Ireland.¹⁸⁰⁷ The counterclaim defendant was a former licensee of the counterclaim plaintiff and asserted that the counterclaim plaintiff had breached the license, but the counterclaim defendant’s own claim of breach did not in and of itself allow the court to entertain the counterclaim plaintiff’s allegations of infringement on a post-*Abitron* basis. Although the counterclaim defendant’s motion to dismiss for failure to state a claim asserted that the court lacked subject-matter jurisdiction over the counterclaim plaintiff’s claims, the court held instead that, because *Abitron* was a merits decision, the proper inquiry was whether the counterclaims’ allegations of misconduct outside the United States could support a finding of liability.¹⁸⁰⁸ The answer was no: Although the counterclaim plaintiff averred effects in the United States caused by the counterclaim defendant’s infringement, *Abitron* foreclosed reliance on them in light of the absence of unlawful behavior inside the country.¹⁸⁰⁹

In contrast, *Abitron* proved no obstacle to liability in a case in which the court summarized the trial record as having “overwhelmingly established that [one of the defendants] (an American company) contracted with other American companies to sell the foreign subsidiaries of those U.S. companies [goods] that the Defendants passed off as manufactured by [the lead plaintiff] when,

¹⁸⁰⁴ *Id.* at 1126–27 (first quoting *Abitron*, 600 U.S. at 417–18; then quoting *id.* at 419; then quoting *id.* at 418; and then quoting *id.* at 422–23).

¹⁸⁰⁵ *Id.* at 1127.

¹⁸⁰⁶ *Id.*

¹⁸⁰⁷ See *Slush Puppie Ltd. v. ICEE Co.*, 792 F. Supp. 3d 834 (S.D. Ohio 2025).

¹⁸⁰⁸ *Id.* at 846–47.

¹⁸⁰⁹ *Id.* at 851–52.

in fact, they were made by [a third party].”¹⁸¹⁰ Seizing on an inartful reference to Section 45’s definition of “use in commerce” in *Abitron*,¹⁸¹¹ the defendants argued that because they had not occurred in the United States, the sales could not satisfy the use-in-commerce prerequisite for liability codified in each of the Lanham Act’s statutory causes of action. Even though the defendants’ alleged passing off apparently also had not involved their affixation of the plaintiffs’ marks to goods, the court declined to hold that *Abitron* precluded liability for that tort: “[U]se in commerce’ isn’t limited to the sale and shipment of infringing goods: It applies to *all* ‘bona fide use[s] of a mark in the ordinary course of trade, where the mark serves to identify and distinguish the mark user’s goods and to indicate the source of goods.’”¹⁸¹²

9. Joinder of Indispensable Parties

The concept of joinder reared its head in only one reported opinion, but it did so in a noteworthy way.¹⁸¹³ The plaintiff in the case producing that opinion had filed a Schedule A complaint “against a group of online foreign-merchant Defendants who, Plaintiff asserts, are acting in coordinated fashion to pillage Plaintiff’s intellectual property rights.”¹⁸¹⁴ The plaintiff’s bid for a temporary restraining order failed for other reasons, but, in denying that relief, the court expressed its “concerns raised . . . about the propriety of joining multiple defendants in Schedule A cases.”¹⁸¹⁵ “Accordingly,” it alerted the parties, “should Plaintiff wish to maintain this action, the Court will likely require expedited briefing as to the propriety of joinder.”¹⁸¹⁶

10. Stays Pending Criminal Prosecution

Finding herself embroiled in both in a federal criminal prosecution and a civil counterfeiting and infringement action, one individual defendant sought a suspension of the latter proceeding pending the disposition of the first so as to reduce the chances of her

¹⁸¹⁰ *Shenzhen Kinwong Elec. Co. v. Kukreja*, 778 F. Supp. 3d 1255, 1307 (S.D. Fla. 2025) (footnote omitted), *amended in part*, No. 18-cv-61550-ALTMAN/Hunt, 2025 WL 2337095 (S.D. Fla. Aug. 13, 2025). For criticism of that reference and its possible significance, see Theodore H. Davis Jr. & John Welch, *The Seventy-Sixth Year of Administration of the U.S. Trademark (Lanham) Act of 1946*, 114 *Trademark Rep.* 1, 363–65 (2024).

¹⁸¹¹ *See Abitron*, 600 U.S. at 428 (citing 15 U.S.C. § 1127).

¹⁸¹² *Shenzhen Kinwong Elec. Co.*, 778 F. Supp. 3d at 1307 (second alteration in original) (quoting *Abitron*, 600 U.S. at 428).

¹⁸¹³ *See Eicher Motors Ltd. v. P’ships & Unincorporated Ass’ns Identified on Schedule “A,”* 794 F. Supp. 3d 543 (N.D. Ill. 2025).

¹⁸¹⁴ *Id.* at 545.

¹⁸¹⁵ *Id.* at 555–56.

¹⁸¹⁶ *Id.* at 556.

incriminating herself.¹⁸¹⁷ Acknowledging its inherent power to take that step, the court nevertheless held its disposition of the defendant's motion to suspend governed by such factors as:

- (1) the extent to which the issues in the criminal case overlap with those presented in the civil case, (2) the status of the criminal case, (3) the private interests of and burden on the defendants, (4) the private interests of the plaintiffs, (5) the interests of the courts, and (6) the public interest.¹⁸¹⁸

Under those factors, the overlap between the two cases was undisputed,¹⁸¹⁹ but the others disfavored a suspension. To begin with, the defendant's guilty plea in the criminal proceeding militated against a stay under the second factor,¹⁸²⁰ and her co-defendants' identical pleas meant the third factor had the same effect.¹⁸²¹ The fourth factor also weighed against a stay because, as the court found, "[the plaintiff in the civil action] has an interest in protecting its valuable trademark where the proliferation of counterfeit goods threatened the value of its mark (monetary and otherwise) and impacted its revenue."¹⁸²² So too did the court determine under the fifth factor "[t]hat defendant's conduct also resulted in a criminal charge against [her] should not be availed of by [her] as a shield against a civil suit and prevent plaintiff from expeditiously advancing its claim."¹⁸²³ "Finally," it concluded, "the public has an interest in the suspension of the counterfeiting enterprise alleged by [plaintiff]."¹⁸²⁴

11. Sanctions

The siren call of generative AI platforms proved irresistible to counsel for a plaintiff accusing its opponents of trademark infringement and other torts.¹⁸²⁵ Flush with victory from having successfully moved to dismiss certain of the defendants' counterclaims, the plaintiff ill-advisedly moved for an award of fees and supported that motion with a brief replete with hallucinated case citations. Stating what should be obvious by now to all practicing attorneys, the court reacted to that filing by observing

¹⁸¹⁷ See *Gilead Scis. Inc. v. Khaim*, 753 F. Supp. 3d 262 (E.D.N.Y. 2024), *aff'd*, No. 24-CV-04259 (NCM) (SJB), 2024 WL 5318631 (E.D.N.Y. Dec. 17, 2024).

¹⁸¹⁸ *Id.* at 269.

¹⁸¹⁹ *Id.*

¹⁸²⁰ *Id.* at 270–71.

¹⁸²¹ *Id.* at 271.

¹⁸²² *Id.* at 272.

¹⁸²³ *Id.* (alterations in original) (quoting *Paine, Webber, Jackson & Curtis Inc. v. Malon S. Andrus, Inc.*, 486 F. Supp. 1118, 1119 (S.D.N.Y. 1980)).

¹⁸²⁴ *Id.*

¹⁸²⁵ See *Green Bldg. Initiative, Inc. v. Peacock*, 350 F.R.D. 289 (D. Or. 2025).

that “[f]or some time, it has been well known—and well-publicized—that generative AI tools ‘hallucinate’ fake cases.”¹⁸²⁶ Then, citing Rule 11(b) of the Federal Rules of Civil Procedure,¹⁸²⁷ it noted of the failure of the plaintiff’s counsel to verify the accuracy of their case citations that:

A fake opinion is not “existing law” and citation to a fake opinion does not provide a non-frivolous ground for extending, modifying, or reversing existing law, or for establishing new law. An attempt to persuade a court or oppose an adversary by relying on fake opinions is an abuse of the adversary system.¹⁸²⁸

The court therefore ordered the plaintiff to show cause why its counsel should not be sanctioned for violating Rule 11(b).¹⁸²⁹ For good measure, it also ordered the plaintiff “to disclose what it believes to be an appropriate sanction. [The plaintiff’s] proposed sanctions should reflect the nature and seriousness of its use of fake citations and appropriate steps to ensure that this type of violation will not occur again.”¹⁸³⁰

In an opinion in a different case *not* arising from the careless delegation of brief-writing to a generative AI platform, a New York federal district court addressed a claim that a defense failure to produce four e-mails in discovery constituted “misconduct” warranting a new trial under Federal Rule of Civil Procedure 60(b)(3)¹⁸³¹ after a jury rejected the plaintiff’s claims of infringement.¹⁸³² According to the court, the plaintiff’s entitlement to relief under that rule turned on proof: (1) of misconduct in the first instance; (2) that the misconduct substantially interfered with the plaintiff’s ability to prosecute its case; and (3) the need for substantial justice outweighed the value of preserving the finality of judgments such that a new trial was warranted.¹⁸³³ Concluding that the first requirement contemplated at least a showing of negligence, the court somewhat inconsistently held the clear-and-convincing-evidence standard of proof applicable to it.¹⁸³⁴ It then found in the record “no evidence in the record that suggests the non-production of the four emails was intentional or knowing. Each of

¹⁸²⁶ *Id.* at 291.

¹⁸²⁷ Fed. R. Civ. P. 11(b).

¹⁸²⁸ *Green Bldg. Initiative*, 350 F.R.D. at 292 (quoting *Mata v. Avianca, Inc.*, 678 F. Supp. 3d 443, 461 (S.D.N.Y. 2023)).

¹⁸²⁹ *Id.* at 293.

¹⁸³⁰ *Id.*

¹⁸³¹ Fed. R. Civ. P. 60(b)(3).

¹⁸³² *See adidas Am., Inc. v. Thom Browne, Inc.*, 742 F. Supp. 3d 352 (S.D.N.Y. 2024).

¹⁸³³ *Id.* at 362.

¹⁸³⁴ *Id.* at 367.

[the defendant's] witnesses credibly denied any recollection of seeing the four emails or having ever been instructed to withhold responsive, non-privileged documents.”¹⁸³⁵ “An inadvertent but understandable mix-up,” the court concluded in denying the motion, “is not the same as negligence, at least not here.”¹⁸³⁶

E. Evidentiary Matters

1. Admissibility of Expert Witness Testimony

a. Survey Experts

i. Distinctiveness Surveys

In cases in which allegations of genericness are in play, mark claimants generally can avail themselves of the results of two types of surveys, namely the *Teflon* format¹⁸³⁷ and the *Thermos* format.¹⁸³⁸ One court summarized the differences between the two in the following manner:

In a Teflon survey, participants are given a “minicourse” in the difference between a brand and generic name, typically with presumptively obvious examples. Participants are then given a “mini test” where they must classify at least one pair of terms as brand or generic to test their understanding. Those who correctly classify those terms are then presented with the “main test” where they must classify even more terms (including the mark at issue and other “control” or “benchmark” terms) as brand or generic. By contrast, a Thermos survey uses open-ended questions asking respondents to list words they would use in imagined purchasing situations to discuss a class of products or to obtain products in a store. The questions might also ask if participants know brand names of relevant products and, if so, to list those.¹⁸³⁹

That explanation was warranted because the USPTO, in seeking to establish the genericness of the applied-for SPECTACLES mark for smart glasses and related goods, introduced the results of two *Teflon* surveys, while the applicant to register that mark proffered the results of its own *Thermos* survey.

Addressing the USPTO’s surveys first, the court rejected the agency’s argument that *Teflon*-format surveys were necessarily

¹⁸³⁵ *Id.*

¹⁸³⁶ *Id.* at 368.

¹⁸³⁷ *See* E. I. DuPont de Nemours & Co. v. Yoshida Int’l, Inc., 393 F. Supp. 502 (E.D.N.Y. 1975).

¹⁸³⁸ *See* Am. Thermos Prods. Co. v. Aladdin Indus., 207 F. Supp. 9 (D. Conn. 1962), *aff’d sub nom.* King-Seeley Thermos Co. Aladdin Indus., 321 F.2d 577 (2d Cir. 1963).

¹⁸³⁹ Snap Inc. v. Vidal, 750 F. Supp. 3d 1120, 1144 (C.D. Cal. 2024) (citation omitted).

superior to their *Thermos*-format counterparts because “[n]o survey is the ‘be-all and end-all’ proof of consumer perception.”¹⁸⁴⁰ It then found four significant errors in the conclusion of the USPTO’s expert that “no less than 73 to 82 percent of survey participants classified SPECTACLES as ‘a generic name that refers to a type of product that may be made by more than one company.’”¹⁸⁴¹ “First,” the court held, “the . . . surveys appear to have been designed by taking as given the PTO’s unproven and legally flawed supposition . . . that any terms consumers may associate with eyewear including smart glasses are only unprotectible generic product names rather than potentially registrable descriptive marks.”¹⁸⁴² The surveys’ second flaw was that, “consistent with most default Teflon survey formats, both [the USPTO’s] surveys overweighted fanciful and arbitrary (or at best suggestive) marks for the brand control names and common vernacular words for the generic control names.”¹⁸⁴³ “Third,” the court continued, “the ambiguities and inconsistencies in the mini test control names [for both surveys] likely biased the representativeness of each of the relevant consumer samples.”¹⁸⁴⁴ Finally,

the Teflon surveys injected intolerable uncertainty into the results because respondents were taught and asked to classify terms by how much they related or referred to smart glasses. Making the “distinction between descriptive terms and generic names,” is even a “challenge for the courts” because the “generic-descriptive line is too often smudged.” That difficult task is made harder when it is sometimes suggested . . . that a word can be generic if it just “refers” to a product type.¹⁸⁴⁵

Having thus disposed of the results of the two *Teflon*-format surveys proffered by the USPTO—which had the burden of proving the disputed mark’s genericness—the court saw no need to address the applicant’s *Thermos*-format survey,¹⁸⁴⁶ but it could not resist the temptation to do so anyway. Had the court considered that survey’s

¹⁸⁴⁰ *Id.* (quoting *United States Pat. & Trademark Off. v. Booking.com B. V.*, 591 U.S. 549, 564 (2020) (Sotomayor, J., concurring)).

¹⁸⁴¹ *Id.* at 1145.

¹⁸⁴² *Id.* at 1146.

¹⁸⁴³ *Id.* at 1147.

The brand controls and common vernacular words used by the USPTO’s first *Teflon* survey appear at *id.* at 1147–48. Although the agency’s expert used “marginally better selections” for his second survey, they were not so improved that the court was willing to credit its results. *Id.* at 1148.

¹⁸⁴⁴ *Id.*

¹⁸⁴⁵ *Id.* at 1150 (quoting J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 12:20 (5th ed.)) (other citation omitted).

¹⁸⁴⁶ *Id.* at 1151 n.17.

results, they “would prevent the PTO from carrying its burden even by a preponderance of the evidence.”¹⁸⁴⁷ That was because “at least one question . . . asked a relevant question: what respondents would ‘tell the salesperson [they] wanted’ or what they would ‘type into a search bar online’ if they ‘wanted to purchase’ smart glasses. Only one out of 273 qualified respondents said ‘spectacles’ as a product name for that question.”¹⁸⁴⁸

In a separate case, both sides commissioned *Teflon*-format surveys to gauge the possible genericness of certain service marks—not identified by the court but apparently SEEKING, SEEKING ARRANGEMENT, MUTUALLY BENEFICIAL RELATIONSHIPS, and RELATIONSHIP ON YOUR TERMS—for online matchmaking services.¹⁸⁴⁹ One disputed issue between the parties was the universe of respondents properly targeted by the surveys: The defendants claimed the plaintiffs’ focus had evolved from the sugar daddy dating space “to connecting people in more typical relationships,”¹⁸⁵⁰ while the plaintiffs characterized their offerings as “luxury dating service[s].”¹⁸⁵¹ Based on that disagreement, the court declined to exclude either survey because it could not “conclude that either survey’s universe is comprised of [sic] respondents whose views would be irrelevant to the bottom-line question of whether the disputed mark, ‘taken as a whole, signifies to consumers the class of online [matchmaking or dating] services.’”¹⁸⁵² The question of which universe was more appropriate therefore was properly referred to the jury.

The court then moved on to each expert’s criticisms of the other’s methodology. The defendants challenged the practice of the plaintiffs’ expert of “ask[ing] respondents to categorize as ‘brand’ or ‘generic’ the terms ‘Networking Website’ and ‘Sugardaddie’”;¹⁸⁵³ that methodology, they argued, led to the inappropriate exclusion of respondents who categorized the latter word as generic and therefore artificially tilted the survey’s results toward those likely to describe the plaintiffs’ claimed marks *as* marks. “The shortfall of this criticism,” the court held in rejecting it, “is that an objection to the specific words . . . used in the [plaintiffs’] mini-test goes to ‘follow-on issues of . . . survey design’ and not the threshold question

¹⁸⁴⁷ *Id.*

¹⁸⁴⁸ *Id.* (second alteration in original).

¹⁸⁴⁹ The list of marks in the text accompanying this footnote is taken from the Expert Report of Hal Poret at 3, *Reflex Media, Inc. v. SuccessfulMatch.com*, 758 F. Supp. 3d 1046 (N.D. Cal. 2024) (No. 20-cv-06393-JD).

¹⁸⁵⁰ 758 F. Supp. 3d at 1051.

¹⁸⁵¹ *Id.*

¹⁸⁵² *Id.* (quoting *U.S. Pat. & Trademark Off. v. Booking.com B.V.*, 591 U.S. 549, 557 (2020)).

¹⁸⁵³ *Id.*

about whether the survey was ‘conducted according to accepted principles.’”¹⁸⁵⁴

At the same time, however, the court also rejected the plaintiffs’ attack on the methodology used by the defendants’ expert. His survey instructed respondents they would need to “answer whether you think that term is . . . a *common* term that identifies a type of *dating, matchmaking, and social introduction* mobile app or website.”¹⁸⁵⁵ As the court summarized the plaintiffs’ position on the issue, “the definition of a ‘common term’ as a ‘type’ of a dating or matchmaking service would cause respondents to be confused about what a ‘common’ term is as a concept.”¹⁸⁵⁶ As with the defendants’ criticisms of the plaintiffs’ survey, the court was unconvinced:

Prior to the language to which [the plaintiffs’ expert] objects, respondents were told that “common terms” are “terms that identify a type of product or service. Common terms primarily let the consumer know *what* the product or service is, not who makes it. For example, AUTOMOBILES, HOME IMPROVEMENT, SOCIAL MEDIA, and WIRELESS are all *common* terms. These terms primarily identify a *type* of product or service.” [The plaintiffs’ expert] acknowledged he had no problems with that initial definition, so his objection appears to be directed at the shift from “identify a type of product or service” to “identify a type of [word or phrase for the specific product or service at issue].” This is a minor variation of no apparent import, particularly because respondents were required to read a prior, fuller definition and had to correctly apply the earlier definition before going on to the main test. Consequently, [the plaintiffs’ expert] has not established that a respondent would be so confused by the slight variation as to warrant exclusion of [the defendants’ expert’s] opinions.¹⁸⁵⁷

Consequently, and despite “a grab bag of other comments [by both the plaintiffs and the defendants] that also do not support exclusion,” both surveys’ results were admissible.¹⁸⁵⁸

¹⁸⁵⁴ *Id.* at 1052 (third alteration in original) (quoting *BillFloat Inc. v. Collins Cash Inc.*, 105 F.4th 1269, 1275–76 (9th Cir. 2024)).

¹⁸⁵⁵ *Id.* (alteration in original).

¹⁸⁵⁶ *Id.*

¹⁸⁵⁷ *Id.*

¹⁸⁵⁸ *Id.* at 1053.

ii. Confusion Surveys

Confusion surveys typically take one of two formats, namely, *Eveready*¹⁸⁵⁹ and *Squirt*.¹⁸⁶⁰ Of the two, “Squirt surveys present survey respondents with both of the conflicting marks and ‘do[] not assume that the respondent is familiar with the senior mark’”;¹⁸⁶¹ “[i]n short, the Squirt method involves presenting a survey respondent with the two conflicting marks without assuming that the respondent is familiar with either mark, and asks the respondent whether they think the marks are in some way related to each other or come from the same or different sources.”¹⁸⁶² By way of comparison, a typical *Eveready* survey exposes respondents to test and control stimuli and then asks the following “four standard questions”:

- Who do you think makes or puts out this product?
- Does the company that makes this product put out any other products?
- Does the company that makes this product have a business affiliation or connection with any other company?
- Did the company that makes this product receive permission or approval from another company?¹⁸⁶³

As always, the admissibility of proffered survey results produced a bumper crop of reported opinions.¹⁸⁶⁴ For example, a *Squirt*-format survey was commissioned by a plaintiff seeking to protect MIRACLE-GRO-branded packaging consistent with the example below on the left against the defendant’s use of packaging consistent with the example on the right.¹⁸⁶⁵

¹⁸⁵⁹ *Union Carbide Corp. v. Every-Ready Inc.*, 531 F.2d 366 (7th Cir. 1976).

¹⁸⁶⁰ *See SquirtCo. v. Seven-Up Co.*, 628 F.2d 1086 (8th Cir. 1980).

¹⁸⁶¹ *Scotts Co. v. Procter & Gamble Co.*, 789 F. Supp. 3d 539, 561 (S.D. Ohio 2025) (alteration in original) (quoting J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 32:174.50 (5th ed.)).

¹⁸⁶² *BillFloat Inc. v. Collins Cash Inc.*, 105 F.4th 1269, 1276 (9th Cir. 2024).

¹⁸⁶³ *Scotts Co.*, 789 F. Supp. 3d at 564.

¹⁸⁶⁴ *See, e.g., Pa. State Univ. v. Vintage Brand, LLC*, 755 F. Supp. 3d 563, 583–84 (M.D. Pa. 2024) (excluding testimony of rebuttal experts retained by defendants in light of prior exclusion of testimony by expert retained by plaintiff).

¹⁸⁶⁵ *Scotts Co.*, 789 F. Supp. 3d at 553, 556.



The first “room” of the plaintiff’s survey initially exposed three groups of respondents to graphics such as the following, which purported to depict the in-store displays at Lowe’s, Meijer, and Home Depot:¹⁸⁶⁶



Respondents then viewed some of the same photographs with red lines calling attention to the defendant’s SPRUCE-branded packaging and asked how they would describe those products to a friend:¹⁸⁶⁷

¹⁸⁶⁶ *Id.* at 562.

¹⁸⁶⁷ *Id.*



Finally, the survey exposed respondents to the stimulus immediately above on the right and asked them whether: (1) they believed “that any of these products or product lines on this plant food display were made by the same company that manufactures the products you saw that were circled in red”;¹⁸⁶⁸ (2) they thought any of the products or product lines in the display on the right “ha[d] a business affiliation or connection with the company that manufactures the products you saw that were circled in red”;¹⁸⁶⁹ or (3) any of the products in that display “gave permission or approval to the company that manufactures the products you saw that were circled in red.”¹⁸⁷⁰ “To provide a baseline against which to measure consumer confusion,” the court explained, the plaintiff’s expert “separately provided the control groups with the same images and stimuli, except he changed the colors on the [defendant’s] products to black, white, and silver. And he then asked the control group members the same questions about affiliation between products.”¹⁸⁷¹

According to the plaintiff, applications of that methodology yielded net confusion rates of 16.2%, 9.1%, and 17.7% among three groups of respondents, all of which exceeded the 10% rate the plaintiff considered “significant.”¹⁸⁷² The court, however, identified multiple defects in the survey, beginning with its format, which the court found inappropriate both because the parties’ products did not

¹⁸⁶⁸ *Id.* at 562–63.

¹⁸⁶⁹ *Id.* at 563 (alteration in original).

¹⁸⁷⁰ *Id.*

¹⁸⁷¹ *Id.* (citations omitted).

¹⁸⁷² *Id.* at 563.

appear side-by-side in the marketplace and because the well-known MIRACLE-GRO verbal mark appearing on the plaintiff's packaging made an *Eveready*-format survey more appropriate.¹⁸⁷³ Beyond that, "the Lowe's groups in [the plaintiff's] survey mistakenly saw photos from a Walmart instead of a Lowe's,"¹⁸⁷⁴ and the putative Home Depot in-store display improbably depicted "large pallets of [the plaintiff's] Miracle-Gro potting mix . . . sit[ting] directly in front of . . . plant food shelves."¹⁸⁷⁵ "[M]ost troublesome," the court found, "a significant number" of the responses coded as reflecting actual confusion should not have been.¹⁸⁷⁶ The survey's results therefore did not support the plaintiff's bid for a preliminary injunction, even if a competing survey commissioned by the defendant had its own problems.¹⁸⁷⁷

A dispute between competing manufacturers of chartreuse water hoses featured competing survey evidence produced by both formats.¹⁸⁷⁸ To support the plaintiff's challenge to two models of hoses sold by the defendant, the plaintiff's expert conducted *Squirt*-format surveys that stripped identifying indicia from the stimuli and used black hoses as controls. The expert sought to justify her use of hoses outside of their packaging and lacking embossed brands on the theory that the surveys were intended to measure post-sale confusion, but she exposed respondents to the following photograph, which the court found displayed hoses "on the shelves of a retail store":¹⁸⁷⁹

¹⁸⁷³ *Id.* at 579.

¹⁸⁷⁴ *Id.*

¹⁸⁷⁵ *Id.*

¹⁸⁷⁶ *Id.*

¹⁸⁷⁷ The online survey commissioned by the defendant "combined elements of both *Squirt* and *Eveready* surveys—using the typical *Eveready* questions, but displaying multiple products from the marketplace (as would occur in a *Squirt* survey), instead of the single, allegedly infringing product (the more typical *Eveready* approach)." *Id.* at 564–65. The plaintiff faulted the conclusion of the defendant's expert witness that only a net 2.9% percent of respondents were confused by the parties' respective packages for multiple reasons, including that his survey: (1) failed to replicate actual market condition; (2) used only one of the plaintiff's packages as a stimulus; (3) used a poor control; (4) coded certain responses incorrectly; and (5) employed a methodology lacking judicial approval. *Id.* at 567. In light of its decision to discount the results of the plaintiff's survey, the court deemed it unnecessary to address those criticisms. *Id.* at 579.

¹⁸⁷⁸ See *Weems Indus. v. Teknor Apex Co.*, 757 F. Supp. 3d 854 (N.D. Iowa 2024).

¹⁸⁷⁹ *Id.* at 909.



That was not the only flaw in her methodology, however, for the court also concluded that at least some “source-identifying indicia would have been present on the hoses regardless of whether observed in a post-sale or point-of-sale situation”¹⁸⁸⁰ that the survey’s instructions were inconsistent with a post-sale confusion theory because they instructed respondents to “[p]lease look carefully at this garden/water hose as if you were shopping for such a product,”¹⁸⁸¹ and that the use of a black control was inappropriate because it did not come as close as possible to infringing the plaintiff’s claimed rights without actually doing so.¹⁸⁸² Those flaws rendered the survey’s results “entitled to virtually no weight”¹⁸⁸³ and “virtually useless.”¹⁸⁸⁴

In contrast, the court found the results of two *Squirt*-format surveys conducted by an expert retained by the defendant “entitled to substantial weight.”¹⁸⁸⁵ Rather than using an inappropriate control such as the black hose employed by the plaintiff’s expert, the defendant’s expert exposed respondents to “very yellow” and “very green” hoses;¹⁸⁸⁶ his survey also displayed hoses in their retail packaging.¹⁸⁸⁷ When the average response rate for the control hoses was backed out of the results, the outcomes were a 8.6% net confusion rate for one model hose sold by the defendant and a negative 6.5% net confusion rate for the defendant’s other model.¹⁸⁸⁸

¹⁸⁸⁰ *Id.*

¹⁸⁸¹ *Id.* at 910.

¹⁸⁸² *Id.* at 908.

¹⁸⁸³ *Id.* at 910.

¹⁸⁸⁴ *Id.*

¹⁸⁸⁵ *Id.* at 912.

¹⁸⁸⁶ *Id.* at 911.

¹⁸⁸⁷ *Id.*

¹⁸⁸⁸ *Id.*

Especially because open-ended follow-up questions established that even those respondents expressing confusion between the parties' hoses were not cuing off those products' colors, the defendant's survey was "much more reflective of real-world marketplace conditions, than [the plaintiff's expert's] deeply-flawed and artificial approach."¹⁸⁸⁹

A defense-commissioned *Squirt*-format survey also passed muster in a dispute between litigants in the business of providing small-business financing.¹⁸⁹⁰ The Ninth Circuit opinion reaching that result did not describe the survey's methodology in any meaningful detail, other than to note the plaintiff's arguments that the universe of respondents was both over- and under-inclusive, that the defendant's expert had failed to avail himself of a separate control group, and that he had used inappropriate control stimuli. In rejecting those arguments, the appellate court declined to hold that the district court had abused its discretion in admitting the survey's results. In its view:

These challenges to methodology and design are precisely the kind of claimed deficiencies that go to the weight of the evidence, not its admissibility. . . . [The plaintiff] was welcome to argue—and did argue through its expert at trial—that [the defendant's] survey should be accorded minimal weight due to these shortcomings.¹⁸⁹¹

Finally, one opinion adopted an exceedingly forgiving attitude toward the results of a survey conducted by a public-relations consultant.¹⁸⁹² That opinion arose out of a suit brought by the operators of an event styled as THE NANTUCKET WINE & FOOD FESTIVAL against defendants planning a competing affair under the NANTUCKET FOOD AND WINE EXPERIENCE mark. The defendants promoted their event through various false statements, including, among other things, that they had purchased the plaintiffs' event and "revitalized" and "rebranded" it;¹⁸⁹³ equally misleading, and despite the fact that they had yet to hold their own festival, the defendants described it as "longstanding" and "one of the longest running food and wine events in the U.S."¹⁸⁹⁴ The plaintiffs' response included the circulation of a petition objecting to the defendants' conduct, and the consultant's survey targeted the 263 signatories on it. Of them, 65 responded, with 62 mistakenly indicating they had attended a festival operating under the

¹⁸⁸⁹ *Id.* at 912.

¹⁸⁹⁰ See *BillFloat Inc. v. Collins Cash Inc.*, 105 F.4th 1269 (9th Cir. 2024).

¹⁸⁹¹ *Id.* at 1276.

¹⁸⁹² See *Nantucket Wine & Food Festival, LLC v. Gordon Cos.*, 759 F. Supp. 3d 259 (D. Mass. 2024).

¹⁸⁹³ *Id.* at 267.

¹⁸⁹⁴ *Id.* at 269.

defendants' mark. Describing the survey's results, the consultant testified in a declaration—but not a report complying with Rule 26(a)(2) of the Federal Rules of Civil Procedure—that, in his “professional opinion,” an “overwhelming majority of respondents” were confused by the similarity between the parties' marks.¹⁸⁹⁵ The court rejected the defendants' objections to the consultant's testimony and denied their motion to strike it, citing four reasons for doing so: (1) it had previously granted the plaintiffs leave to file it;¹⁸⁹⁶ (2) the consultant was qualified to testify as a non-expert “set[ting] out facts he personally perceived”;¹⁸⁹⁷ (3) formal expert disclosures were not yet due; and (4) the declaration was “relevant to the presence or lack of ongoing harm from the [defendants'] actions.”¹⁸⁹⁸

b. U.S. Patent and Trademark Office Procedure

Two counterclaim plaintiffs attempted, with only partial success, to shore up their claim of the fraudulent maintenance of a registration with expert witness testimony on USPTO procedure.¹⁸⁹⁹ They asserted that two spreadsheets—a signature log and a submission log—subpoenaed from the USPTO established that a paralegal at a firm working for the counterclaim defendant had affixed the signature of an attorney to a combined declaration of ongoing use and incontestability before submitting the declaration. Two experts retained by the counterclaim plaintiffs opined that the appearance of the same IP address twice in the spreadsheets established the putative fraud, but the court determined from the summary judgment record that both witnesses had simply assumed the spreadsheets were accurate. “By assuming that the spreadsheets were accurate and then repeating the spreadsheets' statements without further analysis,” the court held, “[the witnesses] did not ‘emplo[y] in the courtroom the same level of intellectual rigor that characterizes the practice of an expert in the relevant field.’”¹⁹⁰⁰

The court did, however, allow one of the counterclaim plaintiffs' witnesses to testify about prosecution practice generally, and it also was receptive to testimony from an expert retained by the counterclaim defendant about the two spreadsheets. In contrast to the counterclaim plaintiffs' witnesses, that expert had “analyzed the

¹⁸⁹⁵ *Id.* at 276.

¹⁸⁹⁶ *Id.*

¹⁸⁹⁷ *Id.*

¹⁸⁹⁸ *Id.*

¹⁸⁹⁹ See *IEP Techs., LLC v. KPM Analytics, Inc.*, 768 F. Supp. 3d 229 (D. Mass. 2025).

¹⁹⁰⁰ *Id.* at 235 (alteration in original) (quoting *Kumho Tire Co. v. Carmichael*, 526 U.S. 137, 152 (1999)).

spreadsheets using forensic methods typical of his field,”¹⁹⁰¹ leading the court to find that “[h]is opinions regarding the spreadsheets’ creation and reliability are not speculative, but rather the product of, among other things, an examination of the spreadsheets’ metadata.”¹⁹⁰² Nevertheless, because the counterclaim defendant had proffered its expert to rebut the excluded testimony of the counterclaim plaintiff’s experts, the court excluded testimony from the counterclaim defendant’s expert as moot.¹⁹⁰³

c. Linguistic Experts

Competing expert testimony from linguists produced a clear victory for an applicant to register the SPECTACLES mark in a district court proceeding challenging the USPTO’s refusal of the applicant’s application on the ground of genericness.¹⁹⁰⁴ The court’s rejection of the USPTO’s claim that eyewear was the relevant genus of the applicant’s goods, instead of the smart glasses and related goods recited in the application, set up its concomitant rejection of testimony by the USPTO’s expert.¹⁹⁰⁵ That witness opined that “words like smartphone and smartwatch are created by starting with a known category word (what he called ‘genus’) and extending it with the differentiating properties (what he called ‘species’) that set the new word apart from others in the same lexical ‘genus’ category,”¹⁹⁰⁶ but the court found his testimony “beside the point”¹⁹⁰⁷ because it rested on “Aristotelian schema” unknown to consumers.¹⁹⁰⁸ In contrast, the court found more probative testimony by the applicant’s expert, which rested on “naturally occurring uses of the term in large data sources (‘corpora’)” more convincing because it “confirmed that American English readers and speakers regularly use or understand ‘spectacles’ to mean eyewear, not the product name for smart glasses.”¹⁹⁰⁹

¹⁹⁰¹ *Id.*

¹⁹⁰² *Id.*

¹⁹⁰³ *Id.* at 236.

¹⁹⁰⁴ *See Snap Inc. v. Vidal*, 750 F. Supp. 3d 1120 (C.D. Cal. 2024).

¹⁹⁰⁵ *Id.* at 1136.

¹⁹⁰⁶ *Id.*

¹⁹⁰⁷ *Id.*

¹⁹⁰⁸ *Id.* at 1137.

¹⁹⁰⁹ *Id.* The court summarized the basis of the applicant’s expert’s opinion in the following manner:

The corpora included the Corpus of Historical American English (COHA), the Corpus of Contemporary American English (COCA), and Google Ngram. COHA contains about 475 million words from the 1820s to the 2010s with texts from television, movies, fiction, magazines, and newspapers. COCA contains over 1 billion words from around 1990 to 2019 from similar sources but also blogs and

d. Nonfunctionality/Functionality Experts

To establish the functionality of the color chartreuse for water hoses, a defendant retained a university art department chair to opine that the color had superior visibility and that it therefore had long been used to make objects more visible, especially in low light.¹⁹¹⁰ The plaintiff's expert countered that other colors were more visible against grass and, indeed, that many third parties offered hoses with greater visibility; the same witness, however, conceded the reliability of a Federal Emergency Management Administration study describing fluorescent yellow-green as "offer[ing] higher visibility during daylight hours."¹⁹¹¹ Although the witnesses' opinions were not the only considerations establishing the functionality of the plaintiff's claimed mark, their testimony nevertheless placed the dispute "firmly in line with cases in which colors were found to be functional due to their high-visibility."¹⁹¹²

e. Definition of Color Marks

In a case regarding alleged protectable rights to the color chartreuse in connection with water hoses, both parties proffered expert witness testimony on the definition of that color.¹⁹¹³ The plaintiff's expert advanced a broad range of shades potentially comprising that color, while the defendant's expert included "other hue color terms, including inch worm, lawn green, lime, spring bud, pear and android green," within the range.¹⁹¹⁴ The court found both witnesses qualified but ultimately did not rely upon either's testimony when defining the scope of the plaintiff's rights; instead, it ultimately found the claimed mark both functional and not distinctive.¹⁹¹⁵

2. Admissibility of Other Evidence

a. The Public Domain for Purposes of Copyright Law

Three accused infringers proposed to defend themselves in part on the theory that any copyright protection that might have attached to the plaintiff's marks had expired and that the marks therefore were in the public domain for purposes of trademark, as

web pages. Google Ngram is made up of words found in books written between the 1500s and 2019.

Id. at 1137 n.11 (citations omitted).

¹⁹¹⁰ *See Weems Indus. v. Teknor Apex Co.*, 757 F. Supp. 3d 854, 906 (N.D. Iowa 2024).

¹⁹¹¹ *Id.* at 907.

¹⁹¹² *Id.* at 924.

¹⁹¹³ *See id.* at 902–06.

¹⁹¹⁴ *Id.* at 905.

¹⁹¹⁵ *Id.* at 926, 929.

well as copyright, law. After a lengthy exposition on the purposes of the two legal regimes, the court granted the plaintiff's motion in limine to exclude the defendants' evidence and testimony on the subject. It did so by applying the following principles:

If a defendant's use of a trademark-containing-image that has fallen into the public domain is used for a creative purpose, then trademark law may not be applied, or else courts would undermine the "carefully crafted bargain" that permits the public to build upon the genius of the past and move our society forward in positive ways. Failing to account for the purpose of copyright law and the public domain in such circumstances would "undermine the policy of encouraging competition in using material in the public domain and allowing new authors to build upon the creativity of the past." But if an image that bears a trademark is within the public domain, but is being used for purely commercial—as opposed to creative—purposes, then trademark law may be applied to its use; otherwise courts would undermine the purpose of trademark law in ensuring that companies reap the benefits associated with its products and reputation. Under this test, the creative expression meant to be fostered by copyright law remains largely, if not entirely, unimpeded by the application of trademark law, while the benefits that companies and individuals derive from their goodwill remain intact under trademark law.¹⁹¹⁶

Because the defendants had reproduced the marks to which the plaintiff claimed rights "on products to sell, such as t-shirts, hats, mugs, and other physical merchandise," they could not escape liability by arguing to the jury that the marks were in the public domain.¹⁹¹⁷

b. Alleged Violations of Antitrust Law by Plaintiffs

Before a jury trial on allegations of infringement and unfair competition, one court addressed the admissibility of evidence and testimony of alleged antitrust violations by the plaintiff.¹⁹¹⁸ The parties disagreed as to the significance of the violations if, in fact, they had occurred: The defendants argued (incorrectly) that the violations served as defenses on the merits to the plaintiff's claims, while the plaintiff responded (correctly) that they would merely be defenses to the incontestability of the plaintiff's marks under

¹⁹¹⁶ *Id.* at 592 (footnotes omitted) (first quoting *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 33 (2003); and then quoting Leslie A. Kurtz, *The Independent Legal Lives of Fictional Characters*, 1986 Wis. L. Rev. 429, 517 (1986)).

¹⁹¹⁷ *Id.* (footnotes omitted).

¹⁹¹⁸ *Id.* at 593–95.

Section 33(b)(7) of the Act.¹⁹¹⁹ The distinction between the parties' differing conceptions of the defense proved to be one without a difference:

Regardless of which position is correct . . . , the dispute is irrelevant to this case because [the defendant's] affirmative defense is broad enough to encompass a request that the Court invoke its equitable power to refuse to enforce the trademarks based upon [the plaintiff's] alleged violations of antitrust law, which is a well-established power of federal courts.¹⁹²⁰

The court therefore permitted the defendants to proffer evidence and lay witness testimony on the issue.¹⁹²¹

c. Other Enforcement Actions Against Defendants

Two courts addressed challenges to the admissibility of other enforcement actions against defendants. First, in an appeal from a jury's findings of liability for false advertising and unfair and deceptive trade practices, as well as a concomitant award of punitive damages under North Carolina law, a pair of defendants argued to the Fourth Circuit that the jury had improperly considered evidence of investigations against them by the Federal Trade Commission, the Department of Justice, and various state attorneys general.¹⁹²² The court rejected that contention, holding that "[c]ontrary to [the defendants'] representation, the district court declined to admit the evidence of the FTC and DOJ settlements, and when they were referenced, it instructed the jury not to consider them."¹⁹²³ The district court therefore had properly admitted evidence pertaining to the state enforcement actions "for 'the limited purpose' of showing [the defendants'] knowledge and intent, and as relevant to punitive damages."¹⁹²⁴

The second opinion arose from a motion in limine to prevent a plaintiff's reliance at trial on evidence of prior actions by other parties.¹⁹²⁵ Some of those prior actions were against the moving

¹⁹¹⁹ 15 U.S.C. § 1115(b)(7).

¹⁹²⁰ *Pa. State Univ.*, 755 F. Supp. 3d at 594 (footnote omitted).

¹⁹²¹ *Id.* at 595 ("Because a lay witness may be qualified to provide specialized knowledge as to the requirements to sustain an antitrust defense—such as the relevant geographic or product market—the Court will not adopt a per se rule barring such a defense in the absence of expert testimony. And here, [the defendants] may conceivably be able to offer such testimony. [The defendants] assert[] that [they] will have [their own witness]—along with university personnel engaged in licensing—testify to the requirements of an antitrust claim based on their 'personal experience in the market.'").

¹⁹²² *See CPI Sec. Sys., Inc. v. Vivint Smart Home, Inc.*, 145 F.4th 390 (4th Cir. 2025).

¹⁹²³ *Id.* at 408.

¹⁹²⁴ *Id.* (citation omitted).

¹⁹²⁵ *See Pa. State Univ.*, 755 F. Supp. 3d 563.

defendants, and the court held evidence and testimony relating to them inadmissible because:

[E]ach alleged act of infringement is factually unique, which would further diminish the relevance of other lawsuits or disputes as related to [the defendant's] willfulness. Factual questions relevant to each alleged act of infringement include issues such as, for example, whether the infringement involved composite images or direct use of trademarks, whether the defendant conducted research into whether images were trademarked, or whether any trademarks had obtained indisputable status. This would necessitate an examination of the underlying cases, conduct, and trademarks to determine whether the conduct there was similar to [the defendant's] conduct in this matter, which would not only have the potential to confuse the jury, but would undoubtedly waste significant amounts of time.¹⁹²⁶

The remaining disputed evidence included opinions from the Fifth Circuit and Eleventh Circuit affirming findings of liability on similar facts, which the plaintiff sought to use as proof that the defendants knew of the unlawful nature of their conduct.¹⁹²⁷ Unsurprisingly, the court found those inadmissible as well, in part because the test for infringement applied by those tribunals differed from the one on which the court intended to instruct the jury. Equally to the point, “[f]actual questions relevant to each alleged act of infringement include issues such as, for example, whether the infringement involved composite images or direct use of trademarks, whether the defendant conducted research into whether images were trademarked, or whether any trademarks had obtained indisputable status.”¹⁹²⁸ According to the court, “[t]his would necessitate an examination of the underlying cases, conduct, and trademarks to determine whether the conduct there was similar to [the defendants’] conduct in this matter, which would not only have the potential to confuse the jury, but would undoubtedly waste significant amounts of time.”¹⁹²⁹ The court was, however, willing to revisit the issue if the evidence and testimony at trial demonstrated a nexus between the others and the defendants’ conduct.¹⁹³⁰

¹⁹²⁶ *Id.* at 575.

¹⁹²⁷ *See* *Univ. of Ga. v. Laite*, 756 F.2d 1535 (11th Cir. 1985); *Bos. Pro. Hockey Ass’n v. Dallas Cap & Emblem Mfg., Inc.*, 510 F.2d 1004 (5th Cir. 1975).

¹⁹²⁸ *Pa. State Univ.*, 755 F. Supp. 3d at 575.

¹⁹²⁹ *Id.*

¹⁹³⁰ *Id.*

d. Characterizations of Defendants' Allegedly Infringing Conduct as Counterfeiting

Accused of having trafficked in goods bearing counterfeit imitations of the plaintiff's registered marks, a group of defendants successfully secured the dismissal of that cause of action on summary judgment.¹⁹³¹ They then followed up on that victory by moving the court in limine to prevent the plaintiff from characterizing their conduct as counterfeiting at trial. The plaintiff opposed the motion by representing it would not engage in such a characterization, but the court granted the motion anyway, explaining that "[t]o the extent that [the plaintiff] believes it has relevant testimony or evidence that skirts this line, it may seek clarification of the scope of this Order at trial."¹⁹³²

e. Wayback Machine Search Results

Courts generally admit into evidence websites captured through use of Internet Archive's Wayback Machine.¹⁹³³ Not so a Pennsylvania federal district court, which held such captures inadmissible, despite the proffering party's submission of them under cover of a sworn affidavit from an Internet Archive employee verifying that the websites at issue were "true and accurate copies of screenshots of the Internet Archive's records of the archived files for the URLs and the dates specified in the attached coversheet of each printout."¹⁹³⁴ In granting a defense motion in limine, the court faulted the affidavit's failure to explain "for example, how the screenshots are captured, whether there are any known error rates in the process of capturing webpages, or whether the Internet Archive does anything to ensure or check the accuracy of any captures."¹⁹³⁵ "In essence," the court concluded, "[the] affidavit sufficiently attests that the proposed exhibits are accurate depictions of what is contained on the Wayback Machine, but does not adequately attest that what is contained on the Wayback Machine is accurate."¹⁹³⁶

¹⁹³¹ *Id.* at 570.

¹⁹³² *See id.* at 575.

¹⁹³³ *See, e.g.,* EVO Brands, LLC v. Al Khalifa Grp., 657 F. Supp. 3d 1312, 1322 (C.D. Cal. 2023) ("Courts have taken judicial notice of internet archives in the past, including Archive.org's 'Wayback Machine,' finding that Archive.org possesses sufficient indicia of accuracy that it can be used to readily determine the various historical versions of a website.").

¹⁹³⁴ *Pa. State Univ.*, 755 F. Supp. 3d at 576.

¹⁹³⁵ *Id.*

¹⁹³⁶ *Id.*

f. Use of Licensing Revenue by Plaintiffs

In pursuing claims of infringement and unfair competition against defendants it accused of misappropriating its marks for clothing and related goods, a major state university proposed to show at trial that it used revenue from licensing its marks to fund scholarships.¹⁹³⁷ The defendants successfully moved in limine to preclude that proffer, arguing that it would unfairly suggest to the jury that any monetary award against them would be used the same way. The court rebuffed the defendants' argument that the proposed showing would prejudice them, but it still excluded that showing as irrelevant to the plaintiff's case. To begin with, it rejected the plaintiff's argument that the disputed information was relevant to the strength of the plaintiff's mark, holding that "the strength of a mark depends entirely on the recognition of the mark itself (or its distinctiveness), not broadly on the fact that individuals know of [the plaintiff's] trademarks or that its trademark licensing revenue is used to fund scholarships."¹⁹³⁸ Moreover,

while such information may be relevant to the issue of whether to disgorge profits, it is well established that any determination related to disgorgement is reserved to courts, not juries. Therefore, while this information may be relevant to a disgorgement determination, it need not be presented to the jury, since the jury will not make any decision regarding disgorgement.¹⁹³⁹

g. Corporate Responsibility Statements

To demonstrate the strength of its marks in a jury trial, one plaintiff sought to introduce the corporate responsibility statements it required its licensees to follow, and it then defeated its opponents' motion to exclude the statements.¹⁹⁴⁰ The defendants argued the statements would falsely suggest their manufacturing processes were unethical, but the court took a different view of them, noting that "both parties agree that a company's control over the manufacturing process of goods that bear the relevant trademark symbols may be relevant to the question of whether a trademark is valid."¹⁹⁴¹ Especially because the defendants had failed to demonstrate the statements would prejudice their case, their motion in limine fell by the wayside.¹⁹⁴²

¹⁹³⁷ See *id.* at 577–78.

¹⁹³⁸ *Id.* at 578.

¹⁹³⁹ *Id.* (footnote omitted).

¹⁹⁴⁰ *Id.* at 578–79.

¹⁹⁴¹ *Id.*

¹⁹⁴² *Id.* The court did, however, preclude the plaintiff from "from stating or directly inferring that Vintage Brand engages in unethical manufacturing processes." *Id.* at 579.

h. Lay Testimony of Consumers' Perception of Marks

Despite their opponent's protestations that it had no intent to rely on lay testimony "related to consumer beliefs and perceptions about [the plaintiff's] marks, the quality of the goods bearing those marks, or their recognition of the [plaintiff's] marks," one court granted a motion *in limine* targeting that testimony.¹⁹⁴³ Rejecting the plaintiff's argument (as characterized by the court) that any order on the defendants' motion would "be premature . . . and could be vague to the point of incomprehensibility,"¹⁹⁴⁴ doubted the possibility of "any significant confusion about what testimony reasonably falls outside of this prohibition. And, to the extent there are any close questions regarding whether testimony may fall afoul of this ruling, there will be ample opportunity to address that during trial."¹⁹⁴⁵

i. Legal Testimony by Lay Witnesses

To establish their good faith, a trio of defendants proposed to proffer lay testimony on why they believed their conduct was lawful, the reasons for which included such things as the alleged unprotectability of the plaintiff's marks, the ornamental (and therefore putatively permissible) nature of their imitations of those marks, whether they needed to seek the plaintiff's permission, and the plaintiff's claimed violation of antitrust laws.¹⁹⁴⁶ The plaintiff filed a motion *in limine* to exclude that testimony, which the court granted:

[The proffered witness] may testify as to his personal belief regarding many of the topics addressed by the parties, including what he was legally required to do, because, as this Court has previously held, those beliefs are germane to his intent and potential willfulness, or lack thereof. However, such testimony may [sic] not cross the line into topics such as what legal advice [the witness] received or what the law may require. Even [the witness's] testimony [sic] regarding his personal beliefs must be circumscribed since he cannot testify that his belief is based on the advice of counsel, as the Court has barred any testimony regarding the reliance on advice of counsel.

. . . .

. . . [The plaintiff's] motion *in limine* will be granted to the extent that [the proffered witness] and any other witnesses

¹⁹⁴³ *Id.*

¹⁹⁴⁴ *Id.*

¹⁹⁴⁵ *Id.*

¹⁹⁴⁶ *See id.* at 584–86.

will be prohibited from providing legal testimony, but may testify as to their beliefs about the law and whether they intentionally infringed on any alleged trademarks.¹⁹⁴⁷

j. Prior Use in Commerce

A Pennsylvania federal district court made short work of a defense argument that it should preclude the introduction of evidence and testimony at trial of the plaintiff's rights to a particular mark, which the defendants believed had not been used in commerce.¹⁹⁴⁸ As the court noted in denying the defendants' bid for exclusion, "a motion *in limine* should be granted 'only when the evidence is clearly inadmissible on all potential grounds.'"¹⁹⁴⁹ Because that circumstance did not exist, the court rejected the defendants' prediction that the plaintiff could not prove the use of its claimed mark.

k. Incontestability of Rights

In response to accusations of infringement and unfair competition leveled against them, one group of defendants asserted as an affirmative defense that several of the plaintiff's registered marks were aesthetically functional.¹⁹⁵⁰ The defendants did not affirmatively pursue the cancellation of the plaintiff's registrations on that basis, however, and the plaintiff subsequently filed declarations of incontestability for some with the USPTO. Granting the defendants' motion *in limine* on the issue, the court barred the plaintiff from arguing in an impending jury trial that its rights to the marks in question were incontestable:

[A]n affirmative defense is sufficient to preclude incontestability while that affirmative defense remains unresolved in federal court, as was the case here.

....

Consequently, the Court concludes that [the defendants'] seventh affirmative defense [of aesthetic functionality] is sufficiently adverse to [the plaintiff's] claim of ownership in the [disputed marks] such that it qualifies as a proceeding that precludes (at least temporarily) [the plaintiff] from obtaining incontestability status for the [marks]. [The defendants'] motion *in limine* will therefore be granted, and [the plaintiff] will be prohibited from arguing at trial that its

¹⁹⁴⁷ *Id.* at 585 (footnotes omitted).

¹⁹⁴⁸ *See id.* at 578–79.

¹⁹⁴⁹ *Id.* at 580.

¹⁹⁵⁰ *See id.* at 580–83.

registrations involving the [marks] have achieved incontestable status.¹⁹⁵¹

l. Advice of Counsel

Although conceding they would not defend themselves by relying on the advice of counsel, three defendants opposed a motion in limine proposing that they be barred from mentioning that advice even to rebut the inference that they had never sought legal counsel before undertaking their allegedly unlawful activities.¹⁹⁵² They did so unsuccessfully, and the court therefore granted the motion, although observing in the process that “[the defendants] may, of course, move for reconsideration of this ruling at trial should [they] believe [the plaintiff] has opened the door to the admission of such evidence, or may seek clarification at the time of trial should it believe that pertinent evidence may skirt the line of this prohibition.”¹⁹⁵³

m. Evidence of Criminal Activity

Seeking to establish the strength of its marks, one plaintiff preemptively sought to preclude its opponents from introducing at trial evidence and testimony relating to the high-profile convictions of one of its former employees for sexual abuse crimes.¹⁹⁵⁴ The defendants responded by asserting their entitlement to rely on the convictions “should [the plaintiff] open the door by providing evidence related to its good reputation and character outside of the context of trademark recognition and strength.”¹⁹⁵⁵ The court sided with the plaintiff, albeit with the qualification that “[s]hould [the defendants] believe that [the plaintiff] has in some way opened the door to the admission of this evidence at trial, they may seek to revisit this ruling at that time.”¹⁹⁵⁶

F. Trademark- and Service Mark-Related Transactions

1. Interpretation and Enforcement of Assignments

An assignment of geographic rights to several marks, including BIG BOY, for restaurant services led to litigation when the successor in interest to one contracting party threatened to move

¹⁹⁵¹ *Id.* at 582–83.

¹⁹⁵² *See id.* at 583.

¹⁹⁵³ *Id.*

¹⁹⁵⁴ *See id.*

¹⁹⁵⁵ *Id.*

¹⁹⁵⁶ *Id.*

into geographic areas reserved to the successor in interest to the other contracting party.¹⁹⁵⁷ One portion of that agreement assigned the rights to certain marks to the plaintiff's predecessor in Indiana, Kentucky, and select counties in Ohio and Tennessee, but another portion recited that "nothing herein shall be deemed to . . . preclude or restrict [the defendant's predecessor] in the use, promotion and application of the [BIG BOY marks] (to restaurant operations or otherwise) that [the defendant's predecessor] determines in its reasonable business judgment to be in its best interest."¹⁹⁵⁸ Whether to address the significance of that language or for another reason, the parties to that agreement subsequently executed another document styled as a "Trademark Use Agreement," which prohibited the defendant's predecessor from using the BIG BOY marks in the territories reserved to the plaintiff's predecessor under the original agreement.¹⁹⁵⁹ The parties' predecessors also secured concurrent use registrations reflecting the geographic divisions reflected in the original agreement.

Years later, after the closing of numerous BIG BOY-branded stores in the plaintiff's territories, the defendant announced its intention to open its own stores in those territories under the mark and began hiring for those locations. Those actions unsurprisingly spurred the plaintiff to pursue a temporary restraining order, which the court granted despite the defendant's argument that the language from the original agreement quoted above allowed it to use the BIG BOY mark in any way the defendant deemed in its best interests. Comparing the parties' various arrangements, the court held that the Trademark Use Agreement precluded the defendant from rebutting the evidence that the plaintiff owned the mark in its territories represented by the parties' concurrent use registrations.¹⁹⁶⁰

In contrast, another attempt by a lead plaintiff to rely upon a putative assignment was far less successful.¹⁹⁶¹ To establish its ownership of a trademark used by a nonparty at the time the nonparty was a licensee of the lead plaintiff, the lead plaintiff invoked the following language from the license:

In the event that any intellectual property falling within the scope of Licensed Patents, Licensed Trademarks or Licensed Products is conceived, reduced to practice, or developed, or a patent or trademark application is filed for by [the nonparty] during the Term of this Agreement, such additional intellectual property shall be assigned to [the lead

¹⁹⁵⁷ See *FBB IP LLC v. Big Boy Rest. Grp.*, 769 F. Supp. 3d 765 (S.D. Ohio 2025).

¹⁹⁵⁸ *Id.* at 773 (first alteration in original).

¹⁹⁵⁹ *Id.*

¹⁹⁶⁰ *Id.* at 778.

¹⁹⁶¹ See *Focus Prods. Grp. Int'l, LLC v. Kartri Sales Co.*, 156 F.4th 1259 (Fed. Cir. 2025).

plaintiff], and deemed included within the scope of the present Agreement.¹⁹⁶²

Concluding that the mark in question had been “reduced to practice” during the pendency of the agreement, the district court concluded after a bench trial that the lead plaintiff owned the mark. On appeal, however, the Federal Circuit took issue with that determination because “[t]here is no caselaw discussing the reduction of practice of a trademark. In fact, the Lanham Act requires that a trademark be used in commerce in order to claim ownership and file suit. ‘Use in commerce’ is not the same as ‘reduction to practice,’ which is a patent law term of art.”¹⁹⁶³ The lead plaintiff therefore had not become the mark’s owner until a formal assignment years after filing suit to protect the mark, a circumstance that deprived the lead plaintiff of standing.¹⁹⁶⁴

A second opinion addressing the significance of an assignment came from a bankruptcy court.¹⁹⁶⁵ That tribunal had before it a reorganization proceeding arising from the failure of a hotel, the physical premises of which had been sold in a bankruptcy auction. Following that sale, certain individuals associated with the hotel before its failure claimed ownership of the service mark under which it had operated. Citing the sale of the hotel itself, the court rejected that claim because:

When a business is sold as a going concern, trademarks and the good will of the business that the trademarks symbolize are presumed to pass with the sale of the business. . . . Even if the words “trademark” or “good will” or similar terms are not mentioned in the contract of sale of the business, the trademarks of the business are presumed to pass to the buyer as an essential part of the business and its good will.¹⁹⁶⁶

“This is particularly so,” the court observed, “with hotel names, which ‘generally attach to the place and designate the particular premises rather than the proprietor thereof, and are not transitory with him.’”¹⁹⁶⁷

A final reported opinion addressing the significance of an assignment did so in the context of a dispute over the publicity

¹⁹⁶² *Id.* at 1283.

¹⁹⁶³ *Id.*

¹⁹⁶⁴ *Id.* (“[T]he . . . mark was not transferred by [the nonparty] to [the lead plaintiff] until September 2021. This means that when the case was filed in December 2015, [the lead plaintiff] did not have ownership of the . . . mark, and thus did not have standing to sue for trademark infringement related to that mark.” (citation omitted)).

¹⁹⁶⁵ *In re 96 Wythe Acquisition, LLC*, 669 B.R. 238 (Bankr. S.D.N.Y. 2025).

¹⁹⁶⁶ *Id.* at 249 (alteration in original) (quoting J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 18:37 (5th ed.)).

¹⁹⁶⁷ *Id.* (quoting *Freeland v. Burdick*, 204 S.W. 1123, 1124 (Mo. Ct. App. 1918)).

rights under Pennsylvania law of professional baseball players.¹⁹⁶⁸ Citing the rule in that state against the assignment of privacy-related rights, the defendants challenged the ability of the plaintiff, which was two transactions removed from the players themselves, to sue over the defendants' promotion of their sports-betting operations through unauthorized uses of the players' names, images, and likenesses. Noting that "federal courts interpreting Pennsylvania law have . . . recognized that misappropriation of identity in violation of the right to privacy . . . and misappropriation of publicity . . . are 'two different, though similar torts,'"¹⁹⁶⁹ the court rejected that challenge and confirmed the plaintiff's ownership of the rights it had asserted.

2. Interpretation and Enforcement of Licenses

Seeking to establish its ownership of the EZ ON mark for hookless shower curtains at the time hostilities erupted between the parties, the lead plaintiff in an infringement action invoked a circa-2012 license between that plaintiff's predecessor and a nonparty, which granted the nonparty "the right to use the following trademark on the Licensed Products: 'EZ ON Shower Curtain'; and also may use the phrase 'with patented HOOKLESS® technology' in small print."¹⁹⁷⁰ The plaintiff convinced the district court that that language confirmed its ownership of the EZ ON mark vis-à-vis the nonparty, but the Federal Circuit disagreed on appeal. The latter court held that the language in question "does not unambiguously show that [the plaintiff] owned the EZ ON mark. Instead, it is equally plausible (and likely the better reading) that [the language] governed [the nonparty's] licensed use of [the plaintiff's] HOOKLESS® trademark in combination with [the nonparty's] EZ ON mark . . ." ¹⁹⁷¹ "That is so" the court continued, "in light of the 'Licensed Trademarks' definition [elsewhere] in [the license], which identifies 'HOOKLESS' only as the trademark to be licensed by [the plaintiff]."¹⁹⁷²

¹⁹⁶⁸ See *MLB Players Inc. v. DraftKings, Inc.*, 771 F. Supp. 3d 513 (E.D. Pa. 2025), *motion to certify appeal denied*, CV 24-4884-KSM, 2025 WL 1462547 (E.D. Pa. May 21, 2025).

¹⁹⁶⁹ *Id.* at 528 (quoting *AFL Phila. LLC v. Krause*, 639 F. Supp. 2d 512, 530–32 (E.D. Pa. 2009)).

¹⁹⁷⁰ See *Focus Prods. Grp. Int'l, LLC v. Kartri Sales Co.*, 156 F.4th 1259, 1282 (Fed. Cir. 2025).

¹⁹⁷¹ *Id.*

¹⁹⁷² *Id.*

3. Interpretation and Enforcement of Settlement Agreements

Having previously attempted to settle their differences with a written agreement, the parties in an appeal to the Fifth Circuit—restaurateurs in the Houston market—soon found themselves in court based on the plaintiff’s allegations that the defendants had violated the agreement.¹⁹⁷³ That document required the defendants to discontinue all uses of the plaintiff’s marks and the goodwill associated with them, but the plaintiff argued they had not done so because: (1) the defendants’ advertising claimed that their restaurants had operated since 2008, the year in which a restaurant run by the plaintiff had opened; (2) the defendants had represented that they had “rebranded from” the plaintiff’s restaurant; and (3) the defendants had used a subdomain incorporating one of the plaintiff’s marks to direct web traffic to the defendants’ website.¹⁹⁷⁴ Although the district court dismissed those allegations, the court of appeals held them sufficient to state a cause of action for breach of the settlement agreement.¹⁹⁷⁵

G. Attorney Discipline

If, as the Ninth Circuit held, the purchase by a law firm of a competitor’s service mark as a keyword for paid online advertising does not in and of itself constitute an actionable use of the mark in commerce,¹⁹⁷⁶ can it expose the firm and its attorneys to discipline by the bar of their jurisdiction? Addressing that question of first impression under the New Jersey Rules of Professional Conduct, the supreme court of that state held that such a purchase did not qualify as a “communication” falling within the rules’ scope but was instead “a form of proximity marketing, whereby businesses intentionally position themselves near a market leader to benefit from their overflow customers.”¹⁹⁷⁷ So too did it hold keyword advertising not conduct involving dishonesty, fraud, deceit or misrepresentation without proof of an intent to mislead.¹⁹⁷⁸ Finally, the court concluded, the practice at issue was not necessarily prejudicial to the administration of justice.¹⁹⁷⁹ Nevertheless, the court did require New Jersey attorneys engaging in it to post the following disclaimer

¹⁹⁷³ See *Molzan v. Bellagreen Holdings, L.L.C.*, 112 F.4th 323 (5th Cir. 2024).

¹⁹⁷⁴ *Id.* at 335.

¹⁹⁷⁵ *Id.*

¹⁹⁷⁶ See *Lerner & Rowe PC v. Brown Engstrand & Shely LLC*, 119 F.4th 711, 726 (9th Cir. 2024), *cert. denied*, 145 S. Ct. 2732 (2025).

¹⁹⁷⁷ *In re Op. No. 735 of Supreme Ct. Advisory Comm. on Pro. Ethics*, 334 A.3d 1188, 1197 (N.J. 2025).

¹⁹⁷⁸ *Id.*

¹⁹⁷⁹ *Id.* at 1201.

“on any landing page to which [a] paid ad directs a consumer”: “You arrived at this page via a paid advertisement on [insert name of search engine provider] through paid keyword search results. This website and the legal business it describes are affiliated only with [insert name of purchasing attorney] and the other attorneys referenced within this website.”¹⁹⁸⁰

H. The Relationship Between the Lanham Act and Other Statutes

1. The Copyright Act

The perennial issue of whether, if a claimed design mark is in the public domain for purposes of copyright law, it necessarily is unprotectable took center stage in an action by Pennsylvania State University, which challenged the alleged affixation of imitations of its marks to clothing and other collateral goods.¹⁹⁸¹ Anticipating the defendants’ claim during a jury trial that the unprotectability of certain of the marks for copyright protection precluded the plaintiff from protecting them as marks, the plaintiff successfully pursued a motion in limine on the subject. The court held the issue governed by two general principles, the first of which was:

If a defendant’s use of a trademark-containing-image that has fallen into the public domain[for copyright purposes] is used for a creative purpose, then trademark law may not be applied, or else courts would undermine the ‘carefully crafted bargain’ that permits the public to build upon the genius of the past and move our society forward in positive ways.¹⁹⁸²

The second was that:

[I]f an image that bears a trademark is within the public domain, but is being used for purely commercial—as opposed to creative—purposes, then trademark law may be applied to its use; otherwise courts would undermine the purpose of trademark law in ensuring that companies reap the benefits associated with its products and reputation.¹⁹⁸³

The court ultimately held that the second principle trumped the first because of the “wholly commercial” nature of the challenged uses—“[the defendants] took images that were allegedly in the public domain and put them on products to sell, such as t-shirts, hats, mugs, and other physical merchandise”¹⁹⁸⁴—of which it

¹⁹⁸⁰ *Id.* at 1202 (alterations in original).

¹⁹⁸¹ *See* Pa. State Univ. v. Vintage Brand, LLC, 755 F. Supp. 3d 563 (M.D. Pa. 2024).

¹⁹⁸² *Id.* at 592 (footnote omitted) (quoting *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 33 (2003)).

¹⁹⁸³ *Id.*

¹⁹⁸⁴ *Id.* at 593.

observed that “[a]pplying copyright law would not further the goals of fostering creative expression but could potentially impair trademark law’s goal of helping companies reap the financial and reputational-related awards associated with their product.”¹⁹⁸⁵

2. The Norris-LaGuardia Act

The Norris-LaGuardia Act (NLGA) prohibits courts from issuing injunctive relief in any case “involve[ing] or grow[ing] out of a labor dispute”¹⁹⁸⁶ and defines “labor dispute” as “any controversy concerning terms or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment.”¹⁹⁸⁷ When a labor union sought to organize workers at Trader Joe’s by selling the following tote bags, it defended itself by claiming the NLGA barred Trader Joe’s ensuing infringement action:¹⁹⁸⁸



The district court assigned to the case accepted the union’s argument that Trader Joe’s lawsuit was an impermissibly retaliatory response to the union’s organizing efforts after taking judicial notice of: (1) a circa-2022 vote by Trader Joe’s workers to certify the union as their representative; and (2) a complaint by the National Labor Relations Board against Trader Joe’s six days before the company’s suit against the union. Having done so, the district court dismissed Trade Joe’s complaint for failure to state a claim under the NLGA, only to have the Ninth Circuit vacate that

¹⁹⁸⁵ *Id.*

¹⁹⁸⁶ 29 U.S.C. § 1130(a).

¹⁹⁸⁷ *Id.* § 113(a).

¹⁹⁸⁸ *See* Trader Joe’s Co. v. Trader Joe’s United, 150 F.4th 1040, 1046 (9th Cir. 2025).

disposition. According to the court of appeals, the district court's action was premature because

[n]either party has moved for preliminary injunctive relief and Trader Joe's has yet to establish its entitlement to such relief by prevailing on any of its claims. As a result, no record has been developed to establish whether the trademark infringement claims and the nature of the injunctive relief sought by Trader Joe's relate to or grow out of the parties' labor dispute. . . . The parties dispute the significance of the timing of Trader Joe's lawsuit and its earlier demand letter to [the union]; these disagreements underscore that such issues are not capable of resolution at the pleading stage.¹⁹⁸⁹

3. The Bankruptcy Code

To settle an infringement action against it, a soon-to-be-debtor in a liquidation proceeding under Chapter 7 of the Bankruptcy Code¹⁹⁹⁰ agreed to take a license to use its allegedly infringing mark.¹⁹⁹¹ In anticipation of that agreement, an affiliate of the debtor paid the mark owner asserting infringement \$4.1 million, only to have the parties to the proposed license fail to memorialize and bring it into existence: As the court summarized that development, “[n]o formal license agreement was executed between [the debtor] and [the mark owner]. [The mark owner] never gave permission to [the debtor] to use the Trademark so that no monies, royalties or guaranteed payments of any kind became due to [the mark owner].”¹⁹⁹² In the trustee's subsequent suit against the mark owner to recover the payments made to the mark owner, the mark owner argued that, because the \$4.1 million from the debtor's affiliate never passed through the debtor's bank accounts, but rather was sent from the affiliate directly to the mark owner, the funds were never property of the debtor's estate and the trustee therefore lacked standing to pursue recovery of funds on the debtor's behalf. The court declined to dismiss the trustee's complaint for failure to state a claim, observing in the process that:

When a third party lends money to a debtor for the purpose of paying a specific creditor that the lender designates, the funds are considered “earmarked,” and do not become property of the debtor and cannot be recovered by the trustee. In contrast, a payment made by a third party to a creditor of the debtor will amount to a transfer of the debtor's property “when the payment represents a loan by the third

¹⁹⁸⁹ *Id.* at 1055–57.

¹⁹⁹⁰ 11 U.S.C. § 701 *et seq.*

¹⁹⁹¹ *See In re Home Easy, Ltd.*, 672 B.R. 595 (Bankr. D.N.J. 2025).

¹⁹⁹² *Id.* at 602.

party to the debtor and the debtor, rather than the lender, designates the creditor to be paid and controls the application of the loan.” The fact that the funds do not touch a debtor’s bank account is not dispositive as to whether the funds are or are not property of the debtor.¹⁹⁹³

“At this stage in the litigation,” the court held, “the Trustee has set forth a plausible argument that the funds were a loan to the Debtor and that the Debtor exerted the requisite control over such funds subject to further development through discovery and trial.”¹⁹⁹⁴

In a dispute presenting a different issue under the Bankruptcy Code, a New York bankruptcy court addressed a request that it abstain from entertaining a declaratory judgment action bearing on the ownership of certain marks in light of a prior-filed action presenting the same issue before a California federal district court.¹⁹⁹⁵ Because it already had issued a confirmation order, the bankruptcy court concluded it no longer enjoyed exclusive jurisdiction over the parties’ respective claims.¹⁹⁹⁶ The court then turned to the factors governing requests for permissive abstention requests directed toward bankruptcy courts, which it identified as:

(1) the effect or lack thereof on the efficient administration of the estate if a Court recommends abstention, (2) the extent to which state law issues predominate over bankruptcy issues, (3) the difficulty or unsettled nature of the applicable state law, (4) the presence of a related proceeding commenced in state court or other nonbankruptcy court, (5) the jurisdictional basis, if any, other than 28 U.S.C. § 1334, (6) the degree of relatedness or remoteness of the proceeding to the main bankruptcy case, (7) the substance rather than form of an asserted “core” proceeding, (8) the feasibility of severing state law claims from core bankruptcy matters to allow judgments to be entered in state court with enforcement left to the bankruptcy court, (9) the burden [on] the court’s docket, (10) the likelihood that the commencement of the proceeding in a bankruptcy court involves forum shopping by one of the parties, (11) the existence of a right to a jury trial, and (12) the presence in the proceeding of nondebtor parties.¹⁹⁹⁷

¹⁹⁹³ *Id.* at 642–43 (first quoting *In re Schick*, 234 B.R. 337, 346 (Bankr. S.D.N.Y. 1999); and then quoting *id.*).

¹⁹⁹⁴ *Id.* at 643.

¹⁹⁹⁵ See *In re SVB Fin. Grp.*, 671 B.R. 351 (Bankr. S.D.N.Y. 2025).

¹⁹⁹⁶ *Id.* at 372–73.

¹⁹⁹⁷ *Id.* at 371 (alteration in original) (quoting *In re Residential Cap., LLC*, No. 12-12020 (MG), 2015 WL 4747785, at *14 (Bankr. S.D.N.Y. Aug. 4, 2015)).

Viewing the second-filed action with skepticism, it found the factors favored it abstaining from hearing that action.¹⁹⁹⁸

I. Insurance-Related Issues

1. Opinions Ordering Coverage

One carrier's attempt to shift midstream the theory underlying its denial of coverage for the defense of an underlying action accusing its insured of infringing various rights associated with the design of a game, including the game's trade dress, fell short as a matter of law.¹⁹⁹⁹ The carrier's initial refusal to cover cited three exclusions from coverage and also cited the alleged untimeliness of the insured's notice of the underlying suit. By the time the case had reached the proof stage and the insured had moved for summary judgment, the carrier also claimed coverage was inappropriate in the first instance under the policy's "advertising injury" clause, which defined that tort in relevant part as:

- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services . . .
- f. The use of another's advertising idea in your "advertisement";
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement."²⁰⁰⁰

Applying Utah law, the court determined as a matter of law that the carrier had failed to alert the insured of that ground for denial "promptly," which meant the carrier was barred from belatedly asserting it.²⁰⁰¹

Having reached that conclusion, the court turned to the issue of the applicability of those exclusions from coverage the carrier *had* asserted in its initial communications with the insured. One such exclusion reached advertising injuries "caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict 'personal and advertising injury.'"²⁰⁰² Based on allegations of various intentional acts by the insured in the underlying action, the carrier claimed the benefit of

¹⁹⁹⁸ *Id.* at 375.

¹⁹⁹⁹ *See* Mountainville Com., LLC v. Auto-Owners Ins. Co., 778 F. Supp. 3d 1186 (D. Utah 2025), *reconsideration denied*, No. 2:23-CV-00700-AMA-CMR, 2025 WL 3089749 (D. Utah Nov. 5, 2025).

The court described the game at issue as "similar to the school-ground game 4-square but there are nine squares elevated in the air and the ball is passed above the squares." *Id.* at 1191.

²⁰⁰⁰ *Id.* at 1194 (alteration in original).

²⁰⁰¹ *Id.* at 1194–97.

²⁰⁰² *Id.* at 1196.

that exclusion, but the court credited the insured's argument that liability under at least some of the causes of action in the underlying action did not depend on showings of intentional misconduct by the insured. "[W]hen a complaint alleges intentional conduct but the causes of action require only unintentional conduct," the court held, "this kind of exclusion does not apply."²⁰⁰³

Next up was the carrier's invocation of an exclusion from coverage referencing "[p]ersonal and advertising injury' arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights,"²⁰⁰⁴ which itself had two exceptions referencing: (1) "the use of another's advertising idea in [an] 'advertisement'"; and (2) "infringement [in an 'advertisement,'] of copyright, trade dress or slogan."²⁰⁰⁵ The carrier feebly argued regarding the second exception that the complaint in the underlying action did not accuse the insured of infringing a slogan, but, as the court pointed out, that pleading did aver trade dress infringement. The second exclusion from coverage therefore also was inapplicable as a matter of law.²⁰⁰⁶

The third of the carrier's proffered exclusions applied to "[p]ersonal and advertising injury' arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers."²⁰⁰⁷ Although the carrier might have been correct that the complaint in the underlying action could be construed as averring the unauthorized use by the insured of another's name or product in an e-mail address, domain name, or metatag, that pleading asserted bases of liability not turning on such a use. Coverage therefore was appropriate under the Utah law rule that "[w]hen there are covered and non-covered claims in the same lawsuit, the insurer is obligated to provide a defense to the entire suit, at least until it can limit the suit to those claims outside of the policy coverage."²⁰⁰⁸

The court then addressed the carrier's final objection to coverage, namely, that the insured had dragged its feet for eleven months before notifying the carrier of the underlying action. The carrier pointed the court's attention to provisions in the policy requiring such notice "immediately" and "as soon as practicable,"²⁰⁰⁹ but, citing the Utah rule against allowing technicalities to defeat coverage, it held that "[l]ate notice alone is insufficient to relieve an

²⁰⁰³ *Id.*

²⁰⁰⁴ *Id.*

²⁰⁰⁵ *Id.* at 1197 (alterations in original).

²⁰⁰⁶ *Id.*

²⁰⁰⁷ *Id.* (alteration in original).

²⁰⁰⁸ *Id.* at 1198 (quoting *Benjamin v. Amica Mut. Ins. Co.*, 140 P.3d 1210, 1216 (Utah 2006)).

²⁰⁰⁹ *Id.*

insurer's duty to defendant."²⁰¹⁰ The carrier therefore was obligated to defend not only the insured and its employees but also a volunteer worker (the grandfather of one of the insured's principals).²⁰¹¹

2. Opinions Declining to Order Coverage

When an insured allegedly misrepresented the geographic origin of the coffee beans it sold as the Kona District of Hawai'i island, a group of its competitors sued it for false advertising.²⁰¹² Having settled that action with a payment to the plaintiffs, the insured sought recovery of that payment and its legal fees from its insurance carrier. As is often the case, the carrier responded to that request by seeking a declaratory judgment that it was not obligated either to indemnify its insured or to bankroll the defense of the underlying action.

On the parties' cross-motions for summary judgment, the court initially determined that the insured's allegedly false representations that its beans were grown in Kona constituted an advertising injury within the definition of that concept found in the policy, namely, an "injury arising out of your business . . . arising out of one or more of the following offenses": (1) "the use of another's advertising idea in your Advertisement," or (2) "infringement upon another's copyright, trade dress or slogan in your Advertisement."²⁰¹³ The court did so by applying the usual rule—in this case, mandated by Hawai'i law—that the language of the policy should be construed in the insured's favor. That favorable threshold ruling, however, did not save the day for the insured, however, because the carrier successfully invoked an exclusion from coverage applicable to "[a]dvertising Injury . . . arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your Advertisement."²⁰¹⁴ Referring to the averments of the plaintiffs in the underlying action, the court concluded of them that:

These allegations make plain that when a vendor labels coffee as "Kona," they are making a statement about the quality of the coffee product—they are asserting, in effect, that the coffee they are selling will have the characteristic "unique flavor, aroma, and mouth feel" of Kona coffee.

And by selling commodity coffee that did not contain much, if any, genuine Kona coffee, [the insured] allegedly

²⁰¹⁰ *Id.* at 1199.

²⁰¹¹ *Id.* at 1200.

²⁰¹² See *Allied World Nat'l Assurance Co. v. NHC, Inc.*, 794 F. Supp. 3d 773 (D. Haw. 2025), notice of appeal docketed, No. 25-5683 (9th Cir. Sept. 8, 2025).

²⁰¹³ *Id.* at 786 (alteration in original).

²⁰¹⁴ *Id.* at 790 (second alteration in original).

sold a product that failed to conform with that statement of quality.²⁰¹⁵

The carrier therefore escaped liability as a matter of law.²⁰¹⁶

3. Opinions Deferring Resolution of the Coverage Inquiry

One carrier failed to secure the dismissal at the pleadings stage of a bid for coverage in an application of Georgia law.²⁰¹⁷ The plaintiffs in the underlying action were professional models who objected to the unauthorized use by the insured of their images to promote a strip club. Having received an assignment of the insured's interests under the policy in question, those plaintiffs sued the carrier for breach of contract because of the carrier's refusal to defend and indemnify its insured. Although the carrier invoked an exclusion referencing the knowing violation of the rights of another, the court held that:

Viewing the complaint in the light most favorable to Plaintiffs, there is a sufficient basis to support a claim for negligence. For instance, Plaintiffs allege that the underlying defendants were negligent in selecting Plaintiffs' images for their advertisement because they knew or should have known that the Plaintiffs were not [the club's] employees.²⁰¹⁸

The carrier fared no better in claiming the benefit of another exclusion, namely, one applicable to intellectual property rights. The policy defined those rights as "exclusive rights pertaining to the creations of the mind, both artistic and commercial, that have potential commercial value and may have a right to protection. 'Intellectual property rights' include, but are not limited to, copyrights, domain names, industrial design rights, patents, trademarks, trade dress, trade names, or trade secrets."²⁰¹⁹ In light of the carrier's failure to identify any case law standing for the proposition that the plaintiff's personas were "creations of the mind," the court declined to hold at the pleadings stage that the intellectual property exclusion applied, especially because "Georgia law requires that '[w]here an insurer grants coverage to an insured, any exclusions from that coverage must be defined clearly and distinctly."²⁰²⁰

²⁰¹⁵ *Id.* at 790 (citation omitted).

²⁰¹⁶ *Id.* at 793.

²⁰¹⁷ *See Pinder v. Nautilus Ins. Co.*, 764 F. Supp. 3d 1341 (S.D. Ga. 2024).

²⁰¹⁸ *Id.* at 1348.

²⁰¹⁹ *Id.* at 1349.

²⁰²⁰ *Id.* at 1351 (alteration in original) (quoting *Hurst v. Grange Mut. Cas. Co.*, 470 S.E.2d 659, 663 (Ga. 1996)).

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