

2012/2013
AMERICAN APPELLATE COURT
CASES ON TRADEMARK AND
UNFAIR COMPETITION LAW:
A SHORT STACK FOR THE “BIG EASY”

Prepared for the FICPI ABC Conference

By: Kenneth B. Germain

© 2013 Kenneth B. Germain. All Rights Reserved.

Slides Prepared By: Sean K. Owens

T. Marzetti v. Roskam Baking



T. Marzetti v. Roskam Baking

“[Plaintiff] argues that this court should give deference to the patent office’s approval, but only a mark that has been registered on the Principal Register is entitled to a presumption of validity. See 15 U.S.C. § 1057(b). When the patent office examiner has not considered all of the evidence before the district court, we need not give any weight to the examiner’s decision.”

“[T]he test for whether a term is generic and therefore ineligible for trademark protection is ‘whether the public perceives the term primarily as the designation of the article.’” *General . . . Seventh-Day Adventists* (6th Cir. 2010). “If a mark is primarily associated with a type of product rather than with the producer, it is generic.”

***Miller's Ale House v. Boynton
Carolina Ale House***

**BOYNTON
ALE
HOUSE**

V.

**BOYNTON
CAROLINA
ALE
HOUSE**

Miller's Ale House v. Boynton Carolina Ale House

“To allow a party to revisit an adverse determination of genericism based on incremental changes to the facts before the court (for example, an expanded marketing strategy) would be to give it a greater than warranted opportunity to monopolize a class of products.

Although the Fifth Circuit’s conclusion reflects the difficult task that should thus be faced by a party seeking to elevate a generic term into a trademark, we agree with the First Circuit that it must be theoretically possible, where circumstances warrant, for it to be allowed to take on that challenge.”

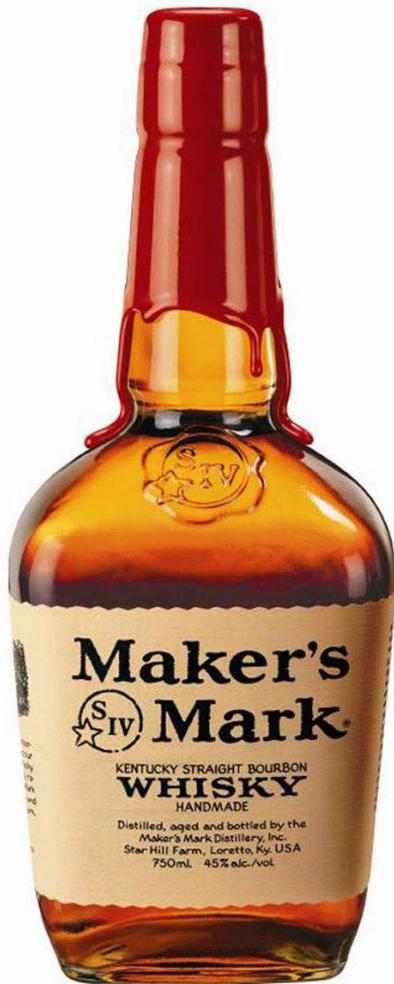
Case 2

Page 2



WOOD HERRON & EVANS LLP
intellectual property law

Maker's Mark v. Diageo



V.



**Case 3
Page 3**

Maker's Mark v. Diageo

“A trademark registered for five years or more becomes ‘incontestable’ under 15 U.S.C. § 1065.”

Maker's Mark v. Diageo

15 U.S.C. § 1065 - Incontestability of right to use mark under certain conditions

...the right of the owner to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable: *Provided, That -*

(1) there has been no final decision adverse to the owner's claim of ownership of such mark for such goods or services, or to the owner's right to register the same or to keep the same on the register; and

(2) there is no proceeding involving said rights pending in the United States Patent and Trademark Office or in a court and not finally disposed of; and

(3) an affidavit is filed with the Director within one year after the expiration of any such five-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for such five consecutive years and is still in use in commerce, and other matters specified in paragraphs (1) and (2) of this section; and

(4) 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.

Maker's Mark v. Diageo

“It seems we have not plainly stated which test [– later identified as the ‘comparable alternatives’ and ‘effective competition’ tests –] we would apply under aesthetic functionality doctrine . . . or that we have even adopted aesthetic functionality at all. . . . We need not decide these questions today. . . . Even assuming we were to recognize aesthetic functionality doctrine, regardless of which test we would apply . . . the outcome is the same, [namely, the doctrine does not favor Defendant here].”

Maker's Mark v. Diageo

“Confusion of sponsorship ‘occurs where the goods do not directly compete. In this situation, the goods are unrelated enough that no inference arises that they originated from the same source, but the similarity of the trademarks erroneously suggests a connection between the sources.’” [citing *Ameritech* (6th Cir. 1987)]

“In further support of these findings, the district court also cited studies showing significant amounts of consumer dialogue about the brand, as well as a high level of recognition among both whiskey drinkers and distilled-spirits drinkers more generally.”

Maker's Mark v. Diageo

Next, while “survey evidence is the most direct and persuasive evidence” of whether a mark has acquired secondary meaning, “consumer surveys. . . are not a prerequisite to establishing secondary meaning.” Nor is such evidence indispensable to the broader question of commercial recognition.

Rosetta Stone v. Google

The screenshot shows a Google search for "Rosetta Stone". The search bar contains "Rosetta Stone" and the search button is highlighted. The search results page shows "About 5,950,000 results (0.19 seconds)".

Search Results:

- Web:** Official [Rosetta Stone®](http://RosettaStone.com) | RosettaStone.com
www.rosstattstone.com/
Save \$350 Off Last Year's Price + Free S/H. Learn a New Language Now!
1,329 people +1'd or follow Rosetta Stone
- Shopping:** [Rosetta Stone](#) at Amazon - Buy [Rosetta Stone](#) and Save.
www.amazon.com/Rosetta-Stone
★★★★★ 8,264 reviews for amazon.com
Free Shipping on [Rosetta Stone!](#)
- Shopping:** [Rosetta Stone](#) | Staples.com
www.staples.com/ - ★★★★★ 8,497 seller reviews
Great Deals on [Rosetta Stone](#) at Staples®. Shop Now and Save!
[+ Show map of 1400 Reading Road, Cincinnati](#)
- Official Rosetta Stone® - Learn a Language Online - Language ...**
www.rosstattstone.com/
Rosetta Stone is the world's #1 language-learning software. Our comprehensive foreign language program provides language learning for individuals and ...
[+ Show stock quote for RST](#)

Ads related to Rosetta Stone Why these ads?

Rosetta Stone Learn a new language. Open up the world @ www.RosettaStone.com.
1,168 Have Rosetta Stone in circles
plus.google.com

Recent Activity
Rosetta Stone – Aug 22, 2012 – Going on vacation? If you just get by on English, you're missing out! Going on Vacation? If You Just Get By on English, You ...

See results about

Rosetta Stone
The Rosetta Stone is an ancient Egyptian granodiorite stele inscribed with a decree issued at ...

Rosetta Stone v. Google

“Unlike the typical infringement fact-pattern wherein the defendant ‘passe[s] off another’s mark as its own’ and ‘confuse[s] the public as to precisely whose goods are being sold,’ a nominative use is one in which the defendant uses the plaintiff’s trademark to identify the plaintiff’s own goods, and ‘makes it clear to consumers that the plaintiff, not the defendant, is the source of the trade-marked product or service.’ [Thus,] a ‘nominative fair use’ does not create ‘confusion about the source of [the] defendant’s product.’

Rosetta Stone v. Google

“[W]hen testifying on behalf of Google as its *Rule 30(b)(6)* designees, two of Google’s in-house trademark attorneys were shown a Google search results page for the keyword phrase ‘Rosetta Stone,’ and they were unable to determine without more research which sponsored links were authorized resellers of ROSETTA STONE products. . . . ‘[U]ncertain[ty about] the origin’ of a product, however, is quintessential actual confusion evidence.”

Midwestern Pet Foods v. Nestle



**V. WAGGIN'
STRIPS**

Midwestern Pet Foods v. Nestle

“Contrary to [Applicant’s] contention, evidence of post-application fame, although not relevant to the issue of dilution of the opposer’s mark, see 15 U.S.C. § 1125(c), is relevant to the issue of likelihood of confusion. And while a party asserting dilution in an opposition proceeding must establish that its mark had become famous prior to the filing date of an intent-to-use application, no such restriction applies to the use of evidence of the strength of a mark for purposes of showing likelihood of confusion. ([F]ame for likelihood of confusion purposes and fame for dilution purposes are not necessarily the same. A mark may have acquired sufficient public recognition and renown to demonstrate that it is a strong mark for likelihood of confusion purposes without meeting the stringent requirements to establish that it is a famous mark for dilution purposes.’) [quoting *Toro v. ToroHead (T.T.A.B. 2001.)*].”

Midwestern Pet Foods v. Nestle

“Although [Opposer] did not introduce consumer survey evidence in support of its showing of a likelihood of confusion, neither the Board nor this court has required survey evidence in order to show a likelihood of confusion. *McDonald’s Corp. v. McClain (T.T.A.B. 1995)* (‘Nor is there authority for contending that opposer had the duty to conduct a survey to buttress its likelihood of confusion claim. Neither party is obligated, in a proceeding before the Board, to spend the effort and expense to obtain such evidence.’). Several of our sister circuits have also held that survey evidence is not required to show a likelihood of confusion.”

Rosetta Stone v. Google

“Unlike traditional infringement law, the prohibitions against trademark dilution . . . are not motivated by an interest in protecting consumers.” *Mosley v. V Secret Catalogue* (U.S. 2003). Dilution is not concerned with confusion in the marketplace. Rather, dilution theory provides that “if customers or prospective customers see the plaintiff’s famous mark used by other persons in a non-confusing way to identify other sources for many different goods and services, then the ability of the famous mark to clearly identify and distinguish only one source might be ‘diluted’ or weakened.”

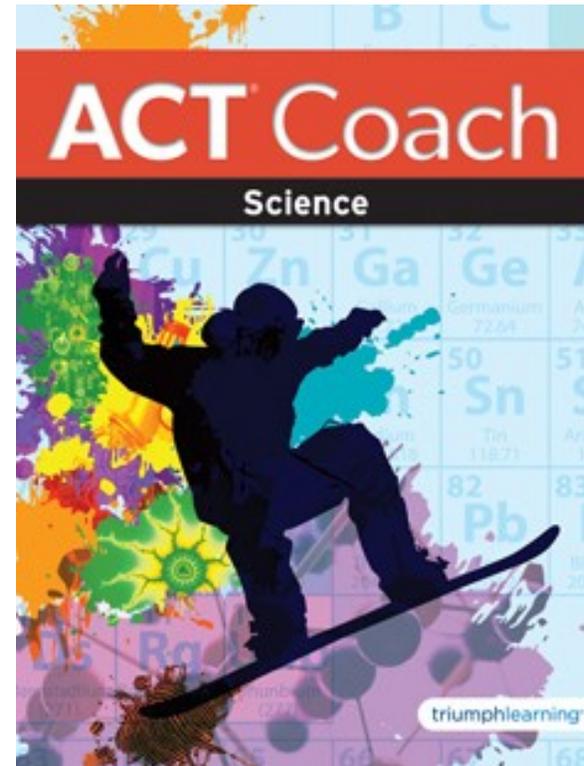
Rosetta Stone v. Google

“[T]he district court erred when it ruled that Google was not liable for dilution simply because there was no evidence that Google uses the Rosetta Stone marks to identify Google’s own goods and services. In essence, the district court made nontrademark use coextensive with the ‘fair use’ defense under the FTDA. [*sic*: TDRA?] The statute, however, requires more than showing that defendant’s use was ‘other than as a designation of source’ – the defendant’s use must also qualify as a ‘fair use.’ 15 U.S.C. § 1125(c)(3)(A). Indeed, if the district court’s analysis is correct – that is, if a federal trademark dilution claim is doomed solely by the lack of proof showing that the defendant used the famous mark as a trademark – then the term ‘fair use’ as set forth in § 1125(c)(3)(A) would be superfluous.”

Coach Services v. Triumph Learning



V.



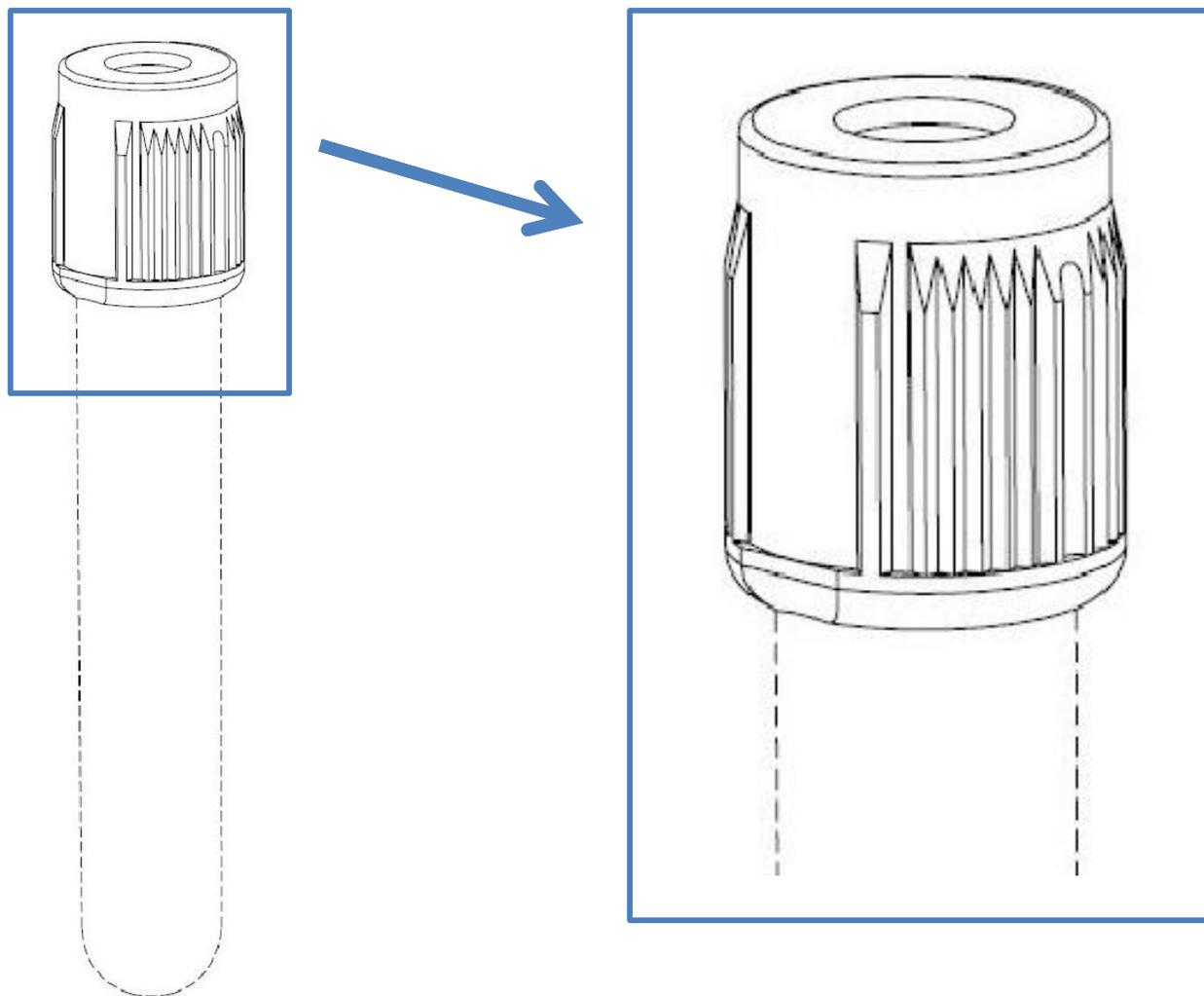
Coach Services v. Triumph Learning

“Fame for likelihood of confusion and fame for dilution are distinct concepts, and dilution fame requires a more stringent showing.”

“While fame for dilution ‘is an either/or proposition’ – it either exists or does not – fame for likelihood of confusion is a matter of degree along a continuum.”

“It is well-established that dilution fame is difficult to prove . . . particularly . . . where, as here, the mark is a common English word that has different meanings in different contexts.”

In re Becton, Dickinson & Co.



In re Becton, Dickinson & Co.

“[Applicant’s] first argument fails to recognize that one object of the *Morton-Norwich* inquiry is to weigh the elements of a mark against one another to develop an understanding of whether the mark as a whole is essentially functional and thus non-registerable. Whenever a proposed mark includes both functional and non-functional features, as in this case, the critical question is the degree of utility present in the overall design of the mark. This court recognized as much in *Morton-Norwich*, where Judge Rich harked back to the design in *In re Deister Concentrator* (CCPA 1961), in which the design was judged “in essence utilitarian.” In *In re Smith* (Fed. Cir. 1984), this court reiterated the importance of the ‘degree of utility’ proposition, and explained how the distinction between de facto and de jure functionality gives shape to a court’s inquiry into a mark’s ‘degree of utility.’”

Case 8

Page 9

In re Becton, Dickinson & Co.

“In *New England Butt* (Fed. Cir. 1985), we explained that the public policy underlying the rule that de jure functional designs cannot be protected as trademarks is ‘not the *right* to slavishly copy articles which are not protected by patent or copyright, but the *need* to copy those articles, which is more properly termed the right to compete *effectively.*’”

In re Becton, Dickinson & Co.

Another aspect as to which Judge Linn differed from the majority was its handling of prior patents, both utility and design. Regarding the utility patent cited by the majority, Judge Linn noted that its “claims did not cover the features of the configuration sought to be registered now.” Regarding the design patents cited by the majority, and characterizing such design patents as among “the most probative evidence submitted in this case,” Judge Linn explained as follows:

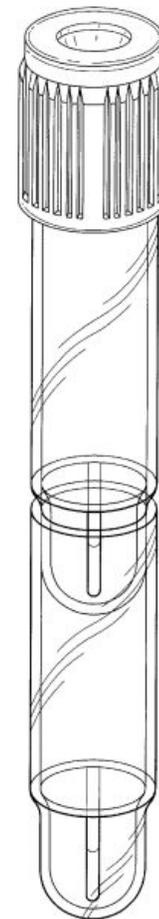
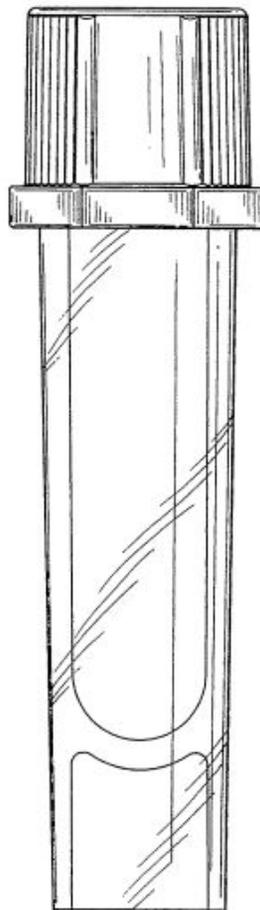
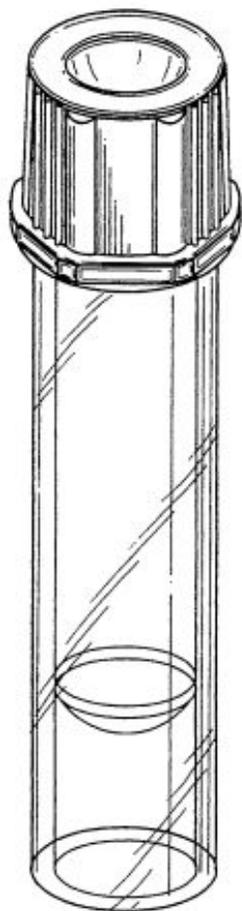
The three design patents noted by the majority are not identical to the specific design for which trademark protection is sought. However, the fact that three distinct design patents were granted on similar, but not identical, designs performing the same overall function as the current design at issue suggests that the current design is not “made in the form it must be made if it is to accomplish its purpose.” If a design patent can show that one design in a group of functionally identical alternative designs is non-functional, the entire class of arbitrary alternative designs is likely non-functional.



WOOD HERRON & EVANS LLP
intellectual property law

In re Becton, Dickinson & Co.

Drawings From Cited Design Patents



Case 8
Page ___

Louboutin v. Yves Saint Laurent



Louboutin v. Yves Saint Laurent



V.



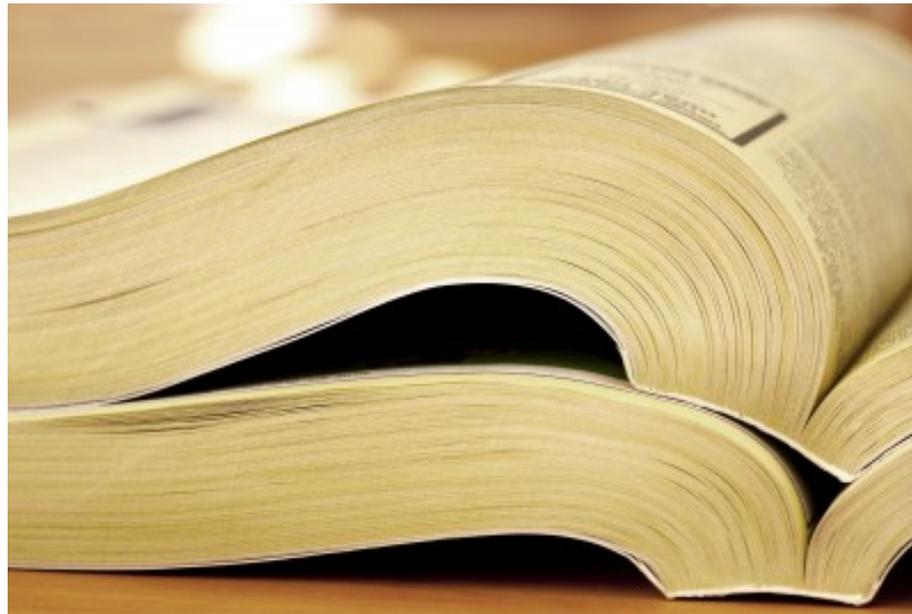
Louboutin v. Yves Saint Laurent

“[T]wo forms of the functionality doctrine are relevant to us today: ‘traditional’ or ‘utilitarian’ functionality, and ‘aesthetic’ functionality. Both forms serve as an affirmative defense to a trademark infringement claim.”

“[A] mark is aesthetically functional, and therefore ineligible for protection under the Lanham Act, where protection of the mark *significantly* undermines competitors’ ability to compete in the relevant market.”

Yellowbook v. Brendeberry

AMTEL V. AMTEL



Yellowbook v. Brendeberry

“Under traditional principles of trademark law, ‘[t]here is no such thing as property in a trademark except as a right appurtenant to an established business or trade in connection with which the mark is employed.’ . . . Assignment of a trademark without its associated goodwill is treated as an invalid ‘assignment in gross’ that gives the assignee no rights. See 15 U.S.C. § 1060 . . . As a corollary, ownership of trademarks impliedly passes with ownership of a business without express language to the contrary. In order for the owner of a mark to retain the right to use the mark upon sale of the related business, 1) the intent to resume ‘producing substantially the same product or service’ must be manifest, 2) some portion of the prior goodwill must remain with the owner, and 3) operations must resume within a reasonable time.”

Swarovski v. Building #19

Journal | providencejournal.com U.S. & W

ONE DAY EVENT
11 AM TO 8 PM CRANSTON STORE ONLY

Tornado Hits Warehouse of **GENUINE SWAROVSKI CRYSTAL**
Collectibles Crafted in Austria

IT NEVER HAPPENED BEFORE... IT PROBABLY WILL NEVER HAPPEN AGAIN

For the first time in our 41 1/2 year history, we are able to offer Swarovski merchandise... A tornado damaged the roof of our warehouse and the insurance company said the claim. DON'T MISS THIS EVENT!

WHAT ABOUT CONDITION? The merchandise is perfect...any sign of damage at all is that on some of the boxes there's some dust, maybe a wrinkle, nothing very major... but the insurance co. collects premiums on millions worth of Swarovski merchandise... They probably sold the claim just because it was good business.

JUST SOME OF THE ITEMS YOU'LL SEE:

	QTY	THEIR	OURS
Gifts/Hangings	2	\$250.00	\$169.99
Baby Giraffe	5	\$269.95	\$179.99
Hearts/Tic Tac Toys	2	\$29.95	\$29.99
Porcelain Hedgehog	2	\$42.00	\$24.99
Porcelain Piggy Bank	2	\$62.00	\$34.99
Leopard	4	\$299.95	\$187.99
Marionette	2	\$74.00	\$44.99
Mini Train Set	5	\$125.00	\$79.99
Mini Bear/Giraffe	5	\$264.00	\$159.99
Large Owl	2	\$120.00	\$94.99
Yoda/Star Wars	2	\$149.00	\$99.99
Swan Family Beadset	1	\$199.00	\$124.99
The Leaf	1	\$469.95	\$299.99
Santa Claus	14	\$169.95	\$109.99
Santa Maria	14	\$450.00	\$299.99
Santa Baby Ball	25	\$159.95	\$99.99
Porcelain Piggy Bank	2	\$299.00	\$179.99
Porcelain Figurine	2	\$85.00	\$53.99
Baby Swan	2	\$160.00	\$119.99
Porcelain Piggy Bank	2	\$29.95	\$19.99
Cornucopia	2	\$499.00	\$329.99

AND MORE... AND FOR LOTS OF OTHER GREAT BARGAINS VISIT WWW.BUILDING19.COM

We found these selling on the big Internet retail sites and gift & collectible sites (some selling for MORE than the suggested original price).

ALL WITH CERTIFICATES OF AUTHENTICITY

MOST IN ORIGINAL BOXES
(But again, some of the boxes may not be in mint condition... Still, the crystal is PERFECT!)

EVERYTHING **THURSDAY 11 AM**
DECEMBER 15th

Just a few examples of the looks and styles you'll see

Holiday hours: Mon-Sat: 9-9:30, Sun: 9-6

BUILDING 19 Cranston
155 Bald Hill Road
(401) 463-1970

Swarovski v. Building #19

“Although these courts differ on the precise articulation of the doctrine and on whether it should replace the standard likelihood-of-confusion analysis or should serve as an affirmative defense, they generally evaluate the lawfulness of a defendant’s nominative use of a mark through the lens of three factors:

(1) whether the plaintiff’s product was identifiable without use of the mark;

(2) whether the defendant used more of the mark than necessary; and

(3) whether the defendant accurately portrayed the relationship between itself and the plaintiff In the First Circuit, we have recognized the “underlying principle” of nominative fair use, but like several other circuits, we have never endorsed any particular version of the doctrine.”

Swarovski v. Building #19

“Swarovski may not charge infringement against all unauthorized uses of the ‘Swarovski’ name, but only those uses like to cause consumer confusion, mistake or deception. The Supreme Court has made clear that a trademark infringement action ‘requires a showing that the defendant’s actual practice is likely to produce confusion in the minds of consumers,’ with the burden placed firmly on the plaintiff. *KP Permanent Make-Up* (U.S. 2004). Without such a showing, no trademark infringement has occurred and so the trademark holder has no cause of action.”

Interstate Bakeries v. OneBeacon Ins.



v.



Interstate Bakeries v. OneBeacon Ins.

Covered	Excluded
“Title Infringement” “Slogan Infringement”	“TM Infringement”

Interstate Bakeries v. OneBeacon Ins.

“The duty to defend is determined by comparing the language of the insurance policy with the allegations in the complaint.”

“Although Missouri law favors insured parties by determining an insurer’s duty to defend based on whether certain fact ‘give rise to a claim potentially within the policy’s coverage,’ use of the word ‘potentially’ does not render boundless the duty to defend.”

2012/2013
AMERICAN APPELLATE COURT
CASES ON TRADEMARK AND
UNFAIR COMPETITION LAW:
A SHORT STACK FOR THE “BIG EASY”

Prepared for the FICPI ABC Conference

By: Kenneth B. Germain

© 2013 Kenneth B. Germain. All Rights Reserved.

Slides Prepared By: Sean K. Owens