

Infringement
CB 391-421 CB 424-431, 440-454

§1114 [LA §32(1)]

15 U.S.C. § 1114 [Lanham Act § 32 (1)]

Any person who shall, without the consent of the registrant—

(a) use in **commerce** any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is **likely** to cause confusion, or to cause mistake, or to deceive . . . shall be liable in a civil action by the registrant for the remedies hereinafter provided

Nb. "use in commerce" requirement; NB. only "likelihood" of confusions"

Eight *Polaroid* (modulo circuit) factors ARE KEY, but "not exhaustive"

1. The strength of plaintiff's mark;
2. the degree of similarity between plaintiff's and defendant's marks;
3. the proximity of the products or services;
4. the likelihood that plaintiff will bridge the gap;
5. evidence of actual confusion;
6. defendant's good faith in adopting the mark;
7. the quality of defendant's product or service;
8. the sophistication of the buyers.

NB footnote * on p. 393 on choice of law in CAFC

1. "strong" vs. "weak" marks: Nabisco v. Warener-Lambert [393] illustrates a "weak" mark (ICE) in a crowded field. [NB. The case was affirmed on other grounds, so it's not actually good authority for the propositions cited in the book]

Restatement (Third) of Unfair Competition § 21, comment i (1995):

such classifications [of a term on the spectrum of distinctiveness] are "not conclusive of 'strength,' however, since the issue ultimately depends on the degree to which the designation is associated by prospective purchasers with a particular source".

McCarthy § 11:83:

[W]hile these categories [of descriptive, suggestive, etc.] can be useful for analytical purposes, the strength of a mark depends ultimately on its distinctiveness, or its "origin-indicating" quality, in the eyes of the purchasing

public.... In Judge Lasker's words, "strength may derive from the intrinsic quality of a mark or from its public history."

Thus, the true relative strength of a mark can only fully be determined by weighing two aspects of strength:

1. Conceptual Strength: the placement of the mark on the spectrum of marks; and
2. Commercial Strength: the marketplace recognition value of the mark.

This can be called the "two-prong test." This test distinguishes on a time scale two separate dimensions of strength. The first enquiry focuses on the inherent potential of the term at the time of its first use. The second evaluates the actual customer recognition value of the mark at the time registration is sought or at the time the mark is asserted in litigation to prevent another's use. Many courts follow this two-part approach to defining "strength."

Many arbitrary and suggestive terms may be conceptually and inherently strong, but if they receive little publicity through only meager advertising and feeble sales, they are relatively weak marks in the place where it counts: the marketplace. As the federal court in New York observed: "A mark can be conceptually strong (by being arbitrary or fanciful) and at the same time be commercially weak if the mark lacks significance in the marketplace for identifying the origin of the goods."

2. "likelihood" of confusion requires more than mere "possibility" A&H Sportswear v. Victoria's Secret CA3 1999 [395]

Nb. citation to McCarthy - the TM bible!

Medic Alert v. Corel, 1999 (N.D. Ill.), [396] (concerning the unauthorized incorporation of the MedicAlert symbol in defendant Corel's "clipart" software)

Likelihood of confusion also requires

LESS than showing that "the relevant public is likely to be confused into believing that the plaintiff endorsed or approved the *goods* bearing the mark," but

MORE than showing "that the relevant public is likely to believe, incorrectly, that the plaintiff approved any *use* of the mark in connection with the goods"

IE. "source confusion" is *sufficient* to prove likelihood of confusion (it *is* confusion) but not *necessary*.

"Approval confusion" is sufficient - but not shown by every single use imaginable [e.g. a newspaper's use?]

Similarity of Sight, Sound & Meaning [398]

"similarities weigh more heavily than differences"

ERTEC held similar to ERT (NB same line of business! Otherwise probably not likely to be confusing.)

- would this fly in dilution? (nb. prior use defense, but still....)

Similarity of Meaning:

- ROACH MOTEL infringed by "ROACH INN";
- "MOUNTAIN KING" infringed by "ALPINE EMPEROR"
- Design mark of golden eagle for jackets etc. infringed by GOLDEN EAGLE for coats & suits
- cross-language: RED BULL confusingly similar to TOJO ROJO
[query: would it work the other way round? A: why wouldn't it?]

NB *similarity is necessary* but **not sufficient** for infringement

E.J. Gallo Winery v. Consorzio del Gallo Nero NDCAL 1991 [400]

(D uses a black cock - Gallo Negro - for regional Italian maker of Chianti Classico

Case offers us a nice trot through the factors -- TM lawyers (and students!) need to be able to apply this sort of analysis to facts.

1. Strength: Gallo mark is v.v. strong [strength matters to likelihood of confusion]
2. Similarity of marks: Nero claims uses show v. different in context; court says "while having some merit, is neither dispositive nor persuasive" ... court seems fixated on word "Gallo" being used w/ other words. Gallo is the adjective applied to all sorts of wines... [key fact?]
3. Similarity of goods: Nero says Italian wines are distinct from US wines. Court says wine is wine.
4. Similarity of channels: the same, duh.
5. Degree of care of purchasers: "wine snobs" or "commodity plonk buyers"? Court goes for the plonk-drinker view.
6. **Evidence of actual confusion:** slim, since there's no sales yet. but statute requires only a "likelihood" not "actual"
7. D's intent: Knew of mark, also lost in Canada previously.

Banfi Products v. Kendall-Jackson Winery EDNY 1999 [407]

P seeks declaratory judgment of no infringement and gets it; result seems opposite to Gallo case above. But there are differences. Not least that D has priority in US, but loses anyway (gets to keep mark, but not stop P's use). Judge reaches conclusion despite fact that P sent D (relatively polite) cease-and-desist letter [411] although it later transpired D had priority.

1. Mark is *weaker* (more other users, less ads, less generally used by either party)
2. Judge goes for 'snob' theory of wine drinkers as hard to confuse [NB truth probably lies between 2 extremes, but that would argue against there's-no-chance-of-confusion view]
3. channels are slightly different since D's wine is expensive-ish
4. Judge argues marks are dissimilar (but NB that they aren't really much more dissimilar than in Gallo case, are they?)
5. no actual confusion -- parties didn't know of each other until news article and letter
6. judge finds good faith

INTENT [416-18]

Bad faith matters; defining it is hard

Likelihood of confusion - fact or law [418]

splitsville (most cir. but not all go for fact), as does restatement. Fed Cir. says "law" (allows greater review than fact would)

infringing uses [420]

can include reproducing a building! (Las Vegas "New York slot exchange") at least w/ word logo...

Mobile Oil v. Pegasus Petroleum corp. CA2 1987 [424]

Mobile's flying horse v. "Pegasus Petroleum" -- used in the oil trading market of only a few 100 people, where mobile participates but uses neither the horse symbol nor the word.

Mobile's Mark is coined and very strong.

Held, "words and the pictorial representation should not be equated as a matter of law," but can be as a matter of fact. [426] And they are treated the same for determining likelihood of confusion.

Direct competition isn't required -- likelihood of confusion *is*. So close is close enough for markets. Esp for strong mark.

NB. Even though the market participants were very sophisticated, it didn't matter. This seems a very, very malleable factor!

D's CEO testified he knew of the horse symbol but didn't know its name. court didn't buy it; and rule is that intentional copying "gives rise to a presumption of a likelihood of confusion"

McCarthy's summary:

A picture mark and a word mark may be confusingly similar in mental impression -- for example, ARROW and a picture mark of an arrow. However, a picture may be too stylized and abstract to call into play the word- picture rule of equivalency.

The Trademark Board has stated that: "It is established that where a mark comprises a representation of an animal or individual and another mark consists of the name of that animal or individual, such designations are to be regarded as legal equivalents in determining likelihood of confusion under the Trademark Act."

Q: is that consistent with the holding in the Mobile Oil case that while words and their pictorial representations should not be "equated as a matter of law," a fact finder may equate them as a "factual matter"? Or does this Board rule amount to treating them as equal as a matter of law?

Problem 3: WINGS v. WINGS?

work through all the factors in *Polaroid*

Relevant public/2ndary confusion

Mastercrafters Clock & Radio Co. V. Vacheron & Constantin-le Coultre Watches, Inc. (2d Cir. 1955) [440] (per Frank)

Issue is copy of "atmos" clock.

Court says there can be 2ndary meaning in a design. But real finding is on unfair competition given likelihood of confusion.

QUESTION: What if anything could Mastercrafters do to prevent this finding? Packaging???

Foxworthy v. Custom Tees NDGA 195 [442]

found a TM in comedian's phrase "you might be a redneck"

and found initial interest confusion despite possibility of distinctive nature of shirts since they wouldn't be viewed side-by-side

Blockbuster Ent v. Laylco ED Mich 1994 [443]

D used "Video Busters" and claimed no likelihood of confusion by time you rent the tape. Even if initial interest, cleared up when you enter the store.

Court cited CA6 precedent that no "point of sale" confusion is needed - can be much sooner

NB>- this theory can go verrrrrrrrry far.....

MUNSINGWEAR, INC. v. JOCKEY INTERNATIONAL, 31 U.S.P.Q.2d 1146 (D. Minn.), *aff'd*, 39 F.3d 1184 (8th Cir. 1994) **MUNSINGWEAR, INC. v. JOCKEY INTERNATIONAL** 31 U.S.P.Q.2d 1146 (D. Minn.), *aff'd* 39 F.3d 1184 (8th Cir. 1994)

NB "Squirtco" factors are CA8 version of *Polaroid* factors

issue is whether Jockey's horizontal-fly briefs are

- TM infringement under §43(a)
- common law TM infringement
- deceptive trade practices

given Munsingwear's asserted CL TM on horizontal fly (and H-FLY) marks (used since '46 and lots of ads)

First issue: look at pre-sale (w/ package) or post-sale (just underwear) product?

Held, on these facts (folks see package, don't display the underwear), pre-sale -- leaves open possibility of post-sale (e.g. the clocks?)

six-factor *Squirtco* test:

Similarity: product packages are different (D)

Proximity: side-by side or nearby (but stores decide this) [more proximity suggests infringement] (P, sorta)

Intent to pass-off: no intent (D)

Actual confusion: no (D)

Survey evidence: none

Costs & Conditions of Purchase (sophistication of purchasers): not sophisticated (P) [court says this weighs in neither party's favor -- why?]

Reverse confusion

Harlem Wizards Entertainment Basketball, Inc. v. NBA Properties, Inc., 952 F. Supp. 1084 (D.N.J. 1997). [448]

Court says no "reverse confusion" (junior user is bigger than senior, use would threaten to drown out senior, making people think senior's goods originate from junior) because people won't mistake Harlem Wizards for Washington Wizards; show basketball is v. different from NBA, and marketing channels (shows usually sold to sponsoring organization who book a show rather than direct ticket sales) is very different.

NB. that if NBA Wizards were senior user, it's very likely that Harlem Wizards might be seen to infringe???

Dreamwerks Production Group v. SKG Studios, 142 F.3d 1127 (9th Cir. 1998). [451]

Dreamwerks, a company hardly anyone has heard of, sues entertainment colossus DreamWorks SKG, claiming trademark infringement. This is the reverse of the normal trademark infringement case, where the well-known mark goes after a look-alike, sound-alike, feel-alike unknown which is trying to cash in on the famous mark's goodwill. The twist here is that Dreamwerks, the unknown, was doing business under that name long before DreamWorks was a twinkle in Hollywood's eye. Dreamwerks is therefore the senior mark, and it argues that its customers will mistakenly think they are dealing with DreamWorks, the junior mark.

...

Dreamwerks clearly caters to the pocket-protector niche, and its convention business has never really taken off. But the longevity of the enterprise illustrates its remarkable resilience, not unlike the starship itself.

....

Pshaw, one might say. What could be better for Dreamwerks than to have people confuse it with a mega movie studio? Many an infringer has tried to manufacture precisely such confusion and thereby siphon off the goodwill of a popular mark. See, e.g., *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1293 (9th Cir.1992) ("Gallo" wine and "Joseph Gallo" cheese). Not so, answers Dreamwerks, apparently in earnest. It is not interested in fooling consumers, and it claims to suffer ill will when people buy tickets under the misimpression that they are dealing with DreamWorks rather than Dreamwerks. Dreamwerks also frets that its own goodwill will be washed away by the rising tide of publicity associated with the junior mark. Dreamwerks points out (somewhat wistfully) that it hopes to expand its business into related fields, and that these avenues will be foreclosed if DreamWorks gets there first. Finally, Dreamwerks notes that whatever goodwill it has built now rests in the hands of DreamWorks; if the latter should take a major misstep and tarnish its reputation with the public, Dreamwerks too would be pulled down.

These are not fanciful or unreasonable concerns, though they may be somewhat exaggerated by the hope of winning an award or settlement against an apparently very solvent DreamWorks. We are not, however, in a position to judge the extent to which these harms are likely, nor whether they are somehow offset by any extra goodwill plaintiff may inadvertently reap as a result of the confusion between its mark and that of the defendant. These are matters for the trier of fact. The narrow question presented here is whether Dreamwerks has stated a claim for trademark infringement sufficient to survive summary judgment. The district court held that Dreamwerks had not because the core functions of the two businesses are so distinct that there is no likelihood of confusion as a matter of

law

Kozinski says that we just flip it and ask if that would be confusion – confusion is confusion.

here, it's obvious that if junior were sr. and sr. were junior, that would state a case for infringement that would survive SJ; hence this should too.