

RIMÔN



Lanham Act Litigation: A Primer

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Sources of Law: Statutory and Common Law Protections of Trademarks

Federal Law

- Infringement of registered marks (15 U.S.C. §1114(1))
- Counterfeiting (15 U.S.C. §1114(1))
- Infringement of unregistered marks (also provides claim for false advertising) (15 U.S.C. §1125(a))
- Dilution of famous marks (15 U.S.C. §1125(c))
- Anti-cybersquatting (15 U.S.C. §1125(d))



Sources of Law: Statutory and Common Law Protections of Trademarks

State Law

- Statutory protection for infringement and dilution
- Unfair and deceptive acts and practices (UDAP) statutes-- e.g., California Business & Professions Code §17200
- Common law unfair competition
- Right of publicity--e.g., California Civil Code §3344



Evaluating a Trademark Case: Trademark Infringement

Types of Actionable Confusion

- Traditional confusion (passing or palming off)
- Reverse confusion
- Initial interest confusion
- Post-sale confusion



Evaluating a Trademark Case: Trademark Infringement

Elements of a Claim

- Ownership
- Inherent distinctiveness or secondary meaning
- Interstate use in commerce
- Likelihood of confusion



Evaluating a Trademark Case: Who is the Owner of the Mark?

Ownership

- Trademark rights arise from actual use in commerce.
- Need documentary evidence of use.
- Registration is *prima facie* evidence of ownership and validity.
- Ownership of an incontestable mark is conclusive of ownership and validity.
- Exclusive licensees are proper plaintiffs as well.
- **Practice Tip:** Make sure the chain of title is clear!



Evaluating a Trademark Case: Practical Considerations

- Extent of use—may need to consider worldwide use and history of litigation
- Weaknesses in your client's trademark rights/registrations
- Jurisdiction—consider circuit splits!



Evaluating a Trademark Case: Other IP Rights to Consider

- Copyright
- Patent
- Rights of Publicity
- Trade Secret



Evaluating a Trademark Case: Who Has the Standing to Sue?

Unregistered Marks

(15 U.S.C. §1125(a))

- Any person who believes that he/she is likely to be damaged by infringement
- Consumers typically not included, only those with a commercial interest



Evaluating a Trademark Case: Who Can Be Sued?

- Direct infringers
- Contributory infringers (Manufacturers, distributors, ad agencies, etc.)
- Landlords
- Generally not ISP's or Web hosts
(See, e.g., *Tiffany (NJ) Inc. v. eBay Inc.*, 600 F.3d 93 (2d Cir. 2010); *Viacom Internat'l, Inc. v. YouTube, Inc.*, 2010 WL 2532404 (S.D.N.Y. 2010); *but see Louis Vuitton Malletier, S.A. v. Akanoc Solutions, Inc.*, 658 F.3d 936 (9th Cir. 2011))



Making Your Case: Trademark Infringement

Investigations

- It may be necessary to conduct an investigation into the other side's use.
- Beware of pre-textual investigations. Rules of professional ethics may prohibit certain investigations.
- There are many pitfalls, and some jurisdictions are tougher than others on this. So research your jurisdiction and be careful if you are going to conduct an investigation requiring investigators to contact the potential infringer.
- There are a number of third-party investigators who are well-versed in trademark-related investigations.



Making Your Case: Trademark Infringement

Likelihood of Confusion Test

- Multi-factor balancing test that varies slightly from circuit to circuit (e.g., *Barbecue Max, Inc. v. 551 Ogden, Inc.*, 235 F.3d 1041 (7th Cir. 2000); *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979); *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d Cir. 1961))
- The test is used to determine if there is a likelihood of consumer confusion as to source, affiliation, or sponsorship.
- Same test used for infringement under § 1114 and for false designation of origin under § 1125 (i.e., common law infringement)



Making Your Case: Trademark Infringement

Likelihood of Confusion Test

Factors considered:

- Similarity of marks
- Strength of the senior mark
- Proximity/relatedness of goods/services
- Distribution channels
- Type of goods/services and degree of consumer sophistication
- Actual confusion
- Bad faith/intentional copying
- Likelihood of expansion



Making Your Case: Trademark Infringement

Defenses:

Substantive Defenses

- No likelihood of confusion
- Parody
- Mark is generic
- Abandonment
- Acquiescence
- Naked licensing
- Fair use—classic/nominative
- First Amendment
- Estoppel/Laches
- Functionality (trade dress)
- Unclean hands
- Fraud on the USPTO



Making Your Case: Trademark Infringement

Defenses:

Additional Defenses if Mark Not Incontestable

- Registrant is not owner of valid mark
- Mere descriptiveness
- Geographical descriptiveness/misdescriptiveness
- Primarily a surname
- Deceptive misdescriptiveness
- Additional defenses under 15 U.S.C. §1052 (e.g., mark is scandalous or disparaging, consists of a state or foreign flag, and others)



Making Your Case

First Things First: The Cease & Desist Letter

- Identify the mark and its owner, and describe briefly the nature of the infringement. Include photos or copies of infringing materials.
- Identify any federal and/or state registrations in place for the mark, and enclose copies.
- Make a clear demand for action. If infringement is clear, demand immediate cessation of use, and removal of all infringing goods, advertisements, and materials from the market.
- Request dates of sales of infringing goods/services, quantities sold, and gross revenue earned.
- Specify a firm date for action and/or response and other remedies, if appropriate.
- Follow up and document resolution of issue.

 *But be careful of your tone!*





Why?????





Evaluating a Trademark Case Where and When to Sue: Timing

The “First to File” Rule

- Declaratory relief actions are common in trademark disputes.
- If there is a choice of forum, you may want to file suit before the defendant; generally, the first to file determines which court will hear the case. (See, e.g., *Tempco Elec. Heater Corp. v. Omega Eng.*, 819 F.2d 746 (7th Cir. 1987))




Beware the Declaratory Relief Action!

Consider:

- The strength of your case
- Your client's willingness/budget to litigate
- The location of the parties
- Possible venues and circuit splits
- Size of the parties
- The recipient's litigation history/culture

Example: Anheuser Busch and San Antonio Winery





Example: Anheuser Busch and San Antonio Winery

- In response to cease and desist, San Antonio filed a declaratory relief action
- Turns out, San Antonio had sued Banfi over trademark and trade dress infringement and so wasn't shy about litigation



And don't forget the other court that could hear your case....

The Cease and Desist letter: the basics

THE COURT OF PUBLIC OPINION!!!





An example of a particularly nice cease and desist letter:





JACK DANIEL'S

We are certainly flattered by your affection for the brand, but while we can appreciate the pop culture appeal of Jack Daniel's, we also have to be diligent to ensure that the Jack Daniel's trademarks are used correctly. Given the brand's popularity, it will probably come as no surprise that we come across designs like this on a regular basis. What may not be so apparent, however, is that if we allow uses like this one, we run the very real risk that our trademark will be weakened. As a fan of the brand, I'm sure that is not something you intended or would want to see happen.

Dear Mr. Wensink:

I am an attorney at Jack Daniel's Properties, Inc. ("JDPI") in California. JDPI is the owner of the JACK DANIEL'S trademarks (the "Marks") which have been used extensively and for many years in connection with our well-known Tennessee whiskey product and a wide variety of consumer merchandise.

It has recently come to our attention that the cover of your book *Broken Piano for President*, bears a design that closely mimics the style and distinctive elements of the JACK DANIEL'S trademarks. As

As an author, you can certainly understand our position and the need to contact you. You may even have run into similar problems with your own intellectual property.

we run the very real risk that our trademark will be weakened. As a fan of the brand, I'm sure that is not something you intended or would want to see happen.

As an author, you can certainly understand our position and the need to contact you. You may even have run into similar problems with your own intellectual property.


In order to resolve this matter, because you are both a Louisville "neighbor" and a fan of the brand, we simply

In order to resolve this matter, because you are both a Louisville "neighbor" and a fan of the brand, we simply request that you change the cover design when the book is re-printed. If you would be willing to change the design sooner than that (including on the digital version), we would be willing to contribute a reasonable amount towards the costs of doing so. By taking this step, you will help us to ensure that the Jack Daniel's brand will mean as much to future generations as it does today.

Senior Attorney - Trademarks

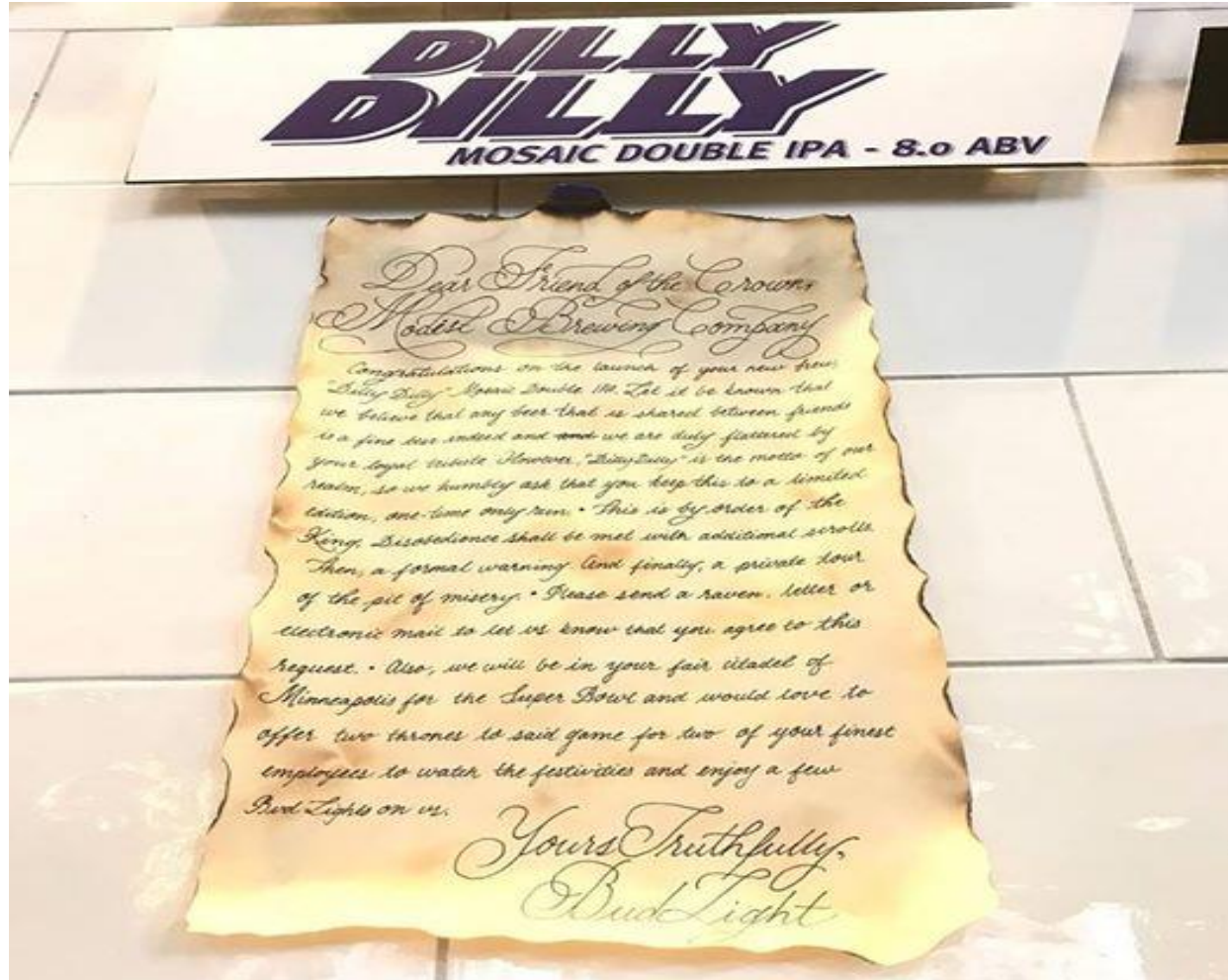
JACK DANIEL'S PROPERTIES, INC.

4040 CIVIC CENTER DRIVE • SUITE 528 • SAN RAFAEL, CALIFORNIA 94903
TELEPHONE: (415) 446-5225 • FAX (415) 446-5230



Another example of a great cease & desist letter

- <https://www.facebook.com/modistbrewing/videos/1769474706456277/>
- Copyright Modist Brewing Company (used with permission)



Copyright Modist
Brewing Co.
(Used with
permission)



A not-so-good example:





Home > Caffeine & Edibles > Wacky Edibles >

Canned Unicorn Meat

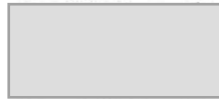


zoom 

Pâté is passé. Unicorn - the new white meat.

Excellent source of sparkles!

Unicorns, as we all know, frolic all over the world, pooping rainbows and marshmallows wherever they go. What you don't know is that when unicorns reach the end of their lifespan, they are drawn to County Meath, Ireland. The Sisters at Radiant Farms have dedicated their lives to nursing these elegant creatures through their final days. Taking a cue from the Kobe beef industry, they massage each unicorn's coat with Guinness daily and fatten them on a diet comprised entirely of candy corn.



UNITED STATES | ENGLAND | CHINA



May 5, 2010

VIA FACSIMILE AND CERTIFIED MAIL

ThinkGeek, Inc.
11216 Waples Mill Rd
Suite 100
Fairfax, VA 22030
Facsimile: 703.839.8611


Re: Infringement and Dilution of Trademark Rights of National Pork Board

To Whom It May Concern:

This law firm represents National Pork Board in connection with its intellectual property rights.

We are writing to you in connection with your activities at the website www.thinkgeek.com, wherein you have been marketing a product called "Radiant Farms Canned Unicorn Meat" using the slogan "Unicorn - the new white meat." A copy of the website page advertising the unicorn meat is attached for your reference. In addition, it appears that a number of other websites that refer to this product use the wording "The Other White Meat" in connection with the product, including www.facebook.com/pages/Unicorn-Meat-The-Other-White-Meat/116348375047769 and www.thefrisky.com/post/246-unicorn-the-other-white-meat/?TrackID=fc01 (see attached copies of website pages).

National Pork Board is the owner of the mark **THE OTHER WHITE MEAT[®]** in the United States and elsewhere around the world, and owns the following federal trademark registrations:

THE OTHER WHITE MEAT	U.S. Reg. No. 3,129,186 (Classes 16, 25 and 43)
THE OTHER WHITE MEAT	U.S. Reg. No. 1,486,548 (Class 42)
THE OTHER WHITE MEAT	Canada Reg. No. TMA 506,870 (Class 42)
THE OTHER WHITE MEAT	European Union, CTM No. 926,097 (Class 42)
	U.S. Reg. No. 3,126,072 (Classes 35 and 43)

3200 WELLS FARGO CENTER | 1700 LINCOLN STREET | DENVER COLORADO 80202-4523
TELEPHONE 303-407-3500 | FACSIMILE 303-407-3400 | WWW.FARGRE.COM



- The National Pork Board wrote a 12 page cease and desist letter
- Lesson: Pay attention and determine if the use is really an issue and, if so, consider your tone very carefully





Evaluating a Trademark Case: Practical Considerations

- Venue—risk of a motion to dismiss or transfer
- Timing—risk of declaratory relief action—consider the risk of irreparable harm
- Cost—litigation is expensive!
- TTAB, Federal Court, or ITC



Evaluating a Trademark Case

Where and When to Sue: Jurisdiction

- The Lanham Act does not authorize nationwide service. The plaintiff must establish personal jurisdiction is proper over the defendant(s)
- The plaintiff cannot be the only connection to the chosen forum. *Ariel Investments, LLC v. Ariel Capital Advisors LLC*, 881 F.3d 520 (7th Cir. 2018)
- Connections to the forum state must be “continuous and systematic.” *Goodyear Dunlop Tires Operations SA v. Brown*, 131 S. Ct. 2846 (2011). See also *J. McIntyre Machinery, Ltd. v. Nicastro*, 131 S. Ct. 2780 (2011)
- Jurisdiction may be extended to domestic defendants whose foreign sales impact the United States (*Steele v. Bulova Watch Co.*, 344 U.S. 280 (1952)).



Evaluating a Trademark Case

Where and When to Sue: Jurisdiction

- Today, personal jurisdiction is often premised on websites. The key is often *interactivity* of the website. (*Pebble Beach Co. v. Caddy*, 453 F.3d 1151 (9th Cir. 2006))
- CAVEAT: Website interactivity alone may be insufficient if no sales or business have been conducted in the plaintiff's chosen forum. But it may not take a lot e.g., just one sale of infringing goods and 40+ of other goods can do the trick! (*Chloe v. Queen Bee of Beverly Hills, LLC*, 616 F.3d 158, 165-66 (2d Cir. 2010))



Evaluating a Trademark Case Where and When to Sue: Venue

Federal or State Court

- Most trademark cases are brought in federal court but can be brought in state court.
- CAVEAT: If the case also involves copyright or patent claims, it **must** be brought in federal court.



Evaluating a Trademark Case

Where and When to Sue: Venue (28 U.S.C. §1391(b))

Venue is proper:

- In any district where all defendants reside
- Where a substantial part of the events giving rise to the claim occurred (e.g., sales)
- In any judicial district where any defendant is found if no other district is proper



Evaluating a Trademark Case Where and When to Sue: Venue

- Be careful when choosing venue.
- Even if personal jurisdiction may be exercised over the defendant(s), your suit may be susceptible to transfer to a more convenient forum to the Defendants under 28 U.S.C. § 1404(a).
- This usually is not a problem if the defendant is a large company with a clearly national presence. But you run the risk of transfer if the defendant is a smaller company, albeit subject to personal jurisdiction, and the bulk of the relevant witnesses and documents are located outside of the chosen forum.



Evaluating a Trademark Case

Where and When to Sue: Venue (28 U.S.C. §1391(b))

Note:

If your case also has patent issues involved in it, venue will have to be either in the state of the defendant's incorporation or in a district in which the defendant has committed acts of infringement and "has a regular and established place of business." *TC Heartland LLC v. Kraft Foods Group Brands LLC*, Case No. 16-341, 137 S. Ct. 1514 (2017).



Evaluating a Trademark Case

What Forum? TTAB v. Federal Court

TTAB Pros and Cons:

- TTAB only determines registrability of marks on the USPTO's register of trademarks—NO DAMAGES!
- Limited subpoena power
- TTAB does not offer other remedies and no recovery of attorney fees.
- TTAB may offer some issue discovery and issue sanctions in extreme circumstances but does not issue monetary sanctions



Evaluating a Trademark Case

What Forum? TTAB v. Federal Court

TTAB Pros and Cons:

- TTAB judges are well-versed in trademark law, but their focus is narrow because of their limited jurisdiction—it can often ignore much of the evidence parties may want to introduce.
- Cost of litigation can be much lower than federal court
- A TTAB decision may have issue preclusive effect. *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293 (2015)

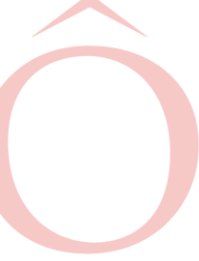


Evaluating a Trademark Case

What Forum? TTAB v. Federal Court

Federal Court Pros and Cons:

- Full remedies available, including all TTAB remedies (NOTE: No standing for just TTAB remedies, however)
- Attorney fees available under the Lanham Act in exceptional cases
- Full sanctions available, including monetary sanctions, discovery sanctions, etc.
- Judges are not necessarily as familiar with trademark law
- Court will take much more evidence into account
- Court can also hear other claims (e.g., copyright, patent, state law claims)
- Cost of litigation can be high



One other thing to consider:

If you litigate in the TTAB, will it have issue preclusive effect in later federal court litigation?

- Yes, but as is often the case in the law, it depends.
- If descriptiveness, very likely
 - See, e.g., *Ashe v. PNC Financial Svcs. Group, Inc.*, 652 Fed.Appx. 155 (4th Cir. 2016);
- If likelihood of confusion, probably, but it depends on what evidence the TTAB considered. *But see Cesari S.r.L. v. Peju Province Winery L.P.*, 2017 WL 6509004 (S.D.N.Y. December 11, 2017)(ruling that failure to appeal TTAB decision on likelihood of confusion was issue preclusive in subsequent federal court litigation, even though Defendant sought introduced additional evidence not considered by TTAB)



Also consider the ITC!

- Available only if the plaintiff is not seeking monetary damages and for goods imported into the U.S.
- Brought under Section 337 of the Tariff Act of 1930 (as amended) (19 U.S.C. § 1337)
- Fairly rarely used in the trademark context (the ITC has conducted under 20 investigations since 2010)
- Very quick (typically no more than 8-9 months to evidentiary hearing and 16 months to resolution)
- Available for both federally registered and common law trademark rights
- Powerful remedies (exclusion orders and cease and desist orders)



Also consider the ITC! (Cont.)

- *In rem* to the goods themselves, so a plaintiff need not go to multiple courts to seek redress from multiple infringers.
- Exclusion orders can be personal to a particular infringer (Limited Exclusion Order) or for the type of good (General Exclusion Order)
- Cease and desist orders address commercial activities for goods already imported into the United States



Making Your Case: Trademark Infringement

Remedies:

Equitable Remedies

- TRO/Preliminary injunction
- Permanent injunctions
- Recall and destruction
- Corrective advertising
- Asset freeze
- Counterfeit seizure



Making Your Case: Trademark Infringement

Remedies:

Monetary Relief

- Plaintiff's actual damages
- Defendant's profits
- Costs
- Attorney's fees (only in exceptional cases)
- Statutory damages (counterfeiting cases-15 U.S.C. §1117(c))
 - CAVEAT: Opting for statutory damages under § 1117(c) may preclude recovery of attorney's fees under 15 U.S.C. §1117(b); but there appears to be no such restriction if opting for statutory damages under §1117 (c) and attorney fees under 15 U.S.C. §1117(a).
Louis Vuitton Malletier S.A. v. Ly USA, Inc., et al., 676 F3d 83 (2d Cir. 2012);
102 U.S.P.Q.2d (BNA) 1249



Making Your Case: Trademark Infringement

Remedies:

Monetary Relief

- Plaintiff's actual damages – examples
 - Diminution in value (e.g., tarnishment)
 - Corrective advertising
 - Reasonable royalty (but must have licensed before)
 - Plaintiff's lost profits/sales
 - Cannot be duplicative of Defendant's profits
 - Requires some level of competition between the parties



Making Your Case: Trademark Infringement

Remedies:

Monetary Relief

- Defendant's profits
 - Like with copyright, plaintiff need only prove gross revenue from sale of infringing goods or services
 - Defendant bears the burden of proving any appropriate deductions and any non-infringing qualities/features/factors that would reduce the profits attributable to the infringement.



Making Your Case: Trademark Infringement

Remedies:

Monetary Relief

- Defendant's profits (Cont.)
 - Historically, courts required some level of competition between the parties for recovery of the defendant's profits.
 - In most circuits today, however, the modern view is the parties need not compete to justify an accounting of the defendant's profits
 - Such an award can serve an equitable and deterrent function



Making Your Case: Trademark Infringement

Remedies:

Monetary Relief

- Defendant's profits (Cont.)
 - Formerly, there was a circuit split. In some circuits, plaintiff had to prove the infringement was willful to recover defendant's profits.
 - First, Second, Ninth, and Tenth Circuits – largely required
 - Third, Fourth, Fifth, Eleventh – not required but probative
 - The Sixth and Eighth Circuits were undetermined (Sixth weighed no, Eighth weighed yes)
 - Most courts agree intent is highly probative of whether an award of defendant's profits is appropriate



Making Your Case: Trademark Infringement

Remedies:

Monetary Relief

- Defendant's profits (Cont.)
 - The Supreme Court recently settled the circuit split in *Romag Fasteners, Inc. v. Fossil, Inc.*
 - Per the plain language of the statute, willfulness is not required in order to get a disgorgement of profits
 - However, the level of willfulness is relevant to the disgorgement.
 - Sotomayor and Alito concurrences highlight the flip sides of willfulness as it could play into the disgorgement of profits question
 - Intent and willfulness will likely remain highly probative of whether an award of defendant's profits is appropriate



Making Your Case: Trademark Infringement

Remedies:

Monetary Relief

- Defendant's profits (Cont.)
 - Yet another wrinkle: Recovery of damages for infringement of a registered mark requires notice of registration – 15 U.S.C § 1111
 - May also apply to infringement under Section 1125(a) if the mark is registered, though would not apply to period prior to registration or if mark was never registered. *Coach, Inc. v. Asia Pacific Trading, Inc.*, 676 F.Supp.2d 914, 925 (C.D. Cal. 2009)



Making Your Case: Trademark Infringement

Remedies:

Monetary Relief

- Attorney's Fees
 - Only recoverable in “exceptional cases.” 15 U.S.C. § 1117(a)
 - Post-*Octane Fitness*, likely a lower standard because the Lanham Act and Patent Act use same language for grant of attorney's fees in 35 U.S.C. § 285. *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 134 S. Ct. 1749 (2014).
 - Third, Fourth, Fifth, Sixth, Ninth, Eleventh, and Federal Circuits have adopted this lower standard in trademark cases.
 - Second Circuit has deferred.
 - First, Seventh, and Tenth Circuits have not addressed the issue.



Making Your Case: Trademark Infringement

Remedies:

Monetary Relief

- Attorney's Fees (Cont.)
 - Lower “exceptional cases” standard under *Octane Fitness*:
 - An exceptional case is “simply one that stands out from others with respect to the substantive strength of a party’s litigation position...or the unreasonable manner in which the case was litigated.”
 - Looks to totality of circumstances of the case.
 - Entitlement to attorney’s fees is not subject to a higher “clear and convincing” burden of proof.



Making Your Case: False Advertising

- 15 U.S.C. §1125 (a)(1)(B) prohibits “any person” from using “in connection with any goods or services” any “false or misleading description of fact, which...in commercial advertising or promotion, misrepresents the nature, characteristics or qualities” of goods or services.
- As with infringement claims, both direct and contributory infringers can be liable.
- Standing: “[A]ny person who believes that he/she is or is likely to be injured.”



Making Your Case: False Advertising

Standing to Sue

The standard is: whether the injury alleged is within the “zone of interests” to be protected by the Lanham Act and whether that injury, as alleged, was proximately caused by the defendant’s alleged false advertising. *Lexmark International, Inc. v. Static Control Components, Inc.*, (Supreme Ct. No. 12-873), 134 S.Ct. 1377 (March 25, 2014).



Making Your Case: False Advertising

Standing to Sue

- To fall within the “zone of interest” of the Lanham Act, a false advertising plaintiff must allege an injury to “a commercial interest in reputation or sales.”
- For proximate causation, the plaintiff must show “economic or reputational injury” flowing directly from deception created by the defendant’s advertising



Making Your Case: False Advertising

Elements

- False statement of fact
- Interstate use
- Tendency to deceive (i.e., either literal or implicit falsehood)
- Materiality (i.e., falsehood must have some effect on the purchasing decision)
- Likelihood of injury



Making Your Case: Dilution

- Different injury from infringement
- Reserved for famous marks
- Governed by the Trademark Dilution Revision Act of 2006 (TDRA) (15 U.S.C. §1125(c))
- Often also actionable under various state dilution statutes



Making Your Case: Dilution

TDRA:

Important Facts

- Replaces previous Federal Trademark Dilution Action (FTDA)
- Overturned Supreme Court holding in *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003), which required a showing of actual dilution. TDRA clarified, and requires only a *likelihood* of dilution.
- Rejects the concept of niche fame, reserving dilution claims to only truly famous marks
- Provides multi-factor tests for determining fame and dilution by blurring and defines dilution by tarnishment
- Clarifies application of parody and fair use defense



Making Your Case: Dilution

Elements

- Ownership of a famous mark
- Use of mark in commerce by defendant that is likely to cause dilution by blurring or tarnishment
- For dilution claims involving trade dress, trade dress as a whole, including any unregistered elements, must be famous and non-functional



Making Your Case: Dilution

Definition of Fame

(15 U.S.C. §1125 (c))

A mark is famous if it is widely recognized by the general consuming public of the U.S. as a designation of source.



Making Your Case: Dilution

Factors for Determining Fame

- The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties
- The amount, volume, and geographic extent of sales of goods or services offered under the mark
- The extent of actual recognition of the mark
- Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register



Making Your Case: Dilution

Which of These Marks Is Famous?
Switch to Polling Tab – Questions 1 – 5.



BURBERRY

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: 1. Is this mark famous?



Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: 2. Is this mark famous?



Live Content Slide

When playing as a slideshow, this slide will display live content

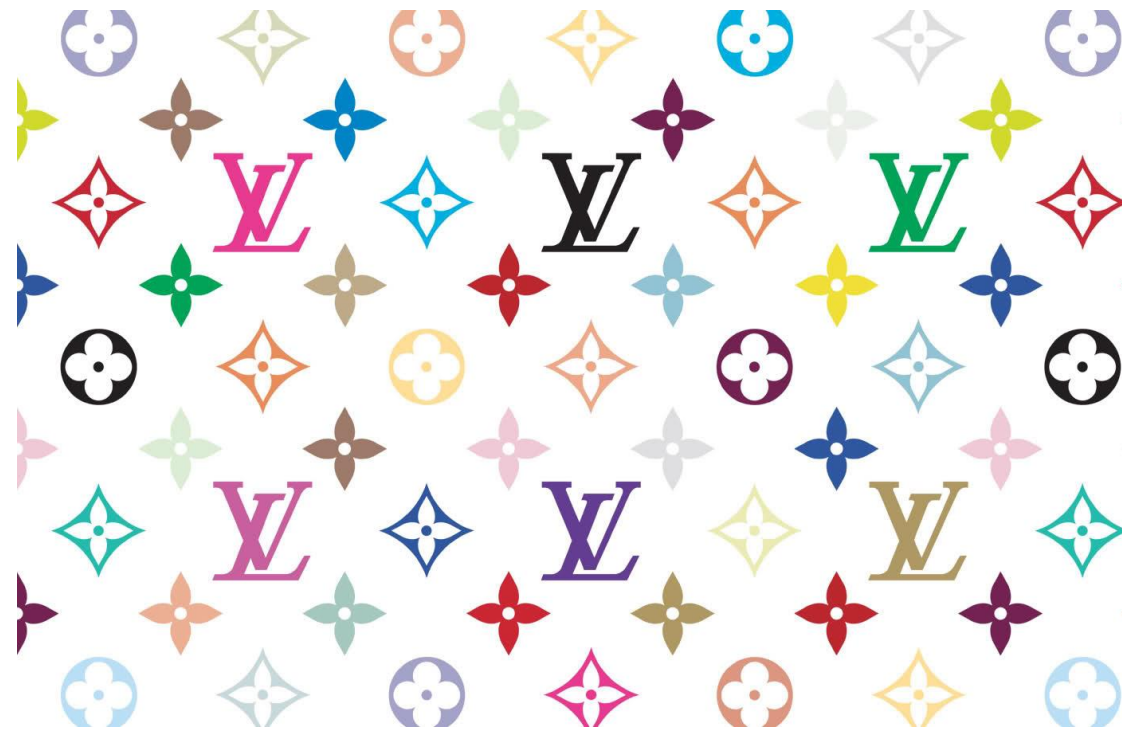
Poll: 3. Is this mark famous?



Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: 4. Is this mark famous?



Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: 5. Is this mark famous?



Making Your Case: Dilution

Dilution by Blurring

Defined as “association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.”

(15 U.S.C. §1125(c)(2)(B))



Making Your Case: Dilution

Dilution by Blurring Factors - 15 U.S.C. § 115(c)(2)(B)

- Degree of similarity of the mark or trade name and the famous mark
- Degree of inherent or acquired distinctiveness of the famous mark
- The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark
- The degree of recognition of the famous mark
- Whether the user of the mark or trade name intended to create an association with the famous mark
- Any actual association between the mark or the trade name and the famous mark



Making Your Case: Dilution

Application of Dilution by Blurring Factors

- The Second Circuit considered the similarity of the marks factor as a threshold factor. In *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97 (2d Cir. 2009), it rejected this rule and held that all factors should be considered.
- The Ninth Circuit has joined the Second Circuit, holding that all dilution factors should be considered. *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158 (9th Cir. 2011)



Making Your Case: Dilution

Dilution by Tarnishment

- Defined as “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.” 15 U.S.C. §1125(c)(2)(C).
- Dilution by tarnishment often involves parody.
- Example of dilution by tarnishment on appeal is *V Secret Catalogue, Inc. v. Moseley*, 605 F.3d 382 (6th Cir. 2010)
 - The mark VICTOR’S LITTLE SECRET diluted the VICTORIA’S SECRET mark by tarnishment.
 - The Sixth Circuit held that there is a rebuttable presumption, or at least a very strong inference that new mark used to sell sex-related products is likely to tarnish a famous mark if there is a clear semantic association between the two marks.



Making Your Case: Dilution

Dilution by Tarnishment

- Example of dilution by tarnishment on appeal is *V Secret Catalogue, Inc. v. Moseley*, 605 F.3d 382 (6th Cir. 2010)
 - The mark VICTOR'S LITTLE SECRET diluted the VICTORIA'S SECRET mark by tarnishment.
 - The Sixth Circuit held that there is a rebuttable presumption, or at least a very strong inference that new mark used to sell sex-related products is likely to tarnish a famous mark if there is a clear semantic association between the two marks.



Making Your Case: Dilution

Key Defenses

- Mark is not famous or distinctive
- No likelihood of dilution
- Fair use, including parody



Making Your Case: Dilution

Key Defense:

Fair Use and Parody

The TDRA allows as a defense “any fair use, including a nominative or descriptive fair use...of a famous mark by another person *other than as a designation of source* for the person’s own goods or services in connection with” comparative advertising parodying/criticizing, news reporting, or any non-commercial use.
(15 U.S.C. §1125(c)(3)(A)-(C))



Making Your Case: Dilution

Key Defense:

Fair Use and Parody

- Two emerging views:
 - Strict constructionist: *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97 (2d Cir. 2009)
 - More liberal approach: *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252 (4th Cir. 2007)



Making Your Case: Dilution

Key Defense:

Fair Use and Parody

“Parody must convey two simultaneous—and contradictory—messages: that it is the original, but also that it is not the original and is instead a parody.” *Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F3d 497, 503 (2d Cir. 1996)

Starbucks v. Charbucks



VS.



Louis Vuitton v. Chewy Vuiton



Louis Vuitton



Chewy Vuiton



Making Your Case: Dilution

Key Defense: Fair Use and Parody

- Interesting recent example:
 - *Louis Vuitton Malletier, S.A. v. My Other Bag, Inc.*, 674 Fed. Appx. 16; 2016 WL 7436489 (2d Cir. 2016)
 - Note: This case does not have precedential effect



Live Content Slide

When playing as a slideshow, this slide will display live content


Poll: 6. Is this a defensible parody?



Making Your Case: Dilution

Louis Vuitton Malletier, S.A. v. My Other Bag, Inc.

- Main holdings:
 - No likelihood of confusion based on lack of market proximity and unconvincing evidence of consumer confusion, as well as other *Polaroid* factors.
 - This was parody because it both conveyed it was the original and that it was not.
 - Defendant did not use the LV marks as a designation of source.



*Another possible defense to infringement and dilution: *Rogers v. Grimaldi**

- Mostly in the Ninth Circuit:
 - *Rogers v. Grimaldi*, 875 F.2d 994 (2nd Cir. 1989)
 - Involved a film called *Ginger & Fred* about struggling dancers impersonating Fred Astaire and Ginger Rogers.
 - Ginger Rogers sued, claiming Lanham Act and other claims
 - Held: no liability
 - Two-part test:
 - Whether there is any artistic relevance to the use of the mark in the title of the expressive work
 - If so, whether use of the mark is explicitly misleading as to source or content



*Another possible defense to infringement and dilution: *Rogers v. Grimaldi**

- Most widely available in the Ninth Circuit:
 - *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002)
 - The Ninth Circuit adopted *Rogers* in case involving the song “Barbie Girl” from the Danish music group Aqua.
 - The Ninth Circuit explicitly adopted *Rogers* and affirmed dismissal of Mattel’s infringement claims, finding that “the use of Barbie in the song title clearly is relevant to the underlying work, namely the song itself.”
 - Use of the BARBIE mark was not explicitly misleading as to source or content

Another possible defense to infringement and dilution: *Rogers v. Grimaldi*


- *Mattel, Inc. v. Walking Mountain Productions*, 353 F.3d 793 (9th Cir. 2003)—extended



Another possible defense to infringement and dilution: *Rogers v. Grimaldi*


- *E.S.S. Entm't 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095 (9th Cir. 2008)—extended (1) to video games, and (2) to use of trademarks in the *content* of expressive, artistic works, not just in the titles of those works.






Another possible defense to infringement and dilution: Rogers v. Grimaldi (Cont.)

- Mostly in the Ninth Circuit:
 - The Ninth Circuit has expanded the reach of *Rogers* three times more.
 - First, in *Twentieth Century Fox Television v. Empire Distrib., Inc.*, 875 F.3d 1192 (9th Cir. 2017). the Ninth Circuit applied *Rogers* and found that the Fox television series *Empire*, which is about a fictional record label, was an expressive work and therefore did not infringe the trademark rights of a record label named Empire Distribution. This part of the decision is in line with prior Ninth Circuit precedent applying *Rogers*.
 - However, the Ninth Circuit also extended *Rogers* to the marketing efforts of Fox to promote the Empire show, which included the sale of music and other commercial products” including “appearances by cast members in other media, radio play, online advertising, live events, and the sale or licensing of consumer goods.”



Another possible defense to infringement and dilution: *Rogers v. Grimaldi* (Cont.)

- Second, in *Gordon v. Drape Creative, Inc.*, 909 F.3d 257 (9th Cir. 2018), the Ninth Circuit expanded the reach of *Rogers* to a new category of “expressive work”: greeting cards.
- In *Gordon*, the creator of various viral videos featuring a honey badger with humorous commentary owned the registration to the trademark HONEY BADGER DON’T CARE and common law rights to the mark HONEY BADGER DON’T GIVE A SHIT.
- Gordon sued a company making greeting cards featuring the honey badger and using the phrases or paraphrases of the honey badger.
- The *Gordon* court stated it had “little difficulty” determining that greeting cards were “expressive works” because they express particularized messages and ideas and the defendant’s cards relied on “graphics and text to convey a humorous message through the juxtaposition of an event of some significance—a birthday, Halloween, an election—with the honey badger’s aggressive assertion of apathy.”




Another possible defense to infringement and dilution: *Rogers v. Grimaldi* (Cont.)

- The court acknowledged that while the greeting cards were not the highest examples of creative artistry, “the First Amendment protects expressive works ‘[e]ven if [they are] not the expressive equal of *Anna Karenina* or *Citizen Kane*.’” The Court then held that the first prong was met—reiterating the merely “above zero” requirement—observing that the use of the mark was artistically relevant because the mark is the punchline in the cards.
- However, the Ninth Circuit held that triable issues of fact remained on the second, explicitly misleading, prong in *Rogers* because the defendant’s greeting cards added little of its own art or expression beyond the use of the plaintiff’s mark

Another possible defense to infringement and dilution: *Rogers v. Grimaldi* (Cont.)

- Third, in *VIP Prods. LLC v. Jack Daniel's Properties, Inc.*, 953 F.3d 1170 (9th Cir. 2020), the Ninth Circuit expanded the reach of *Rogers* to yet a new category of product: dog toys





Another possible defense to infringement and dilution: *Rogers v. Grimaldi* (Cont.)

- The Ninth Circuit held that dog toys were “expressive works” to which *Rogers* applies
- First application by the Ninth Circuit of *Rogers* to trade dress (explicitly declined to apply *Rogers* to trade dress in *MCA v. Walking Mountain*).
- The Ninth Circuit then held that the use of the Jack Daniel’s marks and trade dress were relevant to the expressive work and not explicitly misleading.
- With little analysis, the Ninth Circuit extended its holding on the First Amendment defense to Jack Daniels’s dilution claims as well.
- Ninth Circuit denied rehearing *en banc*; the Supreme Court at first denied review.
- On remand, the District Court granted VIP Products summary judgment, which the Ninth Circuit affirmed.
- The Supreme Court granted review. More to come in the last portion of today’s program.



Making Your Case: Dilution

Remedies

- Generally limited to injunctive relief, unless the defendant either willfully intended to trade on the recognition of the famous mark or willfully intended to harm the reputation of the famous mark. (15 U.S.C. §1125(c)(5))
- In cases of willful dilution, the monetary remedies of 15 U.S.C. §§ 1117(a) and 1118 are available.



Making Your Case

Trademark Infringement and Dilution

Survey Evidence

- Can be used for various factors but usually for strength of the mark and likely consumer confusion
- No clear percentage of confusion required, but single digit percentage usually insufficient to show confusion is likely. A number of courts look for about 15% or above net confusion.
- Also used to establish fame and to assess the association between a famous mark and a mark accused of dilution
- For fame, it must be a pretty high percentage (McCarthy suggests 75%)
- Association should be significant (e.g., 30.5% may not be enough—see, *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 736 F.3d 198 (2d Cir. 2013); *but see Jada Toys, Inc. v. Mattel, Inc.*, 518 F.3d 628 (9th Cir. 2008)(28% of survey respondents stated they thought the trademark owner had produced the accused products, supporting dilution claim)
- Some jurisdictions draw negative inference from failure to submit survey evidence



Making Your Case Trademark Infringement

Survey Evidence (Cont.)

- Formats for surveys:
 - Mail Surveys
 - Telephone Surveys
 - Mall Intercept Surveys
 - Internet Surveys
 - Pre-Recruit Surveys
 - Telephone/Internet “Hybrid” Surveys



Making Your Case Trademark Infringement

Survey Evidence – Other Things To Keep In Mind

- Helpful but costly
- Some jurisdictions draw negative inference from failure to submit survey evidence



Making Your Case: Cybersquatting

Anticybersquatting Consumer Protection Act

(ACPA - 15 U.S.C. §1125(d))

- 15 U.S.C. §1125(d)(1) provides a claim for relief for cybersquatting where the defendant:
 - Registers, traffics in, or uses a domain name that is identical or confusingly similar to a distinctive mark or identical or confusingly similar to or dilutive of a famous mark
AND
 - Has a bad faith intent to profit from the mark
 - 15 U.S.C. § 1117(d) also provides for statutory damages of \$1,000 to \$100,000 per domain name for a violation of Section 1125(d)(1)
 - Other remedies: forfeiture, cancellation, or transfer of the domain name (15 U.S.C. §1125 (d)(1)(C))



Making Your Case: Cybersquatting

Anticybersquatting Consumer Protection Act (ACPA - 15 U.S.C. §1125(d))

- Bad Faith factors (15 U.S.C. §1125(d)(1)(B)):
 - The trademark or other IP rights of the defendant in the domain name
 - The extent to which the domain name is the defendant's legal name or other common way to refer to the defendant
 - The defendant's prior use of the domain name in connection with the bona fide offering of goods and services
 - The defendant's bona fide noncommercial or fair use of the mark in a site accessible under the domain name
 - The defendant's intent to divert consumers from the plaintiff's site to a site under the domain name that could harm the goodwill of the plaintiff's mark that causes a likelihood of confusion (whether for commercial gain or to tarnish)



Making Your Case: Cybersquatting

Anticybersquatting Consumer Protection Act

(ACPA - 15 U.S.C. §1125(d))

- Bad Faith factors (15 U.S.C. §1125(d)(1)(B))(Cont.):
 - The defendant's offer to transfer, sell, or otherwise assign the domain name to the plaintiff or any third party for financial gain
 - The defendant's provision of material and misleading contact information when applying for the registration of the domain name, the defendant's intentional failure to maintain accurate contact information, or the defendant's prior conduct indicating a pattern of such conduct
 - The defendant's registration or acquisition of multiple domain names that are identical to, confusingly similar to, and/or dilutive of others' marks
 - The extent to which the mark incorporated in the domain name is or is not distinctive or famous



Making Your Case: Cybersquatting

Anticybersquatting Consumer Protection Act

(ACPA - 15 U.S.C. §1125 (d))

- Caveats:

- The mark must be distinctive or famous at the time of registration
- Unlike with infringement or dilution claims, there may not be a claim for contributory cybersquatting. *Petroliam Nasional Berhad (Petronas) v. GoDaddy.com, Inc.*, 737 F.3d 546 (9th Cir. 2013)
- A court may not find bad faith where it determines the defendant believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful



Making Your Case: Cybersquatting

Anticybersquatting Consumer Protection Act

(ACPA - 15 U.S.C. §1125 (d))

- *In Rem* Action (15 U.S.C. §1125 (d)(2)):
 - Section 1125(d)(2) allows a plaintiff to file an *in rem* action against the domain name itself if the plaintiff cannot obtain personal jurisdiction over the registrant or cannot find the registrant based on the giving of enumerated methods of notice
 - An *in rem* action must be brought in a district either:
 - Where the domain name registrar, registry, or other domain name authority that registered the domain name is located or
 - Where there are documents sufficient to establish control and authority regarding disposition of the registration and use of the domain name (which must be deposited with the court)



Procedural Considerations: TRO/Preliminary Injunction

Whether to File

- In addition to the expense, seeking a TRO and/or Preliminary Injunction carries a heavy burden
- Whether to file depends on specific facts, whether the parties can stipulate to particular facts, and on the particular likelihood of confusion or dilution factors relevant to the case.



Procedural Considerations: TRO/Preliminary Injunction

Whether to File

- To secure preliminary injunctive relief, the plaintiff must demonstrate:
 - 1) a likelihood of success on the merits
 - 2) irreparable harm
 - 3) balance of harms in its favor
 - 4) that relief is in the public interest.



Procedural Considerations: TRO/Preliminary Injunction

Presumption of Irreparable Harm

- Historically, in Lanham Act cases there has been a presumption of irreparable harm upon a showing of a likelihood of success on the merits.
- The presumption's days looked to be numbered....
 - The Ninth Circuit recently decided that irreparable harm cannot be presumed in a trademark case even if the plaintiff has established it is likely to succeed on the merits. *Herb Reed Enters. LLC v. Florida Entertmt Mgmt.*, 736 F.3d 1239 (9th Cir. 2013)
 - The Third Circuit also determined that there is no longer a presumption of irreparable harm in false advertising cases under the Lanham Act. *Ferring Pharm. Inc., v. Watson Pharm.*, 765 F.3d 205 (3rd Cir. 2014)
- However, the Trademark Modernization Act, which went into effect December 27, 2021 statutorily establishes the presumption of irreparable harm



What does this mean?

While the presumption is back in place, you should still plan on providing evidence of irreparable harm



Evidence of irreparable harm:

- The trademark owner's strong reputation and goodwill
- Loss of control over the mark
- Inability to control the quality of the defendant's goods or services
- The value and efforts placed on the mark by the mark owner
- Any possible tarnishment of the mark, goodwill, or reputation



Evidence of irreparable harm (Cont.):

- Inadequacy of money damages to make the plaintiff whole
- Confusion caused in the marketplace
- Impairment of the trademark owner's ability to market its products or services
- Similar types of infringement have led to significant confusion
- Inability of the defendant to pay monetary damages



Procedural Considerations: Summary Judgment

Whether to File

- Summary judgment is generally disfavored in trademark cases because of their highly factual nature.
- Whether to file depends on specific facts, whether the parties can stipulate to particular facts, and on the particular likelihood of confusion or dilution factors relevant to the case.



Procedural Considerations

Alternative to Summary Judgment

- Instead of a summary judgment motion, consider an expedited trial on the merits based on a stipulated record:
 - Submit declaration, deposition, and documentary evidence.
 - Submit briefs discussing the legal and factual issues.
 - Oral argument



Settlement Considerations

- Consent Judgment
- Confidential Settlement Agreement
- Combinations of Consent Judgment and Confidential Settlement Agreement
- Covenant not to sue—a possible avenue for ending litigation unilaterally



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