



# Priority Issues *and* Trademark Ownership

Trademark & Unfair Competition  
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Konomark  
Most rights sharable

## Elements of trademark infringement

(regular passing-off theory)

1. The plaintiff owns
2. a valid trademark, and
3. that mark or a similar symbol was used by the defendant in commerce in connection with the sale, offering for sale, distribution or advertising of any goods or services
4. resulting in a likelihood of confusion





- 1925: Huff Daland Dusters is founded and provides crop-dusting services.
- 1928: Investors purchase Huff Daland Dusters and rename the firm Delta Air Service.
- 1929: Delta Air Service operates its first passenger flight from Dallas, Texas, to Jackson, Miss.
- 1930s: Masco Screw Company is founded
- 1958: Masco begins selling faucets under the name "Delta"
- Who has priority to the mark "Delta"?

## Trademark Priority

- Two different firms can't both have the same trademark in the same market, because that would mean the mark doesn't indicate a particular commercial source.
- Between two rivals to the same mark, priority belongs to the first to use the mark in commerce in the relevant market (both product and geographical).
- Federal registration and geography:
  - Federal registration (on the principal register) provides constructive nationwide use.
  - Prior users get to carry on in their geographic market.
  - But constructive nationwide use gives the federal registrant priority everywhere else.

## **Lanham Act 7(c), 15 U.S.C. § 1057(c)**

### **(c) Application to register mark considered constructive use**

Contingent on the registration of a mark on the principal register provided by this chapter, the filing of the application to register such mark shall constitute constructive use of the mark, conferring a right of priority, nationwide in effect, on or in connection with the goods or services specified in the registration against any other person except for a person whose mark has not been abandoned and who, prior to such filing —

- (1) has used the mark;
- (2) has filed an application to register the mark which is pending or has resulted in registration of the mark; or
- (3) has filed a foreign application to register the mark on the basis of which he or she has acquired a right of priority, and timely files an application under section 1126(d) of this title to register the mark which is pending or has resulted in registration of the mark.















A photograph of a Burger King restaurant sign. The sign is white with black text and features the Burger King logo. Below the main sign, there is a smaller sign that reads "DBC BURGER SPECIAL \$2.89" and a Coca-Cola logo. The sign is mounted on a white post. In the background, there is a building and a black pickup truck.

1953: A Burger King ("Big BK," destined for big things) opens in Jacksonville, Florida.

1957: Big BK now 38 restaurants across six southern states.

1957: A differently owned Burger King ("Little BK") opens in Mattoon, Illinois.

1961: Big BK federally registers (getting constructive nationwide use).

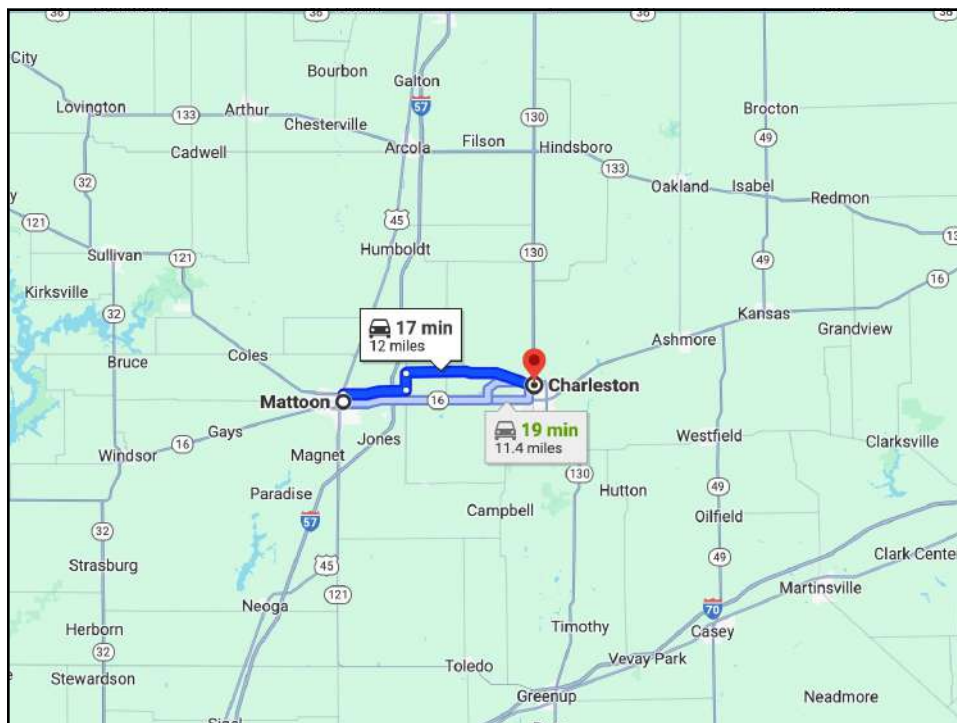
1962: Little BK tries to open a "Burger King" in Charleston, Illinois. Not allowed. But the original Mattoon BK can continue indefinitely.

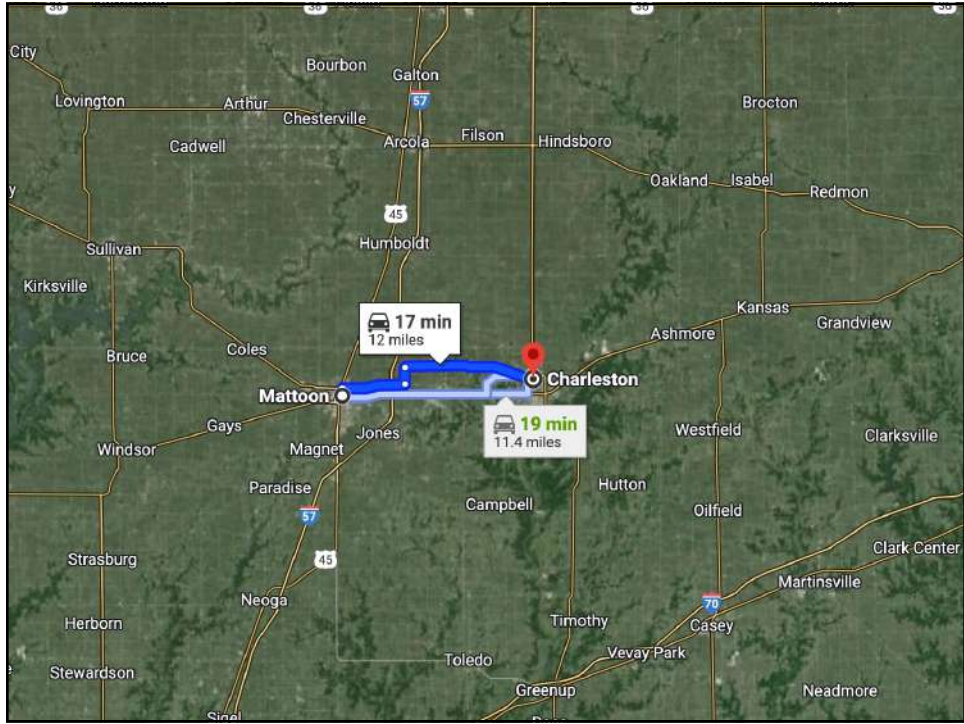
## Lanham Act 7(c), 15 U.S.C. § 1057(c)

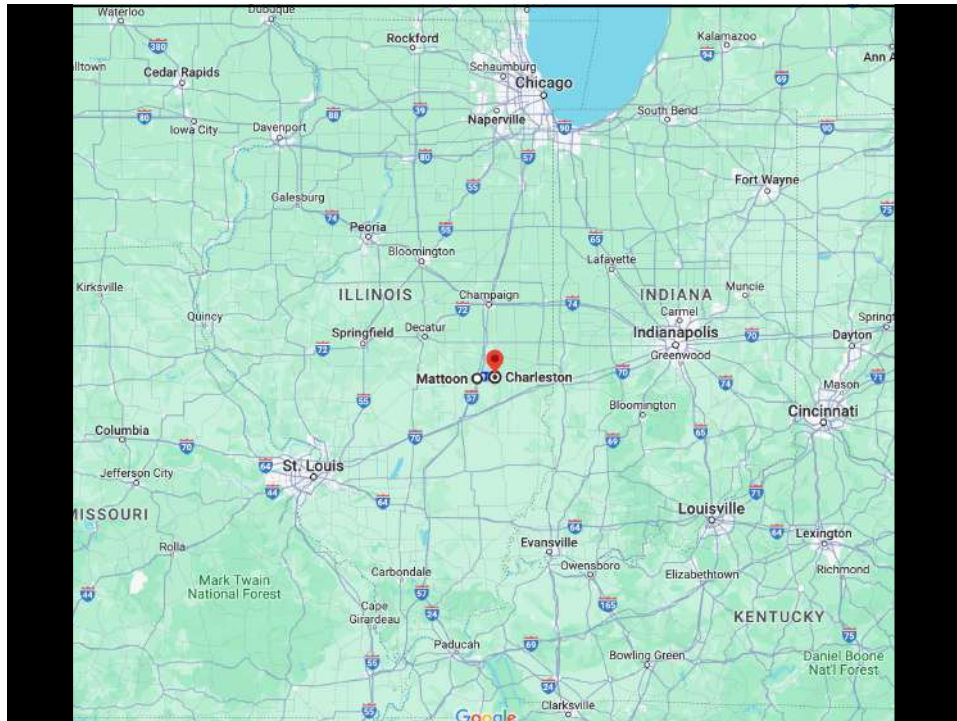
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## Problem

- Sky Lasso provides on-ramp cabin services for passenger airlines, including cleaning, lavatory servicing, restocking of laminated safety information cards, etc. Sky Lasso's customers are airlines.
- Sky Lasso was started by then-friends Alice, Brett, and Charlotte. Alice did all the scheduling (of flights to be serviced and of employees to do the servicing), and Alice hired, fired, and managed all Sky Lasso employees. Brett did all the customer relations. He forged and maintained relationships with airline executives and negotiated the terms of Sky Lasso's contracts with the airlines. Charlotte was the instigator of the business. She had the original vision for it, and she came up with the name "Sky Lasso." It was Charlotte who approached Alice and Brett about creating the business - at which point Charlotte presented them with the name, logo, and already well-developed business plan.
- Alice, Brett, and Charlotte had a falling out. They are parting ways. Each one of them claims rights to the "Sky Lasso" mark.

*Who should be recognized as the owner of the Sky Lasso mark?*