

Year in Review: Trademarks in 2007



Presentation for BBA IP Year in Review
By Lisa M. Tittlemore

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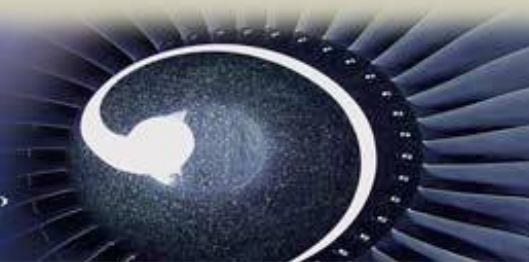
Federal Court Trademark Decisions

- ★ **No Supreme Court trademark decisions in 2007**
- ★ **Circuit and District Courts active on trademark issues**
 - Over 40 reported Circuit Court Cases
 - 9th Circuit most active
 - District Courts also busy with trademark issues
- ★ **Federal Circuit/TTAB decisions, issues (new rules)**



Federal Court Decisions 2007

- ✧ **Selected Federal Court Reported Decisions Listed in Program Materials**
 - Organized by Subject Matter
 - Organized Alphabetically
- ✧ **Most Circuit Court Decisions Listed**
- ✧ **Many District Court Decisions Listed**
- ✧ **Does Not Include TTAB Decisions**



Federal Court Decisions 2007

★ Wide range of issues addressed in Circuit and District Courts

- Abandonment
- Descriptiveness, secondary meaning
- Dilution
- Famous Marks Doctrine
- Generic terms, functionality
- Initial interest, post-sale confusion
- Trade Dress
- Use in Commerce
- Many others ...



Dilution – FTDA/TDRA

★ Federal Trademark Dilution Act (FTDA) amended; Trademark Dilution Revision Act (TDRA) effective October 6, 2006

- Biggest impact on 2007 decisions was change to “likelihood of dilution” (from actual dilution) and fame requirement (no “niche fame”)
- TDRA applied in cases filed pre-2006 when injunctive relief sought
 - *some exceptions where FTDA applied, issue either not addressed by court or court notes failure of party to brief new standard*
- FTDA applied for claims arising pre-October 2006 if only money damages sought



Dilution: FTDA Applied

- ★ *General Motors Corp. v. Urban Gorilla, LLC*, 500 F.3d 1222 (10th Cir., Sept. 12, 2007) (plaintiff did not address change in standard under TDRA in briefing)
- ★ *Horphag Research Ltd. v. Garcia*, 475 F.3d 1029 (9th Cir., Jan. 9, 2007) (decided under FTDA/*Moseley*)
- ★ *Jada Toys, Inc. v. Mattel, Inc.*, 496 F.3d 974 (9th Cir., Aug. 2, 2007) (applies FTDA)
- ★ *S & L Vitamins, Inc. v. Australian Gold, Inc.*, 2007 WL 2932778 (E.D.N.Y.) (only monetary damages sought so FTDA, not TDRA, applies)
- ★ *Tennessee Walkinghorse Breeders' & Exhibitors' Ass'n v. National Walkinghorse Ass'n.*, 2007 WL 4365784 (M.D.Tenn., Dec. 12, 2007) (notes TDRA, but plaintiff did not contend applied to this case)



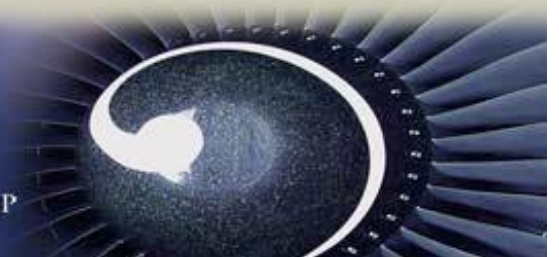
Dilution: TDRA Applied

- ★ *Louis Vuitton Malletier S. A. v. Haute Diggity Dog, LLC*, 2007 WL 3348013 (4th Cir., Nov. 13, 2007) (applies TDRA)
- ★ *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 477 F.3d 765 (2d Cir., Feb. 15, 2007) (vacates lower court judgment; court to apply TDRA since injunctive relief sought)
- ★ *Century 21 Real Estate LLC v. Century Ins. Group*, 2007 WL 484555 (D. Ariz., Feb. 9, 2007) (applies TDRA)
- ★ *Harris Research, Inc. v. Lydon*, 505 F.Supp. 2d 1161 (D. Utah, Apr. 5, 2007) (TDRA)
- ★ *Milbank Tweed Hadley & McCloy LLP v. Milbank Holding Corp.*, 82 U.S.P.Q.2d 1583 (C.D. Cal., Feb. 23, 2007) (TDRA applies because injunctive relief sought)



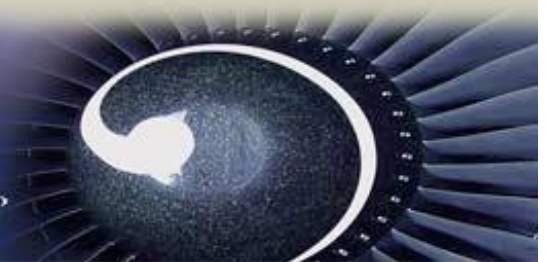
Dilution: The “Chewy Vuiton” Case

- ★ *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC* (4th Cir., Nov. 13, 2007)



Dilution: *Louis Vuitton v. Haute Diggity Dog*, con't.

- ✧ Plaintiff alleged infringement of trade dress and “LOUIS VUITTON” marks
- ✧ Defendant made dog toy products, argued non-infringing, non-diluting parody
- ✧ District Court for Eastern District of Virginia granted summary judgment for defendant
- ✧ 4th Circuit affirmed



Dilution: *Louis Vuitton v. Haute Diggity Dog*, con't.

- ★ Fourth Circuit: “The furry little ‘Chewy Vuiton’ imitation, as something to be *chewed by a dog*, pokes fun at the elegance and expensiveness of a LOUIS VUITTON handbag, which must not be chewed by a dog. ... The dog toy irreverently presents haute couture as an object for casual canine destruction. The satire is unmistakable. The dog toy is a comment on the rich and famous, on the LOUIS VUITTON name and related marks, and on conspicuous consumption in general.”



Dilution: *Louis Vuitton v. Haute Diggity Dog*, con't.

- ✧ **Parody not a complete defense to a claim of dilution**
 - TDRA provides fair use is a complete defense, and parody may be considered fair use, but fair use defense does not extend to parodies used as trademark
 - Existence of parody may be considered in determining whether defendant's use of parody mark is likely to impair the distinctiveness of the famous mark



Dilution: *Louis Vuitton v. Haute Diggity Dog*, con't.

★ Blurring

- Where the famous mark is particularly strong and distinctive, becomes more likely that a parody will not impair its distinctiveness
- Might not be true “if parody is so similar to the famous mark that it likely could be construed as actual use of the famous mark itself”

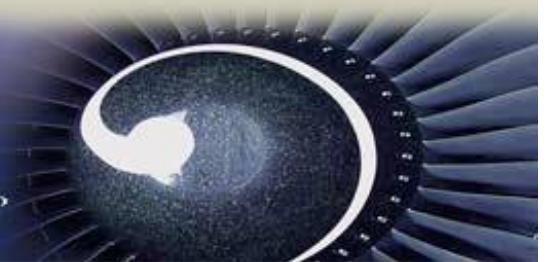
★ Tarnishment

- Plaintiff argued possibility that a dog could choke on toy could harm its reputation
- Too speculative; no record support



Trade Dress/Store-Brand Products: The “Splenda” Case

- ★ *McNeil Nutritionals, LLC v. Heartland Sweeteners, LLC et al.* (3d. Cir., Dec. 24, 2007)

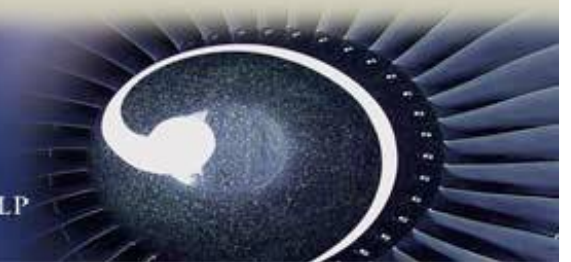


Trade dress/store-brands: McNeil v. Heartland Sweeteners, con't.



Trade dress/store-brands: *McNeil v. Heartland Sweeteners*, con't.

- ★ Plaintiff seller and marketer of national-brand artificial sweetener alleged infringement of trade dress and “SPLENDA” mark
 - **SPLENDA was first artificial sweetener made from sucralose sold in U.S.; sales grew more than tenfold in just 6 years (\$410 million in 2006)**
- ★ Defendants sell to retail store chains store-brand artificial sweetener products that compete with SPLENDA
- ★ District Court for Eastern District of Pennsylvania denied plaintiff’s motion for preliminary injunction
- ★ 3rd Circuit affirmed in part, reversed in part and remanded

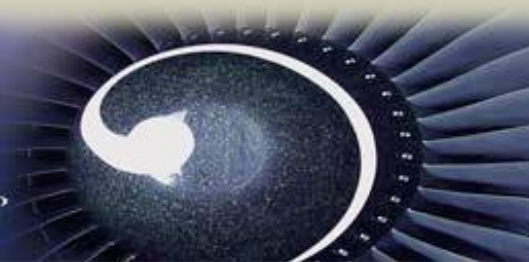


Trade dress/store-brands: *McNeil v. Heartland Sweeteners*, con't.

- ✧ Denial of PI upheld where there were sufficient differences in trade dress and where store name and/or logo prominently displayed on store-brand product (Food Lion and Safeway)
 - KEY: "Food Lion" and "Safeway" name and/or logo represented prominently on packages
 - Design on Food Lion package also used on other Food Lion store-brand products
 - Food Lion product name "Sweet Choice" and Safeway product name "Sucralose" shown
 - Safeway box contains "S"-shaped element, etc.



Trade dress/store-brands: *McNeil v. Heartland Sweeteners*, con't.



Trade dress/store-brands: *McNeil v. Heartland Sweeteners*, con't.

- ★ District Court found that while obvious that defendants intended to suggest the Splenda trade dress, plaintiff presented no evidence of intent to confuse: “Heartland notes that, in the private-label industry, manufacturers of private-label products use reference points (i.e. tools for making comparisons such as similar color, shapes, and sizes to comparable national-brand product, and “compare to” statements) in order to inform consumers about the existence of the alternative store-brand products. ... In light of this evidence, we are not persuaded that we should infer an intent to confuse ...”



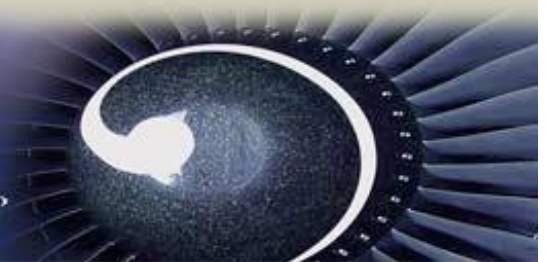
Trade dress/store-brands: *McNeil v. Heartland Sweeteners*, con't.

- ✧ Denial of PI reversed for other products (Giant, Stop & Shop, and Tops, collectively, Ahold); district court found some differences, but held overall impression similar, yet denied PI – 3d Circuit held this was clear error



Trade dress/store-brands: *McNeil v. Heartland Sweeteners*, con't.

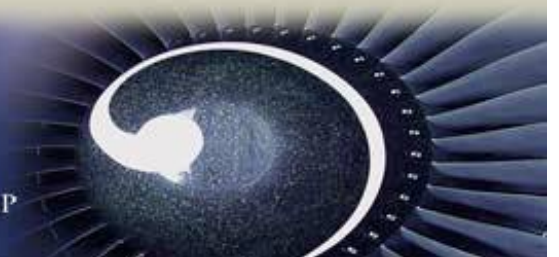
- ★ Fact that consumers highly aware of existence of store-brands not enough to support finding of no likelihood of confusion where other factors, particularly similarity of trade dress, weighed in favor of finding of likelihood of confusion
 - Store-brand products have existed in retail chains since 1883
 - More than 90% of consumers polled were familiar with store brands; 83% bought regularly
 - Consumers generally aware of the name of the store in which they are shopping
 - Prices for products typically are displayed prominently



Abandonment: *Grocery Outlet v. Albertson's*

★ *Grocery Outlet, Inc. v. Albertson's Inc.*, 497 F.3d 949 (9th Cir. 2007)

- Plaintiff owned federal and state trademark registrations for mark LUCKY for retail grocery services and products
- Defendant used mark LUCKY for retail grocery services; alleged plaintiff had abandoned its mark
- District Court granted motion for preliminary injunction, held defendant did not establish abandonment defense
- 9th Circuit affirmed



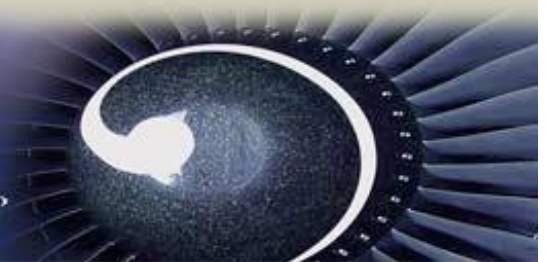
Abandonment: *Grocery Outlet v. Albertson's*

- ★ 9th Circuit agreed that defendant offered sufficient evidence of its intent to resume use within the reasonably foreseeable future during short period of alleged non-use
- ★ Concurring opinions disagree regarding standard for burden of proof for proving abandonment
 - Wallace, Senior Circuit Judge, argued that “strict” burden of proof requires proof by clear and convincing evidence
 - McKeown, Circuit Judge, argued that language of statute requires only proof by preponderance of the evidence



Abandonment/Famous Marks Doctrine: The BUKHARA Restaurant Case

- ★ *ITC Limited v. Punchgini*, 482 F.3d 135 (2d Cir., March 2007)
 - Plaintiff Indian corporation operating famous restaurant in India named BUKHARA
 - Defendants, including individuals who previously worked at plaintiff's restaurant, opened restaurant named BUKHARA GRILL
 - District Court for Southern District of New York granted summary judgment for defendant
 - 2d Circuit affirmed summary judgment on most claims, certified questions relating to New York common law claims to New York Court of Appeals



Abandonment/Famous Marks Doctrine: *ITC Limited v. Punchgini, con't.*

★ Background

- Plaintiff's BUKHARA restaurant located in luxury hotel complex in New Delhi (one of "50 best")
 - *Established a BUKHARA restaurant in Manhattan in 1986*
 - *franchise in Chicago in 1987; registered mark in 1987*
 - *Closed NYC restaurant in 1991, no restaurant in operation in U.S. since 1997*
- In 1999, defendant adopted BUKHARA GRILL name: "there was then `no restaurant Bukhara in New York, and we just thought we will take the name."
- In 2001, plaintiff filed with USPTO to register DAL BUKHARA for packaged, ready-to-serve foods



Abandonment/Famous Marks Doctrine: *ITC Limited v. Punchgini, con't.*



Abandonment/Famous Marks Doctrine: *ITC Limited v. Punchgini, con't.*

★ Abandonment

- Non-use of mark for 3 years prima facie evidence of abandonment; rebuttable presumption, ceases to operate upon proffer of contrary evidence
- To overcome presumption, need to show intention to resume use “within reasonably foreseeable future”
- Not heavy burden, evidence sufficient if could support reasonable jury finding
- Intent to resume use of the mark must be formulated *during* the 3 year period of non-use, not after



Abandonment/Famous Marks Doctrine: *ITC Limited v. Punchgini, con't.*

★ Abandonment

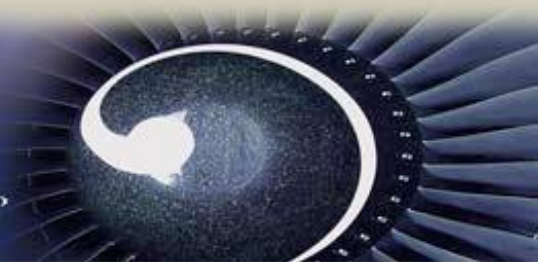
- Plaintiff failed to demonstrate credible evidence showing intent to resume use of mark in U.S.
- Corporate management committee meeting notes from meeting in India in July 2000 approving initiative to market “Bukhara Dal” food products not enough
 - *Not specific to U.S., not relevant to use for restaurants*
- All other evidence post-dated relevant 1997-2000 period of non-use



Abandonment/Famous Marks Doctrine: *ITC Limited v. Punchgini, con't.*

★ Famous Marks Doctrine

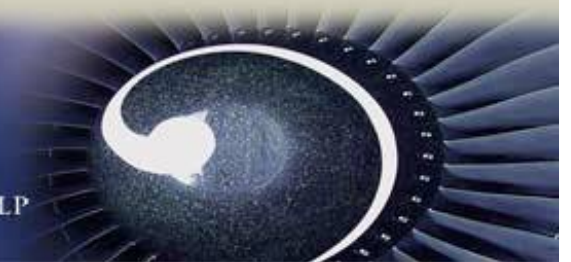
- In light of finding of abandonment, plaintiff had “high hurdle” to show priority in mark, trade dress
- Famous marks doctrine invoked by plaintiff
 - *Originated in Article 6bis of the Paris Convention*
 - *First recognized in U.S. by N.Y. trial court in common law action for unfair competition*
 - *TTAB “dicta” that owners of well known foreign marks need not use in U.S. to challenge registration of 3rd party marks in U.S. does not control*
 - *Only 9th Circuit has recognized as matter of fed. law*



Abandonment/Famous Marks Doctrine: *ITC Limited v. Punchgini, con't.*

★ Famous Marks Doctrine

- Paris Convention and TRIPS not self-executing treaties
- Rights articulated in Paris Convention do not exceed rights conferred by the Lanham Act
- Court disagrees with McCarthy that treaties require U.S. to recognize rights in famous foreign marks
- In Section 44(d), Congress detailed rights of foreign registered marks, and did not expressly incorporate foreign marks doctrine
- Court refuses apply foreign marks doctrine in absence of clear legislative intent



Abandonment/Famous Marks Doctrine: *ITC Limited v. Punchgini, con't.*

★ Famous Mark Doctrine

- 2d Circuit certified question to N.Y. Court of Appeals: does N.Y. law permit owner of famous mark or trade dress to assert rights based on use in foreign country?
- New York Court of Appeals: do not recognize the famous marks doctrine, but common law unfair competition law may protect businesses renown in New York, whether they are domestic or foreign
- ITC would have to show defendants deliberately copied mark/trade dress and that consumers primarily associate BUKHARA mark/dress with it



Generic Terms: The *M4* Case

★ *Colt Defense v. Bushmaster*, 486 F.3d 701
(1st Cir. May 2007)

- Plaintiff alleged infringement of M4 trademark
 - *Sued Bushmaster and Heckler & Koch, another carbine manufacturer; Heckler & Koch settled*
- Defendant sought summary judgment on plaintiff's infringement claim and own cancellation counterclaim, arguing mark generic
- District Court for District of Maine (Singal, J.) granted summary judgment for defendant
- 1st Circuit affirmed



Generic Terms: *Colt v. Bushmaster*, con't.

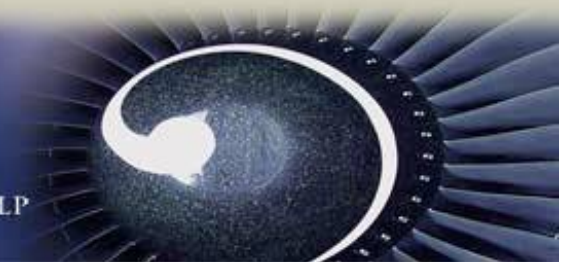
★ Background

- Colt sold small-caliber carbine rifle to U.S. military, which designated it the M16 (M designation system used by military; stands for model)
- In early 1980s, Colt designed more compact version of M16, and military designated it M4
- 1990 military entered into agreement with Bushmaster; mid-1990s, intellectual property dispute between Colt and military settled
- Colt registered M4 with USPTO in 2001
- Bushmaster referred to “M4 type” weapons in advertising



Generic Terms: *Colt v. Bushmaster*, con't.

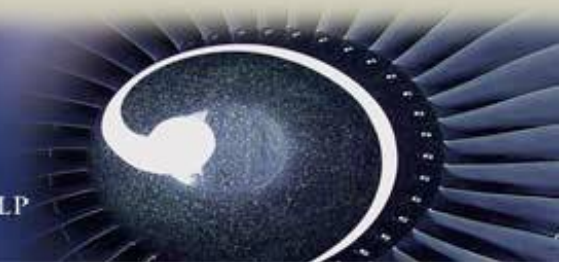
- ★ "... a generic term answers the question 'What are you?' while a mark answers the question 'Where do you come from?'"
- ★ Registration establishes rebuttable presumption that term is not generic
- ★ Presumption can be overcome where genericness is demonstrated by preponderance of the evidence



Generic Terms: *Colt v. Bushmaster*, con't.

★ Evidence of record sufficient to rebut presumption

- Media publications, competitors, and purchasers used M4 in generic fashion
- Evidence “albeit limited” that Colt itself used M4 in generic fashion
 - *Patent application filed by Colt employee referred to “M4 type rifles and carbines”*
- Colt agreement with military not to contrary
- Colt identified no other word other than M4 that captures characteristics of the gun
- Defendant did not submit consumer survey



Generic Terms, con't.

★ Other 2007 decisions addressing "genericness":

- *H-D Michigan v. Top Quality Service*, 496 F.3d 755 (7th Cir. Aug. 2007) (**HOG generic for motorcycles; not clubs**)
- *Rudolph Int'l v. Realys*, 482 F.3d 1195 (9th Cir. April 2007) (**generic adjective; "disinfectable" for nail files**)
- *Welding Services, Inc. v. Forman et al*, 2007 WL 4374191 (11th Cir., Dec. 17, 2007) (**abbreviation of generic words may be protected if has meaning distinct from generic words**)



Thank you



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