1. Orientation to Trademark Law and Its Context

1.1 The classic, happy trademark story

by Eric E. Johnson (credit/licensing note: EEJ-U26-SM22-0, *infra*)

There's a classic story for why trademarks and trademark law are crucial to our modern world.

Here's one retelling of it, through the lens of my own personal experience:

> If I go to the store and see a DeWalt drill for sale, I have some sense of what I'd be getting for the money. I will figure it's likely to be a quality product, smartly designed, sturdy enough to handle roughly, and unlikely to let me down even after heavy use. I have that notion because I have purchased products with the DeWalt mark on them before, and they've turned out to be well-made and worth what I paid. I've tried some other brands, and they've been okay, but have sometimes let me down. People have told me DeWalt products are good. Others have told me if I buy enough and use them for long enough, I'll eventually have a disappointing experience. That might be true. But for now, when I need a new power tool, I'm comfortable paying a little more for the DeWalt model. And I'm not spending as much time as I would otherwise reading reviews and researching

> comparable products from other makers. I keep my shopping brief and feel good about just buying the DeWalt tool.

It's a story any one of us could tell about a thousand trademarks attached to goods and services. In other words, the classic trademark tale boils down to this: A consumer is aided in navigating the marketplace and making purchasing decisions thanks to an accumulated experience with goods and services and their accompanying marks.

If I walked into the store and *all* the power tools had the DeWalt logo—no matter where they came from and who manufactured them—then shopping for a good drill would be a frustrating, maybe even hopeless task.

It doesn't take much imagination to conclude that without legal protection for trademarks, our modern economy would be thrown into chaos.

1.2 Foundational principles of trademark law

by Eric E. Johnson (credit/licensing note: EEJ-NM22, *infra*)

Trademark law concerns how businesses may obtain an exclusive entitlement in identifiers of a product's source. Names, logos, slogans, product packaging, product shape, color, sounds, and even smells can serve as trademarks, so long as they operate to indicate to consumers the source of the goods or services with which they are associated.

The rationale underlying trademark law is one of protecting the reputations of sellers and the expectations of consumers. Trademark law ensures that merchants can profit from their hard-won reputations, and the law gives consumers the peace of mind that they can come to depend upon trademarks as reliable indicators of source, and, by extension, product quality.

Putting this all together, the ultimate aim of trademark law is to increase society's wealth and standard of living by making for a more efficient marketplace. But the means are indirect. Manufacturers of shoddy, overpriced products are just as entitled to trademark protection as those with the most exacting standards of craftsmanship. A determination of trademark protection in an individual case never turns on the commercial merit of the trademark holder's goods or services. The idea is that by making trademarks reliable indicators of the source of products and services, producers will care enough about their reputations to deliver consistent quality.

The keystone concepts for trademark law are **source** and **reputation**. The leading cases come back to these two concepts again and again. What's more, from just these two concepts, it is possible to intuit much of trademark law. To the extent a putative trademark is not serving to identify the source of a product and enabling the building of a reputation, the law generally does not provide a monopoly in the form of trademark rights.

Trademarks are entirely distinct from other legal entitlements grouped under the heading of "intellectual property." Copyrights and patents, for instance, are designed to encourage people to develop creative works and technological innovations. Under those legal regimes, exclusive rights are the reward for creating something beneficial for society. In contrast, the legal entitlement provided by trademark law is not a reward at all. It's a way of ensuring the integrity of information provided to consumers. Correspondingly, the intent of trademark has never been to incentivize people to develop attractive logos or clever product names. The government's grants of trademark rights are merely means to the end of an efficient marketplace, which, in turn, is capable of rewarding craftsmanship and fair dealing.

1.3 Key terminology and abbreviations

by Eric E. Johnson (credit/licensing note: EEJ-SM22-0, *infra*)

trademark – The term "trademark" has multiple definitions, and different sources may be using the word under anyone of these definitions.

(1) Most generally and commonly, the word "trademark" is used in a broad sense to mean any word, logo, phrase, sound, aspect of product packaging, aspect of product configuration, etc. that is used in the commercial marketplace as a means of associating in the minds of consumers a particular commercial source with various goods or services. This is the sense in which "trademark" is generally used in this book.

(2) The term "trademark" is used by some in contradistinction to "trade dress." In this usage, "trademark" is a source-indicating word, logo, slogan, or the like, while "trade dress" is source-indicating product configuration (look, shape, etc. of a product) or product packaging.

(3) The term "trademark" under the statutory language of the Lanham Act is used in a narrow, technical sense to refer to a source-indicating mark for *goods*—as opposed to services—that is *registered* or the subject of an application for registration on the federal principal register. The statute at 15 U.S.C. § 1127 says: "The term 'trademark' includes any word, name, symbol, or device, or any combination thereof— (1) used by a person, or (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown."

U.S.C. – United States Code. (The primary body of federal trademark law is found in Title 15 among a huge volume of law concerning commerce and trade.)

Lanham Act –The Lanham Act is the common nickname for the Trademark Act of 1946, which, as since amended, is the principal governing statutory framework for federal trademark law. There is not a good match between the section numbering of the Lanham Act and the U.S. Code. For instance, Lanham Act § 2 is 15 U.S.C. § 1052; Lanham Act § 43 is 15 U.S.C. § 1125. Lawyers and commentators most frequently refer to provisions by their Lanham Act numbering. That's probably because the Lanham Act numbers are quicker to say. (Note that all of this is not a problem for copyrights or patents. For instance, the Copyright Act of 1976 explicitly prescribed the insertion of numbered sections into the U.S. Code, starting with § 101. Thus numbering confusion was avoided right from the start.)

registered, **principal register**, **supplemental register** – When people speak of a trademark being federally "registered," they almost always mean registration on what's technically known as the "principal register." ***In this book, unless specified otherwise, you can assume that references to "registration" and "registered marks" are in reference to the principal register.***

The principal register has some strict requirements, and having a trademark registration on the principal register provides the holder with significant rights. By contrast, it is easy to get things on the supplemental register, but supplemental registration isn't worth much.

A registration on the principal register means the PTO has determined you to have a valid trademark. Most crucially, that means your mark has been adjudged to be distinctive—having either what is known as "inherent distinctiveness" or "acquired distinctiveness" via something called secondary meaning. In infringement litigation, principal-register registration provides prima facie proof of the validity of the trademark. A defendant can still argue that your registered trademark is invalid, but they will bear the burden of proving invalidity.

If you have a mark on the supplemental register, then when it comes to infringement litigation, you are mostly in the same position as having an entirely unregistered mark. You will bear the burden of proof as to trademark validity. Thus, you will bear the burden of proving that your mark is either inherently distinctive or that it has acquired distinctiveness through secondary meaning. The supplemental register is not entirely useless. If you have a registration on the supplemental register, then: (1) Your mark will come up in searches of the PTO's database. (2) You are aided in seeking trademark rights overseas pursuant to international treaty provisions. (3) For what it is worth, you can put a circle-R symbol by your mark. But note that you get all those things plus prima facie proof of validity and a lot more with registration on the principal register.

C.F.R. – Code of Federal Regulations. (Title 37 of the CFR contains trademark regulations, as well as regulations concerning copyrights and patents.)

USPTO – United States Patent and Trademark Office. The USPTO is the agency in charge of examining and approving (or rejecting) applications for trademark registration.

PTO – In the U.S. context, "PTO" is shorthand for USPTO, which is the United States Patent and Trademark Office.

TMEP – Trademark Manual of Examining Procedure. The TMEP is a giant instruction book for how trademark examiners are to do their job in examining applications for trademark registration. It is a very important resource for attorneys.

1.4 Sources of law, and the closeness of registrability and protectability

by Eric E. Johnson (credit/licensing note: EEJ-U26-SM22-0, *infra*)

Trademark law is found in both state law and federal law. And it has both statutory and common-law instantiations. There is a common law of trademark at the state level. And as we will see there is, as a matter of substance if not form, a federal common law of trademark.

Various states have various trademark statutes, but the most important statute, unsurprisingly, is the federal trademark statute—the Lanham Act.

Trademarks can be registered or unregistered—and they can be legally protectible and used as a basis for an infringement suit either way.

Trademark registration—whether with a state government or the federal government—is a creature of statute. We won't say much about state trademark registration schemes except that they exist, but they are largely regarded as not having much if any significance. The federal registration system, however, is very significant. That system exists because of, and is governed by, the Lanham Act. Section 2 of the act governs what trademarks can be registered on the federal principal register. If the PTO has approved an application for registration on the principal register, then that means the PTO has determined that the mark meets the requirements for trademark registration, including use-in-commerce and distinctiveness requirements.

An unregistered mark is only protectable if it meets the common-law requirements for a protectable trademark, including the use-in-commerce and distinctiveness requirements. State common law provides a cause of action for trademark infringement for unregistered marks. And federal law does essentially the same thing. Lanham Act § 43(a) is a statutory provision that has been construed by the courts to provide a federal cause of action for unregistered marks meeting the common-law requirements for protectability.

As it turns out, the requirements for registrability on the principal register and the requirements for protectability of unregistered marks are the same in essential substance. Thus, there's no need for us to read separate cases on trademark validity based on whether the context is Lanham Act registrability or common-law protectability. As the U.S. Supreme Court has said:

> "[I]t is common ground that § 43(a) protects qualifying unregistered trademarks and that the general principles qualifying a mark for registration under § 2 of the Lanham Act are for the most part applicable in determining whether an unregistered mark is entitled to protection under § 43(a)."

Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 768 (1992).

1.5 Registration of trademarks

by Eric E. Johnson (credit/licensing note: EEJ-NM22, *infra*)

Trademark doctrine exists simultaneously under federal statute, state statute, and state common law.

The **Lanham Act** is the key piece of federal legislation governing trademarks. The Lanham Act provides an important scheme for the **registration** of trademarks with the **U.S. Patent and Trademark Office**. Federal registration confers substantial advantages for trademark holders, and federally registered trademarks may be identified with a circle-R symbol: ®.

The Lanham Act distinguishes among four kinds of marks. The first category is "**trademarks**," a word that the Lanham Act uses in a narrow sense to refer to marks that identify the source of goods, as opposed to services. An example is "Apple" for computers. The second category is "**service marks**" – for services, of course. An example is "Google" for various online information services. The third and fourth categories show up in commerce less frequently. The third category is "**certification marks**." These are used to identify products as having been certified by some outside source. An example of a certification mark is the encircled "UL" of Underwriters Laboratories, an independent firm that does product testing, including safety testing of electrical appliances. The fourth category is "**collective marks**." These marks are owned by an association and may be used by the association's members to distinguish their goods or services from those of non-members. "Realtor" is a registered collective mark maintained by the National Association of Realtors.

A trademark need not be registered, however, to be protectable under the law. Those sellers without federal registration who wish to notify the public that they claim something as a trademark may use the superscript TM: ^{TM}. For service marks, a superscript SM is commonly used: ^{SM}.

1.6 Key points of trademark doctrine

by Eric E. Johnson (credit/licensing note: EEJ-NM22, *infra*)

1.6.1 Protectable subject matter

To be protectable as a trademark, a mark must be **distinctive**. You can deduce this requirement from the concepts of source and reputation: Without being distinctive, a trademark could not perform its mission of identifying a commercial source.

Some marks are said to be **inherently distinctive**, including marks that are **fanciful**, **arbitrary**, or **suggestive**. An example of a fanciful mark is "Kodak," which is a purely made-up word. An example of an arbitrary mark is "Apple," at least when it is used for a brand of computers. Since apples have nothing to do with computers, such a mark is considered arbitrary. An example of a suggestive mark is "Coppertone" for sunscreen, since the word suggests, but does not clearly describe, the nature of the product.

Some putative trademarks are judged to be **generic**, and therefore not distinctive. "Apple" is generic for the kind of fruit known by that name. As a result, no one is entitled to protect "Apple" as a trademark for apples.

Between the categories of inherently distinctive marks and generic marks are those that are only considered distinctive if they get **acquired distinctiveness**, which requires showing **secondary meaning**. Secondary meaning is the association of a mark, in the mind of the consuming public, with a particular brand. Marks that are judged to be **merely descriptive**, for example, must acquire secondary meaning before being protectable as trademarks. "Holiday Inn" is an example of a merely descriptive term that has acquired secondary meaning. Since travelers have come to regard the phrase "Holiday Inn" as denoting a particular brand of lodging services, it is now protectable, and registerable, as a trademark.

If a putative trademark is **functional**, then it will be denied protection. How can a trademark be functional? The color orange, for instance, might serve as a trademark in many contexts. But the color orange is functional for traffic safety cones. Orange makes safety cones more visible to drivers; therefore, it cannot be protected as a trademark for safety cones. Similarly, the shape of a bottle might be protectable as a trademark for a beverage. But if the shape features are functional because, for instance, they make the bottle easier to grasp, then those features are not protectable under trademark law.

Functionality doctrine is closely related to genericness. In both cases, the law denies trademark protection in situations where conferring monopoly rights would give the trademark holder an advantage in the marketplace that is unrelated to the holder's reputation. If an apple seller had the exclusive right to the word "apple," and if a safety cone seller had the exclusive right to the color orange, those sellers would enjoy considerable advantage from their trademark monopolies that had nothing to do with their reputations among consumers.

1.6.2 Ownership of trademarks

Trademark rights only arise when a trademark is used in commerce. In a dispute between two parties as to who owns a trademark, courts do not look at who first thought up the mark or disclosed it, but who used it first in commerce. This, too, you can deduce from the concepts of source and reputation. If trademark law cared about incentivizing design, then it might award priority to the first party to create the mark. But because trademark cares about source and reputation, priority goes to the first party to use the mark in commerce because it is the mark's use in commerce that can build reputation by signifying the commercial source of goods or services.

It is possible for companies to prepare ahead of time for the launch of a new brand with an **intent-to-use application** filed with the U.S. Patent and Trademark Office. This can reserve a trademark pending its debut. But vesting of the incipient trademark still requires commercial use. And unless extensions are obtained, actual commercial use must occur within six months.

A trademark can only have one owner. If two companies use the same mark for the same goods in the same market, then that mark is not protectable as a trademark. Why not? If, from the consumer's point of view, a given mark did not correlate with a single commercial actor, then the mark would not indicate source, and therefore it would be meaningless for accumulating a commercial reputation. For example, two companies can maintain the trademark "Delta" if one company uses it for air transportation services and the other for faucets. But if two companies independently sold faucets in the national marketplace under the name "Delta," then "Delta" could not be upheld as a trademark.

Note that is possible for two different businesses to use the same mark in the same line of business at the same time – so long as the businesses have separate geographical territories. Thus, two different restaurant operators can use "Burger King" so long as their territories do not overlap. Otherwise, the mark's significance in terms of source and reputation would be lost.

1.6.3 Enforcing and losing trademark rights

The law does not confer an absolute monopoly with regard to the use of a trademark. There is nothing actionable, per se, about copying and using another person's trademark. For instance, making and selling a coffee-table book of attractive logos, without permission of the trademark owners, would not constitute trademark infringement. Note that in this way the law of trademarks is very different from the law of copyright. Making and selling a coffee-table book of other persons' copyrighted photographs would generally constitute copyright infringement.

In order to be liable for **trademark infringement**, in addition to showing valid ownership of a trademark, the plaintiff must prove the defendant's **use in commerce** in connection with the sale, offering, distribution, or advertising of goods or services, and the plaintiff must show a **likelihood of confusion** among the consuming public. Making and selling a coffee-table book of attractive logos, then, would not be actionable as infringement because the activity would neither constitute a use of the logos in commerce, as the law understands that concept, nor would such usage likely confuse consumers as to the source of the book.

The "likelihood of confusion" analysis is required both in cases where the plaintiff and defendant use identical marks in different contexts, and where the plaintiff and defendant use similar but slightly different marks. Courts have articulated lists of various factors to consider in judging likelihood of confusion. Those factors are slightly different in different courts, but there is a lot of overlap.

Some of the classic **likelihood-of-confusion factors** include considering the strength of the plaintiff's mark (both its commercial strength and the level of distinctiveness it has), the degree of similarity between the plaintiff's and defendant's marks, the proximity of the products or services in the marketplace, evidence of actual confusion, and care and sophistication of consumers. Note that among those factors, more is better for the plaintiff (more strength of mark, more similarity of marks, etc.), except for the last. A large amount of care and sophistication helps the defendant, because the more careful consumers are, the less likely they are to be confused.

Unlike copyrights and patents, which expire after a finite time, trademarks are capable of potentially **infinite duration**. This makes sense, because unlike art or inventions, trademarks are understood to lack inherent value. Their only legally cognizable value comes from their use to build and profit from the reputation earned by the commercial source of the goods or services marketed under the trademark. Thus, so long as a trademark continues to be actively used in commerce, and so long as the source and mark remain linked (e.g., by not losing distinctiveness), the trademark will not expire.

By the same logic, trademarks may be lost at anytime if the source/mark link is broken. Thus, **naked licensing** (also known as **licensing in gross**) constitutes a defense to infringement. That is to say, if the trademark owner allows a mark to be used by someone else, and the owner does not retain control over the quality of the licensee's products, the trademark protection vanishes.

Similarly, **assignment in gross**, which is the sale of a trademark to another owner without the accompanying goodwill that the mark represents, results in the legal destruction of the trademark. Delivery of goodwill sufficient to sustain a trademark sale can generally be accomplished by transferring ongoing business operations or tangible assets that are associated with the mark.

And **abandonment** destroys trademark rights when an owner stops doing business under the mark and has no concrete plans to reinitiate it.

The source/mark link can also be broken if the general public comes to linguistically use a putative trademark to refer to products or services of a certain kind, without regard to the brand. In such a case, the mark becomes generic. This development, leading to the death of the trademark as a legally protectable right, is sometimes called **genericide**. Examples of marks that were once protected but then became generic include "aspirin," "escalator," and "thermos."

The **remedies** for trademark infringement can potentially include an injunction, an award corresponding to the plaintiff's losses, an award of the defendant's profits, attorneys' fees, and the impoundment and destruction of infringing articles. Criminal actions can be brought against trademark counterfeiters.

A separate species of trademark claim, available for famous marks, is the **dilution** cause of action, which does not require the showing of a likelihood of confusion. Under the amended Lanham Act, a dilution claim lies for activity that causes or is likely to cause **blurring** or **tarnishment** of a famous trademark. Blurring is a loss of the strength of the association, in the mind of the consuming public, between a mark and its source. Tarnishment occurs when a mark is linked to products of poor quality or when the value of a mark is lessened through its portrayal in an unwholesome or unsavory context.

1.7 The expansion of trademark law

by Eric E. Johnson (credit/licensing note: EEJ-NM22, *infra*)

In the recent past, trademark law has undergone a steady expansion, which has increased the scope of trademark entitlements – thus generally tending to advantage plaintiffs and disadvantage defendants. New statutes have been responsible for some of this expansion. But the most striking sources of expansion have come from entrenched industry practice, aggressive tactics of trademark holders, and judicial opinions that have radically departed from understood doctrine. Thus, one can observe judicial or industrial recognition of and acquiescence in trademark rights in contexts not well supported by statute or precedent. In particular, toys and sports merchandizing are sectors where the effective scope of trademark law has become vastly enlarged in the past few decades. In toys and sports merchandise, the trend has been driven, in great part, by asymmetrical litigation resources, outlying judicial opinions, and widespread acquiescence to powerful players.

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2. Trademark's Fundamental Concepts

2.1 Case: *The Trade-Mark Cases* (U.S. 1879)

This edited case text obtained/adapted from James Grimmelmann's Patterns of Information Law (version 1.1, August 2017). See notes on editing, licensing etc. at the end of this unit/chapter.

The Trade-Mark Cases

Supreme Court of the United States
100 U.S. 82 (1879)

Any attempt to identify the essential characteristics of a trademark with inventions and discoveries in the arts and sciences, or with the writings of authors, will show that the effort is surrounded with insurmountable difficulties.

The ordinary trademark has no necessary relation to invention or discovery. The trademark recognized by the common law is generally the growth of a considerable period of use, rather than a sudden invention. It is often the result of accident, rather than design, and when under the act of Congress it is sought to establish it by registration, neither originality, invention, discovery, science, nor art is in any way essential to the right conferred by that act. If we should endeavor to classify it under the head of writings of authors, the objections are equally strong.

The trademark may be, and generally is, the adoption of something already in existence as the distinctive symbol of the party using it. At common law, the exclusive right to it grows out of its use, and not its mere adoption. By the act of Congress, this exclusive right attaches upon registration. But in neither case does it depend upon novelty, invention, discovery, or any work of the brain. It requires no fancy or imagination, no genius, no laborious thought. It is simply founded on priority of appropriation. We look in vain in the statute for any other qualification or condition. If the symbol, however plain, simple, old, or well known, has been first appropriated by the claimant as his distinctive trademark, he may by registration secure the right to its exclusive use.

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2.2 CRS's basic explanation of trademarks

Taken from the "Background" portion of Congressional Research Service, Use of Trademarks as Keywords to Trigger Internet Search Engine Advertisements, R40799, March 22, 2010. (See "Editing Notes" section at the beginning of the *IP Survey Trademarks* on editing of CRS materials.)

A "trademark" is any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant (1) to indicate the source of his or her goods or services and (2) to identify and distinguish the goods or services from those offered by others. The principal federal statute governing trademarks is the Trademark Act of 1946 (conventionally known as the Lanham Act). Unlike the other major branches of intellectual property law (copyright and patent), the constitutional basis for federal trademark law is not the Intellectual Property (IP) Clause of the U.S. Constitution, but rather the Commerce Clause.

Under the Lanham Act, a merchant or manufacturer that wants to use a particular word or symbol (referred to as a "mark" in trademark law parlance) in association with a product or service must register the mark with the U.S. Patent and Trademark Office to obtain federal protection for the mark. The Lanham Act provides a trademark owner with the right to prevent business competitors from using that mark. The purpose and benefits of trademark law have been described by the U.S. Supreme Court as follows:

> "In principle, trademark law, by preventing others from copying a source-identifying mark, reduces the customer's costs of shopping and making purchasing decisions … for it quickly and easily assures a potential customer that this item – the item with this mark – is made by the same producer as other similarly marked items that he or she liked (or disliked) in the past. At the same time, the law helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product. The law thereby encourages the production of quality products … and simultaneously discourages those who hope to sell inferior products by capitalizing on a consumer's inability quickly to evaluate the quality of an item offered for sale."

Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159, 163-64 (1995) (internal quotations and citations omitted).

2.3 Prof. Grimmelmann on trademark subject matter

This section is text from James Grimmelmann's Patterns of Information Law (2022 version). See notes on editing, licensing etc. at the end of this unit/chapter. Text from sidebar brought in; footnote material removed without indication.

The basis of trademark protection is the use of a word, phrase, logo, or other symbol to identify to consumers the source of goods or services. Lanham Act section 45 defines a "trademark" as:

> "any word, name, symbol, or device, or any combination thereof used by a person … to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown."

15 U.S.C. § 1127; Lanham Act § 45.

The phrase "even if that source is unknown" was added in 1984 to reverse an opinion holding that Monopoly was generic for the board game because consumers didn't know and didn't care who made it.

The key work that a trademark must do is to serve as an ***indication of source*** that distinguishes the mark owners' goods from others'. The COCA-COLA name, logo, color scheme, and other branding tell consumers that *this* can contains soda from the Coca-Cola Company, as compared with *other* cans with different branding that do not.

Compare this *trademark* function of the COCA-COLA name with other elements of the can design. "12oz" does not identify and distinguish the Coca-Cola Company as a source; instead, it tells the buyer how much soda is in the can. This is a *non-trademark* function. From a subject matter perspective, distinguishing between trademark and non-trademark uses encompasses two closely related questions.

One is ***distinctiveness***: which phrases and symbols are capable of bearing source-identifying meaning? {Water} cannot function as a trademark for bottled water because it identifies the contents of the bottle, rather than the company that sells it. Another is ***failure to function***: when is it that a distinctive phrase or symbol actually identifies a source to consumers? An American flag in an ad for pickup trucks is a general expression of patriotic sentiment, rather than an identification of a specific brand.

2.4 Case: *Champion Spark Plug Co. v. Sanders* (U.S. 1947)

This case abridgement/edit by EEJ. The superscript tilde (˜) indicates an ellipsis. Footnotes and citations liberally reformatted or removed without notation.

Champion Spark Plug Co. v. Sanders

Supreme Court of the United States
331 U.S. 125 (1947)

Opinion of the Court by MR. JUSTICE DOUGLAS˜.

Petitioner is a manufacturer of spark plugs which it sells under the trade mark "Champion." Respondents collect the used plugs, repair and recondition them, and resell them. Respondents retain the word "Champion" on the repaired or reconditioned plugs. The outside box or carton in which the plugs are packed has stamped on it the word "Champion," together with the letter and figure denoting the particular style or type. They also have printed on them "Perfect Process Spark Plugs Guaranteed Dependable" and "Perfect

Process Renewed Spark Plugs." Each carton contains smaller boxes in which the plugs are individually packed. These inside boxes also carry legends indicating that the plug has been renewed.[1]

> [FN1:] "The process used in renewing this plug has been developed through 10 years continuous experience. This Spark Plug has been tested for firing under compression before packing."
>
> "This Spark Plug is guaranteed to be a selected used Spark Plug, thoroughly renewed and in perfect mechanical condition and is guaranteed to give satisfactory service for 10,000 miles."

But respondent company's business name or address is not printed on the cartons. It supplies customers with petitioner's charts containing recommendations for the use of Champion plugs. On each individual plug is stamped in small letters, blue on black, the word "Renewed," which at times is almost illegible.

Petitioner brought this suit in the District Court, charging infringement of its trade mark and unfair competition. The District Court found that respondents had infringed the trade mark. It enjoined them from offering or selling any of petitioner's plugs which had been repaired or reconditioned unless (a) the trade mark and type and style marks were removed, (b) the plugs were repainted with a durable grey, brown, orange, or green paint, (c) the word "REPAIRED" was stamped into the plug in letters of such size and depth as to retain enough white paint to display distinctly each letter of the word, (d) the cartons in which the plugs were packed carried a legend indicating that they contained used spark plugs originally made by petitioner and repaired and made fit for use up to 10,000 miles by respondent company. The District Court denied an accounting.

The Circuit Court of Appeals held that respondents not only had infringed petitioner's trade mark but also were guilty of unfair competition. It likewise denied an accounting but modified the decree in the following respects: (a) it eliminated the provision requiring the trade mark and type and style marks to be removed from the repaired or reconditioned plugs; (b) it substituted for the requirement that the word "REPAIRED" be stamped into the plugs, etc., a provision that the word "REPAIRED" or "USED" be stamped and baked on the plug by an electrical hot press in a contrasting color so as to be clearly and distinctly visible, the plug having been completely covered by permanent aluminum paint or other paint or lacquer; and (c) it eliminated the provision specifying the precise legend to be printed on the cartons and substituted therefor a more general one.[3]

> [FN3:] "The decree shall permit the defendants to state on cartons and containers, selling and advertising material, business records, correspondence and other papers, when published, the original make and type numbers provided it is made clear that any plug referred to therein is used and reconditioned by the defendants, and that such material contains the name and address of defendants."

156 F.2d 488. The case is here on a petition for certiorari which we granted because of the apparent conflict between the decision below and *Champion Spark Plug Co.* v. *Reich,* 121 F.2d 769, decided by the Circuit Court of Appeals for the Eighth Circuit.

There is no challenge here to the findings as to the misleading character of the merchandising methods employed by respondents, nor to the conclusion that they have not only infringed petitioner's trade mark but have also engaged in unfair competition. The controversy here relates to the adequacy of the relief granted, particularly the refusal of the Circuit Court of Appeals to require respondents to remove the word "Champion" from the repaired or reconditioned plugs which they resell.

We put to one side the case of a manufacturer or distributor who markets new or used spark plugs of one make under the trade mark of another. See *Bourjois & Co.* v. *Katzel,* 260 U.S. 689. Equity then steps in to prohibit defendant's use of the mark which symbolizes plaintiff's good will and "stakes the reputation of the plaintiff upon the character of the goods." *Id.* at 692.

We are dealing here with second-hand goods. The spark plugs, though used, are nevertheless Champion plugs and not those of another make.

There is evidence to support what one would suspect, that a used spark plug which has been repaired or reconditioned does not measure up to the specifications of a new one. But the same would be true of a second-hand Ford or Chevrolet car. And we would not suppose that one could be enjoined from selling a car whose valves had been reground and whose piston rings had been replaced unless he removed the name Ford or Chevrolet. *Prestonettes, Inc.* v. *Coty,* 264 U.S. 359, was a case where toilet powders had as one of their ingredients a powder covered by a trade mark and where perfumes which were trade marked were rebottled and sold in smaller bottles. The Court sustained a decree denying an injunction where the prescribed labels told the truth. Mr. Justice Holmes stated, "A trade mark only gives the right to prohibit the use of it so far as to protect the owner's good will against the sale of another's product as his. . . . When the mark is used in a way that does not deceive the public we see no such sanctity in the word as to prevent its being used to tell the truth. It is not taboo."

Cases may be imagined where the reconditioning or repair would be so extensive or so basic that it would be a misnomer to call the article by its original name, even though the words "used" or "repaired" were added. But no such practice is involved here. The repair or reconditioning of the plugs does not give them a new design. It is no more than a restoration, so far as possible, of their original condition. The type marks attached by the manufacturer are determined by the use to which the plug is to be put. But the thread size and size of the cylinder hole into which the plug is fitted are not affected by the reconditioning. The heat range also has relevance to the type marks. And there is evidence that the reconditioned plugs are inferior so far as heat range and other qualities are concerned. But inferiority is expected in most second-hand articles. Indeed, they generally cost the customer less. That is the case here. Inferiority is immaterial so long as the article is clearly and distinctly sold as repaired or reconditioned rather than as new. The result is, of course, that the second-hand dealer gets some advantage from the trade mark. But under the rule of *Prestonettes, Inc.* v. *Coty, supra,* that is wholly permissible so long as the manufacturer is not identified with the inferior qualities of the product resulting from wear and tear or the reconditioning by the dealer. Full disclosure gives the manufacturer all the protection to which he is entitled.

The decree as shaped by the Circuit Court of Appeals is fashioned to serve the requirements of full disclosure. We cannot say that of the alternatives available the ones it chose are inadequate for that purpose.˜ Here, as we have noted, there has been no showing of fraud or palming off. For several years respondents apparently endeavored to comply with a cease and desist order of the Federal Trade Commission requiring them to place on the plugs and on the cartons a label revealing that the plugs were used or second-hand. Moreover, as stated by the Circuit Court of Appeals, the likelihood of damage to petitioner or profit to respondents due to any misrepresentation seems slight. In view of these various circumstances it seems to us that the injunction will satisfy the equities of the case.

Affirmed.

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2.5 Prof. Grimmelmann on distinctiveness of word marks

This section is text from James Grimmelmann's Patterns of Information Law (2022 version). See notes on rights, licensing, editing, etc. at the end of this chapter. Text from sidebar brought in.

PIZZA HUT is a trademark; PIZZA is not. The difference is that consumers perceive PIZZA HUT as a designation of source, but PIZZA as a description of the food it sells. In trademark terminology, PIZZA HUT is distinctive, and PIZZA is not.

Courts conventionally divide distinctiveness into one of five categories: ***generic***, ***descriptive***, ***suggestive***, ***arbitrary***, and ***fanciful***:

> "A generic term is the name of a particular genus or class of which an individual article or service is but a member. A generic term connotes the 'basic nature of articles or services' rather than the more individualized characteristics of a particular product. Generic terms can never attain trademark protection. Furthermore, if at any time a registered trademark becomes generic as to a particular product or service, the mark's registration is subject to cancellation. Such terms as aspirin and cellophane have been held generic and therefore unprotectable as trademarks.
>
> "A descriptive term identifies a characteristic or quality of an article or service, such as its color, odor, function, dimensions, or ingredients. Descriptive terms ordinarily are not protectable as trademarks; they may become valid marks, however, by acquiring a secondary meaning in the minds of the consuming public. Examples of descriptive marks would include 'Alo' with reference to products containing gel of the aloe vera plant and 'Vision Center' in reference to a business offering optical goods and services. As this court has often noted, the distinction between descriptive and generic terms is one of degree. The distinction has important practical consequences, however; while a descriptive term may be elevated to trademark status with proof of secondary meaning, a generic term may never achieve trademark protection.
>
> "[D]escriptive terms are ordinarily not protectable as trademarks. They may be protected, however, if they have acquired a ***secondary meaning*** for the consuming public. The concept of secondary meaning recognizes that words with an ordinary and primary meaning of their own may by long use with a particular product, come to be known by the public as specifically designating that product. In order to establish a secondary

> meaning for a term, a plaintiff must show that the primary significance of the term in the minds of the consuming public is not the product but the producer. …
>
> "A suggestive term suggests, rather than describes, some particular characteristic of the goods or services to which it applies and requires the consumer to exercise the imagination in order to draw a conclusion as to the nature of the goods and services. A suggestive mark is protected without the necessity for proof of secondary meaning. The term 'Coppertone' has been held suggestive in regard to sun tanning products.
>
> "Arbitrary or fanciful terms bear no relationship to the products or services to which they are applied. Like suggestive terms, arbitrary and fanciful marks are protectable without proof of secondary meaning. [The difference is that an arbitrary term has some preexisting meaning with no relationship to the product; a fanciful term is a neoligism invented for the sole purpose of serving as a trademark and has no preexisting meaning.] The term 'Kodak' is properly classified as a fanciful term for photographic supplies; 'Ivory' is an arbitrary term as applied to soap."

Zatarains, Inc. v. Oak Grove Smokehouse, Inc., 698 F.2d 786, 790–91 (5th Cir. 1983) (partially reordered and highlighting added).

These phrases can be arranged into a "hierarchy of distinctiveness" with generic terms (the least distinctive) at the bottom and fanciful terms (the most distinctive) at the top. At a McDonald's, HAMBURGER is generic, QUARTER POUNDER is descriptive, MCFLURRY is suggestive, BIG MAC is arbitrary, and FANTA is fanciful.

The question the hierarchy answers is what consumers think of when they see the mark. Generic and descriptive marks have preexisting non-trademark meanings. The difference is that for generic marks that pre-existing meaning is legally conclusive and is presumed as a matter of law to be the meaning that consumers attribute to it. No amount of advertising will make people think that WATER is a trademark and not a description of the product. Descriptive terms, on the other hand, have a preexisting meaning that can be supplanted in consumers' minds: eventually they do come to think of "Vision Center" as a particular eyewear chain. Suggestive marks hint at descriptive terms but are linguistically different enough that consumers see the trademark meaning first and pick up on the descriptive suggestion second. ZAPPOS resembles the Spanish *zapatos* for shoes, and COPPERTONE describes something related to the product (the user's suntan) but not the product itself. Arbitrary marks have a preexisting meaning but consumers do not for a second think that it is a description of the product. And fanciful marks have no preexisting meaning at all to compete with the trademark meaning.

The ***strength*** of a mark depends on both its inherent characteristics – its position in the hierarchy – and on consumers' perceptions. A "weak" mark – i.e. a descriptive or weakly suggestive one – can be made stronger with proof of secondary meaning. Generic marks are zeroes; no matter what you multiply them by, they still have zero trademark strength. Whether a mark has secondary meaning is a factual question about what consumers believe. The best evidence about secondary meaning is therefore surveys of actual consumers about their reactions when they see the mark: if they are familiar with it and identify it as a brand descriptor, it has secondary meaning. Indirect evidence that can also be probative of secondary meaning include extensive sales and advertising campaigns. Of course products can sell for reasons that have nothing to do with branding, and advertising can fail to leave an impression, so these last two are imperfect evidence.

Importantly, a mark is only strong or weak *in relation to* particular goods or services. Thus, APPLE is a strong mark for computers: it is an arbitrary term with immense secondary meaning. But it is a weak mark for apples: indeed, it is generic and unprotectable. No one else can sell APPLE computers but anyone can sell APPLE apples.

Two dividing lines have particular legal significance. The line between *generic* and *descriptive* terms determines whether a mark is protectable at all: generic terms never are, whereas descriptive and higher terms can be. The line between *descriptive* and *suggestive* terms determines whether a mark is protectable on its own or requires proof of secondary meaning: descriptive terms do, whereas suggestive and higher terms do not.

2.6 Case: *Kellogg v. Nabisco* (U.S. 1938) (word mark excerpt)

This case abridgement/edit by EEJ. The superscript tilde (˜) indicates an ellipsis. Footnotes and citations liberally reformatted or removed without notation.

Kellogg Co. v. National Biscuit Co.

Supreme Court of the United States
305 U.S. 111 (1938)

MR. JUSTICE BRANDEIS delivered the opinion of the Court.

This suit was brought in the federal court for Delaware by National Biscuit Company against Kellogg Company to enjoin alleged unfair competition by the manufacture and sale of the breakfast food commonly known as shredded wheat. The competition was alleged to be unfair mainly because Kellogg Company uses, like the plaintiff, the name shredded wheat and, like the plaintiff, produces its biscuit in pillow-shaped form.

Shredded wheat is a product composed of whole wheat which has been boiled, partially dried, then drawn or pressed out into thin shreds and baked. The shredded wheat biscuit generally known is pillow-shaped in form. It was introduced in 1893 by Henry D. Perky, of Colorado; and he was connected until his death in 1908 with companies formed to make and market the article. Commercial success was not attained until the Natural Food Company built, in 1901, a large factory at Niagara Falls, New York. In 1908, its corporate name was changed to "The Shredded Wheat Company"; and in 1930 its business and goodwill were acquired by National Biscuit Company.

Kellogg Company has been in the business of manufacturing breakfast food cereals since its organization in 1905. For a period commencing in 1912 and ending in 1919 it made a product whose form was somewhat like the product in question, but whose manufacture was different, the wheat being reduced to a dough before being pressed into shreds. For a short period in 1922 it manufactured the article in question. In 1927, it resumed manufacturing the product. In 1928, the plaintiff sued for alleged unfair competition two dealers in Kellogg shredded wheat biscuits. That suit was discontinued by stipulation in 1930. On June 11, 1932, the present suit was brought. Much evidence was introduced; but the determinative facts are relatively few; and as to most of these there is no conflict.˜

The plaintiff concedes that it does not possess the exclusive right to make shredded wheat. But it claims the exclusive right to the trade name "Shredded Wheat" and the exclusive right to make shredded wheat biscuits pillow-shaped. It charges that the defendant, by using the name and shape, and otherwise, is passing off, or enabling others to pass off, Kellogg goods for those of the plaintiff. Kellogg Company denies that the plaintiff is entitled to the exclusive use of the name or of the pillow-shape; denies any passing off; asserts that it has used every reasonable effort to distinguish its product from that of the plaintiff; and contends that in honestly competing for a part of the market for shredded wheat it is exercising the common right freely to manufacture and sell an article of commerce unprotected by patent.˜

The plaintiff has no exclusive right to the use of the term "Shredded Wheat" as a trade name. For that is the generic term of the article, which describes it with a fair degree of accuracy; and is the term by which the biscuit in pillow-shaped form is generally known by the public. Since the term is generic, the original maker of the product acquired no exclusive right to use it. As Kellogg Company had the right to make the article, it had, also, the right to use the term by which the public knows it. Compare *Saxlehner* v. *Wagner,* 216 U.S. 375; *Holzapfel's Compositions Co.* v. *Rahtjen's American Composition Co.,* 183 U.S. 1. Ever since 1894 the article has been known to the public as shredded wheat. For many years, there was no attempt to use the term "Shredded Wheat" as a trade-mark. When in 1905 plaintiff's predecessor, Natural Food Company, applied for registration of the words "Shredded Whole Wheat" as a trade-mark under the so-called "ten year clause" of the Act of February 20, 1905, c. 592, § 5, 33 Stat. 725, William E. Williams gave notice of opposition. Upon the hearing it appeared that Williams had, as early as 1894, built a machine for making shredded wheat, and that he made and sold its product as "Shredded Whole Wheat." The Commissioner of Patents refused registration. The Court of Appeals of the District of Columbia affirmed his decision, holding that "these words accurately and aptly describe an article of food which . . . has been produced . . . for more than ten years . . ." *Natural Food Co.* v. *Williams,* 30 App. D.C. 348.

Moreover, the name "Shredded Wheat," as well as the product, the process and the machinery employed in making it, has been dedicated to the public. The basic patent for the product and for the process of making it, and many other patents for special machinery to be used in making the article, issued to Perky. In those patents the term "shredded" is repeatedly used as descriptive of the product. The basic patent expired October 15, 1912; the others soon after. Since during the life of the patents "Shredded Wheat" was the general designation of the patented product, there passed to the public upon the expiration of the patent, not only the right to make the article as it was made during the patent period, but also the right to apply thereto the name by which it had become known. As was said in *Singer Mfg. Co.* v. *June Mfg. Co.,* 163 U.S. 169, 185:

> "It equally follows from the cessation of the monopoly and the falling of the patented device into the domain of things public,

> that along with the public ownership of the device there must also necessarily pass to the public the generic designation of the thing which has arisen during the monopoly. . . . To say otherwise would be to hold that, although the public had acquired the device covered by the patent, yet the owner of the patent or the manufacturer of the patented thing had retained the designated name which was essentially necessary to vest the public with the full enjoyment of that which had become theirs by the disappearance of the monopoly."

It is contended that the plaintiff has the exclusive right to the name "Shredded Wheat," because those words acquired the "secondary meaning" of shredded wheat made at Niagara Falls by the plaintiff's predecessor. There is no basis here for applying the doctrine of secondary meaning. The evidence shows only that due to the long period in which the plaintiff or its predecessor was the only manufacturer of the product, many people have come to associate the product, and as a consequence the name by which the product is generally known, with the plaintiff's factory at Niagara Falls. But to establish a trade name in the term "shredded wheat" the plaintiff must show more than a subordinate meaning which applies to it. It must show that the primary significance of the term in the minds of the consuming public is not the product but the producer. This it has not done. The showing which it has made does not entitle it to the exclusive use of the term shredded wheat but merely entitles it to require that the defendant use reasonable care to inform the public of the source of its product.

The plaintiff seems to contend that even if Kellogg Company acquired upon the expiration of the patents the right to use the name shredded wheat, the right was lost by delay. The argument is that Kellogg Company, although the largest producer of breakfast cereals in the country, did not seriously attempt to make shredded wheat, or to challenge plaintiff's right to that name until 1927, and that meanwhile plaintiff's predecessor had expended more than $17,000,000 in making the name a household word and identifying the product with its manufacture. Those facts are without legal significance. Kellogg Company's right was not one dependent upon diligent exercise. Like every other member of the public, it was, and remained, free to make shredded wheat when it chose to do so; and to call the product by its generic name. The only obligation resting upon Kellogg Company was to identify its own product lest it be mistaken for that of the plaintiff.

It is urged that all possibility of deception or confusion would be removed if Kellogg Company should refrain from using the name "Shredded Wheat" and adopt some form other than the pillow-shape. But the name and form are integral parts of the goodwill of the article.˜

Kellogg Company is undoubtedly sharing in the goodwill of the article known as "Shredded Wheat"; and thus is sharing in a market which was created by the skill and judgment of plaintiff's predecessor and has been widely extended by vast expenditures in advertising persistently made. But that is not unfair. Sharing in the goodwill of an article unprotected by patent or trade-mark is the exercise of a right possessed by all — and in the free exercise of which the consuming public is deeply interested. There is no evidence of passing off or deception on the part of the Kellogg Company; and it has taken every reasonable precaution to prevent confusion or the practice of deception in the sale of its product.˜

Decrees reversed with direction to dismiss the bill.

MR. JUSTICE McREYNOLDS and MR. JUSTICE BUTLER are of opinion that the decree of the Circuit Court of Appeals is correct and should be affirmed. To them it seems sufficiently clear that the Kellogg Company is fraudulently seeking to appropriate to itself the benefits of a goodwill built up at great cost by the respondent and its predecessors.

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The following was written by Eric E. Johnson:

General source note: This unit was produced in 2026 by copying (with some re-numbering and typography changes) a chapter put together by Eric E. Johnson in 2022 (Chapter M-1 of IP Surveyor: Trademark version 1.0), with the insertion of some material (2.5 and 2.6) from Chapter M-4 of that same book. This text uses explanatory text and edited readings from Patterns of Information Law (2017 and 2022 versions) authored by James Grimmelmann.Please see "Rights, licensing, attribution, disclaimers, editing, etc." at the end of this unit.

General "Editing Notes" can be found in the original Intellectual Property Surveyor book, toward the front of that packet. There may also be specific notes preceding particular readings.

This unit/chapter uses edited explanatory text and case readings from Patterns of Information Law (version 1.1, August 2017) and Patterns of Information Law (2022 version) authored by **James Grimmelmann**.

I am very grateful to James Grimmelmann for his generosity in sharing his excellent materials!

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3A. Registration and the Trademark Office

3.1 Prof. Grynberg on registration

by Michael Grynberg (credit/licensing note: MG-TL25-B, *infra*)

3.1.1 Trademark Registration Basics

Why register? Registration is not a prerequisite to protection for a mark. So why bother? Quoth the Trademark Office (http://www.uspto.gov/faq/trademarks.jsp):

> Owning a federal trademark registration on the Principal Register provides several advantages, including:
>
> Public notice of your claim of ownership of the mark;
>
> A legal presumption of your ownership of the mark and your exclusive right to use the mark nationwide on or in connection with the goods/services listed in the registration;
>
> The ability to bring an action concerning the mark in federal court;
>
> The use of the U.S. registration as a basis to obtain registration in foreign countries;
>
> The ability to record the U.S. registration with the U.S. Customs and Border Protection (CBP) Service to prevent importation of infringing foreign goods;

> The right to use the federal registration symbol ® and
>
> Listing in the United States Patent and Trademark Office's online databases.

Nationwide priority looms especially large˜.

Researching registrations. You can look for mark registrations online at https://tmsearch.uspto.gov/ .

The Sweetness of the ®. While anyone can slap a TM or SM designation on anything, only registrants may use the ®. One benefit of doing so is to eliminate the need of proving that a defendant had notice of a registration in an action that seeks to recover damages or a defendant's profits. 15 U.S.C. § 1111.

Filing details. The details of filing can get technical, so we won't go too far into the weeds. Some requirements include a/an:

> List of goods and services for which mark will be used;
>
> Drawing of mark where applicable;
>
> The legal basis on which you are filing (e.g. actual use in commerce, a bona fide intent to use the mark, a claim of priority based on earlier foreign application, registration in applicant's country of origin, or a filing under the Madrid Protocol); and
>
> Example of use

Trademark classes. Registration applications must designate a class or classes for the goods or services. The USPTO explains (https://www.uspto.gov/trademarks/basics/goods-and-services):

> Your application must include a list of the goods and services you use or have a bona fide intent to use with your trademark.
>
> . . .
>
> During the examination process, we will compare your descriptions to other trademark applications and registrations to determine whether there is a conflicting trademark. . . .
>
> Trademark classes are a way for us to organize the goods or services used in applications, assess fees, and aid in searching our database of registered and pending trademarks. All goods and services are "classified" or organized into broad categories

> of goods or services, as determined by international agreement. Each category of goods or services is assigned a number from 1 to 45, also known as an international class. There are many items listed in each class; however, goods and services are never in the same class.
>
> . . . . Your application filing fee is based on the total number of international classes in your application. . . .
>
> For example, you might have a clothing line of golf shirts, dress shirts, and t-shirts. These shirts all fall under the same international class, so your TEAS Plus filing fee would be $250 for the one class. However, if you also provide custom t-shirt printing services, you would have goods and services in two different international classes. In that case, your TEAS Plus filing fee would be $500 ($250 plus $250).

Good or Service? Registration is an area where the distinction between a trademark and service mark matters insofar as one must be specific about what one seeks to protect. For example, may the maker of computer software that assists with job placement claim a service mark as well as a trademark? The Federal Circuit ruled that it depends on consumer perception. "The question is whether a user would associate the mark with 'personnel placement and recruitment' services performed by JobDiva, even if JobDiva's software performs each of the steps of the service." *In re Jobdiva, Inc.*, 843 F.3d 936, 941 (Fed. Cir. 2016).

Oppositions and cancellations and Article III standing. 15 U.S.C. § 1063 provides that "[a]ny person who believes that he would be damaged by the registration of a mark upon the principal register . . . may, upon payment of the prescribed fee, file an opposition in the Patent and Trademark Office." One may also challenge a mark after it has been registered by bringing a petition for cancellation. 15 U.S.C. § 1064.

As you may recall from earlier courses, the law of standing requires plaintiffs in federal cases to demonstrate an "injury in fact" before their claim can be heard. Determining which harms clear this hurdle is the subject of many precedents. In general, however, courts demand a stake greater than subjective concern. That is, an environmentalist cannot sue to enjoin the clear cutting of a forest located several states away. They must show a more direct personal harm (e.g., that the plaintiff hikes in the very patch of trees that will be cut).

Should the same requirement apply to trademark oppositions and cancellations? Article III, the purported source of the constitutional standing requirement, does not strictly require an injury in fact in trademark oppositions, as the proceeding is an administrative one (in other words, the adjudicator is an Article I agency, not an Article III court). In general, however, one filing a petition to cancel is expected to be more than a "mere intermeddler" and have "a real interest and reasonable belief of damage" from the registration. *Australian Therapeutic Supplies Pty. Ltd. v. Naked TM, LLC*, 965 F.3d 1370, 1376 (Fed. Cir. 2020).

The result of an opposition may be appealed to the Federal Circuit (or made the subject of a new federal action, *see* 15 U.S.C. § 1071), which *is* an Article III court. So though standing requirements may be looser for opposing a registration before the USPTO, Article III standing rules apply in full force if an opposer wishes to challenge an adverse outcome in a federal court. *Brooklyn Brewery Corp. v. Brooklyn Brew Shop*, 17 F.4th 129, 137 (Fed. Cir. 2021) ("[Federal statute] does not set forth the exclusive test for standing when a decision of an administrative agency is appealed in federal court. The appellant must also satisfy the requirements of Article III."); *id.* at 138-39 ("[A]n opposer must demonstrate a concrete and particularized risk of interference with the rights that flow to it from registration of its own mark, or some other Article III injury.").

The Article III bar aside, any opposer must also fall within the "zone of interests" of the Lanham Act as established by *Lexmark International, Inc. v. Static Control Components, Inc.*, 572 U.S. 118 (2014). This was too high a bar for an opposition filed by a consumer who alleged a registration would lead to monopolization and higher prices. *Curtin v. United Trademark Holdings, Inc.*, 137 F.4th 1359, 1370 (Fed. Cir. 2025) ("The Board's holding that only commercial actors affected by the mark's registration fall within the zone of interests to oppose the registration as generic, descriptive, or functional under § 1063 is not inconsistent with the Lanham Act's purpose of protecting consumers.").

The standard for allowing participation by those seeking to oppose and to cancel registrations is the same. *Id.* at 1365; 3 MCCARTHY § 20:7.

Narrowing grounds. If one moves to cancel five or more years after a registration the grounds for cancellation become more limited, but, per 15 U.S.C. § 1064, one may seek to cancel at any time if:

> the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or is functional, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of section 4 [15 U.S.C. § 1054] or of subsection (a), (b), or (c) of section 2 [15 U.S.C. § 1052] for a registration under this Act, or contrary to similar prohibitory provisions of such prior Acts for a registration under such Acts, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used.

Maintenance. Registrations are subject to renewal at ten-year intervals. 15 U.S.C. § 1059. Note the contrast with copyright, another long-lived IP right. Patent rights, which expire quicker, require maintenance payments during their term (as explained here: https://www.uspto.gov/patents /maintain). (N.B., copyright law used to require renewal, but no longer does so). Failure to renew a trademark registration does not cut off state or common law rights.

Registration bars. The various bars to registration set forth in section 2 of the Lanham Act are discussed in greater detail below. Some registration exclusions (being descriptive, deceptively misdescriptive, primarily geographically descriptive, or primarily merely a surname) may be overcome by showing secondary meaning. The others are absolute bars to registration.

In addition, the PTO will sometimes refuse registration if a mark fails to function as a mark. This reason for refusal is discussed in the notes following the *Brunetti* case.

3.2 Prof. Grimmelmann on trademark procedure, registration

by James Grimmelmann (credit/licensing note: JG-SM22M2-0, *infra*)

Trademark procedure is intermediate between patent's rigorous examination and copyright's minimal processing.

Registration

Many of the components of a trademark registration application are tedious (if necessary) paperwork, but a few are important enough to mention. Obviously, the applicant must identify the mark, which for a design mark requires an image of the mark. In addition, they must "specify the particular goods and/or services on or in connection with which the applicant uses, or has a bona fide intention to use, the mark in commerce." TMEP § 1402.01. It is important that the *specification* of goods or services be accurate. Too broad a specification can invalidate a registration. In addition, the USPTO requires that the goods or services be *classified* in terms of the precise, if idiosyncratic International Trademark Classes published by the World Intellectual Property Organization. TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1401.03. Specification and classification facilitate trademark searches. Note that the mark owner's rights are not strictly limited to the registered classes or the specific items they identify.

The applicant must substantiate their claims of use by providing *specimens* of the mark in use – one for each ITC class. The TMEP explains:

> "[T]he specimen must show the mark as used on or in connection with the goods in commerce. A trademark specimen should be a label, tag, or container for the goods, or a display associated with the goods. A photocopy or other reproduction of a specimen of the mark as used on or in connection with the goods is acceptable."

TRADEMARK MANUAL OF EXAMINING PROCEDURE at § 904.03.

Some trademark attorneys have been tempted to cheat on their specimens by Photoshopping the mark on to stock photos of relevant goods. Please do not do this. It is fraud on the USPTO. It can lead to invalidation of your registrations and to severe disciplinary sanctions.

When an application is filed, it is referred to a trademark examiner who performs a substantive ***examination*** to confirm that the mark is distinctive, not confusingly similar to existing registrations, not subject to any other exclusions, is properly classified and specified, and so on. The process resembles patent examination, with correspondence flowing back-and-forth between applicant and examiner, but is substantially less rigorous. If the examiner rejects the application, the applicant can request reconsideration, in which case the file goes to another examiner. If they too reject the application, the applicant can appeal to the trademark equivalent of the PTAB, the Trademark Trial and Appeal Board. The TTAB's members are administrative judges and PTO officials. If the TTAB also rejects the application, the applicant can have the decision reviewed either by a federal district court or by the Federal Circuit. 15 U.S.C. § 1071.

When a trademark examiner agrees that a mark is "entitled to registration," the mark is published in the Trademark Official Gazette. Lanham Act § 12. New trademarks drop every Tuesday. If there is no opposition (more on this below) within 30 days, the USPTO will issue a registration certificate, and the applicant's federal trademark rights become effective.

The owner of a registered mark may provide ***notice*** of the registration. The full official form of notice is "Registered in United States Patent and Trademark Office," but everyone just uses the registered-trademark symbol ®. Don't put this notice on your products if the mark is not registered; it's a species of fraud. You *can* use the trademark symbol ™ or the term "trademark" on their products whether or not you own a trademark registration. As my trademarks teacher, Stephen L. Carter, quipped one day in class, "™ means 'I hope you agree with me that I have rights in this mark.'" It signals to viewers that you are attempting to use the term as a trademark and that you purport to claim rights in it, but does not create any rights or put them on any kind of official notice.

Types of Marks

The USPTO distinguishes among four types of marks. So far we have been dealing with ***trade marks*** for goods and ***service marks***. The distinction matters for two reasons. One is precision; if you want to sound like a fancy-pants intellectual-property attorney, it helps to be able to throw around terms like "service mark" with confidence.*

> [FN*:] As a further persnickety distinction, I think it is most precise to use "trade mark" with a space when distinguishing trade marks from service marks, and "trademark" with no space when referring generally to trade marks and service marks together. Sadly, almost no one agrees with me.
>
> [*Note from EEJ:* Well, I agree with Prof. Grimmelmann here. That's very reasonable and it would avoid a lot of needless confusion that is Congress's own doing. Maybe an even better alternative to "trade mark" as distinguished from service mark would be "goods mark." But Congress passed any up opportunity for that back in 1946 when it passed the Lanham Act.]

The other [reason the distinction matters between trade marks and service marks] is ***affixation***. A trademark must be physically printed on the goods, or on their containers or packaging, or on labels or tags, or on clear point-of-sale displays. 37 C.F.R. §~2.56(b)(1). This kind of affixation is often not possible for service marks, because services themselves are intangible. Thus the rule is looser: the mark must be "used in the sale of the services, including use in the performance or rendering of the services, or in the advertising of the services." 37 C.F.R. § 2.56(b)(2).

The third type of mark is a ***collective mark***, which is used by the members of an association. Lanham Act § 45. The mark is *owned* by the collective entity but *used* by its members, which is the kind of distinction only a lawyer could love. In practice, there are two subtypes of collective marks:

> "A ***collective trademark*** or collective service mark is a mark adopted by a 'collective' (i.e., an association, union, cooperative, fraternal organization, or other organized collective group) for use only by its members, who in turn use the mark to identify their goods or services and distinguish them from those of nonmembers. The 'collective' itself neither sells goods nor performs services under a collective

> trademark or collective service mark, but the collective may advertise or otherwise promote the goods or services sold or rendered by its members under the mark. A collective membership mark is a mark adopted for the purpose of indicating membership in an organized collective group, such as a union, an association, or other organization. Neither the collective nor its members uses the collective membership mark to identify and distinguish goods or services; rather, the sole function of such a mark is to indicate that the person displaying the mark is a member of the organized collective group."

Aloe Creme Labs., Inc. v. Am. Soc'y for Aesthetic Plastic Surgery, Inc., 192 U.S.P.Q. 170 (TTAB 1976)

The fourth type of mark is a ***certification mark***[.]

The Lanham Act defines a "certification mark" as a mark "used [or intended to be used] by a person other than its owner ... to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person's goods or services or that the work or labor on the goods or services was performed by members of a union or other organization." Lanham Act § 45. The key point here is that a certification is used by people *other than the owner* on their goods and services.

> "A certification mark is a special creature created for a purpose uniquely different from that of an ordinary service mark or trademark That is, the purpose of a certification mark is to inform purchasers that the goods or services of a person possess certain characteristics or meet certain qualifications or standards established by another person. A certification mark does not indicate origin in a single commercial or proprietary source the way a trademark or service mark does. Rather, the same certification mark is used on the goods or services of many different producers.
>
> "The message conveyed by a certification mark is that the goods or services have been examined, tested, inspected, or in some way checked by a person who is not their producer, using methods determined by the certifier/owner. The

> placing of the mark on goods, or its use in connection with services, thus constitutes a certification by someone other than the producer that the prescribed characteristics or qualifications of the certifier for those goods or services have been met."

TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1306.01(b)

That is, a certification mark is *owned* like a trademark, but the mark itself designates *characteristics* of the goods, rather than designating source. This does not mean that a certification mark is descriptive; all of the usual trademark rules around distinctiveness apply. Rather, a certification mark must have a distinctive meaning to consumers, but the goodwill is directed into consumer knowledge that the goods have been certified, rather than that the goods come from a particular source.

The TMEP describes three kinds of certification marks: [Quote:]

> 1. *Geographic origin*. Certification marks may be used to certify that authorized users' goods or services originate in a specific geographic region (e.g., SUNSHINE TREE for citrus from Florida).
>
> 2. *Standards met with respect to quality, materials, or mode of manufacture*. Certification marks may be used to certify that authorized users' goods or services meet certain standards in relation to quality, materials, or mode of manufacture (e.g., approval by Underwriters Laboratories) (UL certifies, among other things, representative samplings of electrical equipment meeting certain safety standards).
>
> 3. *Work/labor performed by member or that worker meets certain standards*. Certification marks may also be used to certify that authorized users' work or labor on the products or services was performed by a member of a union or other organization, or that the performer meets certain standards.

TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1306.1

One can discuss geographic certifications within a broader context of geographic-indication law, and labor-standard certification marks overlap substantial with collective membership marks.

As an example, consider the FAIR TRADE certification. The standards applied by Fair Trade USA include minimum wages for all employees; housing standards and safety; nondiscrimination on the basis of race, gender, sexual orientation, disability, etc.; and much much more. The standards are quite detailed in some places. For example, the packing-material costs that an exporter (rather than the producer) must cover include "up to 3 labels per banana hand."

In theory, the owner of a certification mark is required to act even-handedly in certifying others' goods. (Indeed, due to the obvious conflict of interest, the owner is *prohibited* from applying the mark to its own goods. If you want to put the mark on your own goods, just get a trademark instead.) But in practice, the owner controls both the wholesale definition of the certification standards and their retail application in particular cases, and oversight is rare. Jeanne Fromer:

> "What do a trendy kosher restaurant in SoHo, an independent movie about a serial killer, and a Swiss watchmaker have in common? Each has been excluded by a certifier from employing its legally protected certification mark in ways that seem to run counter to the certification mark's purposes of consumer protection and promotion of competition. Each of these businesses has either been disqualified by a certifier from getting a certification mark or been manipulated by a certifier into securing a certification mark: a kosher food certification withheld from the restaurant until it changed its name; an R movie rating withheld from the independent movie, whose producer claimed the rating was being given to far gorier—yet non-independent—movies; and a withheld geographical certification of SWISS MADE for the watchmaker located in Switzerland and much of whose watches' value—but not all—originates in Switzerland. The inability of each of these businesses to be certified as is—without any clear certification standard or procedural regularity—can have adverse, and sometimes catastrophic, consequences for the businesses, their consumers, and competition writ large.

> "Because the law allows certification standards to be vague, high-level, and underdeveloped, a certifier can choose to exclude certain businesses inconsistently or arbitrarily, even when these businesses' goods or services would seem to qualify for the certification mark (particularly to consumers). Moreover, certifiers can wield their marks anticompetitively, even when a certification standard is clear and complete. They can do so through redefinition – something certification mark law currently allows without oversight – to ensure that certain businesses' goods or services will not qualify for the mark. Both of these forms of certification mark manipulation undermine the goals of certification marks: (1) to protect consumers by providing them with succinct information—via the marks—on goods' or services' characteristics and (2) to promote competition by ensuring that any businesses' goods or services sharing certain characteristics salient to consumers qualify for a mark certifying those characteristics."

Jeanne C. Fromer, *The Unregulated Certification Mark(et)*, 69 STANFORD LAW REVIEW 121 (2017)

Exclusions

Section 2 of the Lanham Act excludes a variety of trademarks from being registrable.˜

> No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it –
>
> (a) Consists of or comprises
>
>> immoral, deceptive, or scandalous matter;
>>
>> or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute;

> or a geographical indication which, when used on or in connection with wines or spirits, identifies a place other than the origin of the goods …

(b) Consists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof.

(c) Consists of or comprises a name, portrait, or signature identifying a particular living individual [or deceased President during their surviving spouse's lifetime] except by [their] written consent …

(d) Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive: [Provided that concurrent registrations are allowed when no confusion is likely to result as a result of limitations imposed on "the mode or place of use of the marks or the goods," by consent, or by court order.]

(e) Consists of a mark which

> (1) when used on or in connection with the goods of the applicant is merely descriptive or deceptively misdescriptive of them,
>
> (2) when used on or in connection with the goods of the applicant is primarily geographically descriptive of them, except as indications of regional origin may be registrable under section 1054 of this title,
>
> (3) when used on or in connection with the goods of the applicant is primarily geographically deceptively misdescriptive of them,
>
> (4) is primarily merely a surname, or
>
> (5) comprises any matter that, as a whole, is functional.

> (f) Except as expressly excluded in subsections (a), (b), (c), (d), (e)(3), and (e)(5) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. …

Unfortunately, the language here is not arranged in an entirely logical order. Here is a quick reorganization:

- Sections (e)(1) and (f) restate the common-law doctrine of descriptive and generic trademarks. Section (e)(1) says that "merely" descriptive marks are not protectable, but section (f) adds that marks that have "become distinctive" (i.e. acquired secondary meaning) are. When you add in the trademark rule that generic marks are considered incapable of acquiring secondary meaning as a matter of law, you recover the common-law rules that descriptive marks are protectable when and only when they have secondary meaning, and that generic marks never are.
- Section (d) restates the basic rules of priority. Marks in actual or constructive use have priority over later-filed applications.
- Section (e)(5) excludes the registration of "functional" matter, i.e. that does something rather than communicating something.
- Sections (c) and e(4) put limitations on the use of names and individual identities as trademarks.
- Sections (a) ("deceptive") and (e)(1) ("deceptively misdescriptive") are false-advertising policies that prevent the registration of misleading trademarks.
- Sections (a) ("geographical indication" for wines or spirits), (e)(2), and (e)(3) deal with the special case of false advertising about the geographic origins of products.
- Sections (a) ("falsely suggest a connection") and (b) are a false-endorsement rules; a trademark cannot imply that they have been approved by or are affiliated with people or institutions where no such affiliation exists. The flag/coat of arms/insignia rule in (b) is an absolute prohibition in an important special case of the general rule in (a). In six decisions issued on the

same day, the TTAB *affirmed* refusals to register NATO for flashlights, tents, and dog tags (nos. 87302892, 87302907, and 87302891 (TTAB 2021)) , but *reversed* refusals to register NATO for pens, lip balm, and energy bars (nos. 87270077, 87418156, and 87418153 (TTAB 2021).˜

- Section (a) ("disparage .... or bring them into contempt, or disrepute") is a dead letter after *Matal v. Tam*, 137 S.Ct. 1744 (2017), in which the Supreme Court held that the exclusion was an unconstitutional restriction on speech. (The case involved a dance-rock band, The Slants, formed by Simon Tam and with an entirely Asian-American membership, who picked their name as a way of reappropriating a racial slur and campaigning for social justice. Other beneficiaries of the ruling in *Tam* included the Washington Football Team, whose former name – a offensive term for Native Americans – had been the subject of decades-long activism. (While the legal campaigns against the former name under section 2(a) failed in court, they helped lay the groundwork for the team's name change in 2020 following the George Floyd protests.)
- Section (a) ("immoral ... or scandalous") was held unconstitutional in *Iancu v. Brunetti*, 139 S. Ct. 2294 (2019). That case involved a clothing line called FUCT, allegedly "pronounced as four letters, one after the other: F-U-C-T," but easily confused with a common profanity. *Brunetti* at 2297. The same applicant later attempted to register the same mark but with a K instead of a T for a variety of goods including cell-phone cases, jewelry, and backpacks. The application was rejected for failure to function as a mark.

Opposition

An important difference from patent procedure is that trademarks are subject to adversary proceedings at every stage. Following the initial publication of an application, any person "who believes that [they] would be damaged by the registration" – typically someone whose mark is similar to the proposed mark – can file an ***opposition*** within 30 days. Lanham Act § 13. In case of opposition, the TTAB conducts a mini-trial. The parties can conduct discovery, take deposition, and submit written filings. There is no live testimony, but there is oral argument on motions. The issue in a TTAB proceeding can be slightly different than the issue in trademark infringement litigation, because "contested registrations are often decided upon a comparison of the marks in the abstract and apart from their marketplace usage." *B&B Hardware, Inc. v. Hargis Industries, Inc.*, 135 S.Ct. 1293 (2015) (Ginsburg, J. concurring) But in many cases, the TTAB's ruling will have effects beyond deciding whether the particular trademark should be registered. In *B&B Hardware, Inc. v. Hargis Industries, Inc.*, for example, the TTAB's conclusion that SEALTITE was confusingly similar to SEALTIGHT was conclusive of the issue in subsequent litigation between the same parties.

Even after a trademark registration issues, "any person who believes that he is or will be damaged by the registration" can file for ***cancellation*** of the registration. Lanham Act § 14. Cancellation petitions also result in mini-trials before the TTAB. Within the first five years, a cancellation petition can be filed for any reason that could have been a basis for refusing a registration in the first place. After that, as long as "the registered mark has been in continuous use," it becomes ***incontestable***. Lanham Act § 15. The term is a bit of misnomer because even an "incontestable" mark can still be cancelled if it is generic, functional, or abandoned, or obtained fraudulently. Lanham Act § 14.

The real work of incontestability has to do with descriptive marks. "Merely descriptive" marks (i.e., without secondary meaning) are not supposed to be registrable, but mere descriptiveness is not among the available grounds for cancellation. In effect, after five years of registration, if the applicant files the proper paperwork, the mark's secondary meaning is presumed as a matter of law. In *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189 (1985), the Supreme Court held that these parts of the Lanham Act mean what they say. The plaintiff held an incontestable registration for PARK'N FLY and sued a competitor calling itself Dollar Park and Fly. Although the dissent called the plaintiff "just another anonymous, indistinguishable parking lot," the Court's majority held that the mark's alleged lack of secondary meaning was not a basis on which the mark could be cancelled.

Term

Trademarks can have an indefinitely long term, as long as they are still being used. State common-law rights survive as long as the owner is using the mark and has goodwill. Federal registrations have a term of ten years, but they can be renewed indefinitely. The owner must file an affidavit of continuing use in the 6th and 10th year following registration, and then every 10th year thereafter. Lanham Act §§ 8,9

Trademark ***abandonment*** is an important way in which trademark rights can terminate. Almost any kind of property can be abandoned through a deliberate action. (Thus, for example, both patents and copyrights can be abandoned with an express dedication to the public domain.) But because trademark rights depend on use, they can also be lost through *inaction*.˜

The Lanham Act explicitly states that a mark is deemed abandoned "[w]hen its use has been discontinued with intent not to resume such use." Lanham Act § 45. Be careful to distinguish an intent to shut down the business at some point in the future (*not* abandonment) from actual cessation of use (abandonment). For example, a store that remains open for a liquidation sale, or a manufacturer that is selling off the remaining inventory from its warehouse, has *not* yet abandoned its marks. But when abandonment does occur, the loss of trademark rights is immediate, even though consumers may still have residual goodwill from the mark: Thus, one source of litigation over putatively abandoned marks is whether an owner whose business has ceased intends to restart it or not.

The Lanham Act adds, "Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be prima facie evidence of abandonment." It thus shifts the burden of establishing intent to resume to the mark owner after three years. In many cases, where there simply is no evidence one way or another on the owner's intent other than their self-interested testimony, this presumption can be conclusive.

A harder problem has to do with ***token uses*** made to reserve rights in a mark that the owner is not extensively exploiting. Because complete non-use results in loss of rights and registration, owners that anticipate perhaps someday revising the brand will try to keep a faint flame flickering to preserve their rights. The Lanham Act tries to deal with this situation by saying that for abandonment purposes, use "means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark." Lanham Act § 45.

These trademark maintenance programs vary. The Standard Oil of New Jersey Company mostly stopped using the ESSO mark when it renamed itself Exxon, but it still uses the ESSO brand on its diesel pumps to prevent abandonment. There is no serious question that this is sufficient. On the other hand, Procter & Gamble lost its rights in ASSURE for mouthwash and shampoo by parking them in a "Minor Brands Program" that involved ASSURE labels on other P&G products and shipping out 50 cases once a year. Total sales over a decade were $491.30 for the shampoo and $161.50 for the mouthwash. The court called this use "sporadic, nominal and intended solely for trademark maintenance." *Procter & Gamble Co. v. Johnson & Johnson Inc.*, 485 F.Supp. 1185 (S.D.N.Y. 1979).

Credit/licensing notes

MG-TL25-B, MICHAEL GRYNBERG

I am very grateful to Michael Grynberg for his generosity in sharing his excellent materials!

JG-sm22m2-0, James Grimmelmann

This section was put together by Eric E. Johnson using explanatory text from *Patterns of Information Law* (2022 version) authored by **James Grimmelmann**. Some specific editing notes applicable here: Typography was changed. Some citations were re-worked. Various source citations were removed, and text edited, reworked, and/or re-worded in places where citations were removed. Quotes were added around blockquotes. Footnote and sidebar material was omitted or worked into the main text with punctuation added or changed to suit. Apparent typos were corrected. Any errors should be attributed to EEJ.

I am very grateful to James Grimmelmann for his generosity in sharing his excellent materials!

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3B. Registration and the Trademark Office

3.3. The TTAB

{This section by EEJ in 2026. See "About this book" for licensing.}

3.3.1 About TTAB In a nutshell

{This section's text is adapted from text obtained from the TTAB website in fall 2026. It has been lightly edited by EEJ for brevity and for appropriateness as book text rather than as website content. Changes are not indicated in the text.}

3.3.1.1. Introduction

The Trademark Trial and Appeal Board (TTAB) is a neutral body that functions like a court for trademark matters at the United States Patent and Trademark Office (USPTO). The Board's administrative trademark judges are authorized to determine a party's right to register a trademark with the federal government. The Board is not authorized to determine whether you have the right to use a trademark, and does not issue injunctions halting use. The Board only determines whether an applicant or registrant has the right to register a mark or to retain a registration under challenge. Additionally, the Board is not authorized to determine questions of trademark infringement or unfair competition or to award money damages or attorney's fees. For anything other than determining the right of federal registration, you must file a case in federal or state court.

While the Board is authorized to handle five different types of cases, there are three main categories of proceedings that applicants and registrants should know about: appeals, oppositions, and cancellations. If you file a case at the TTAB or if someone files a case against you at the TTAB, you will be a party to a legal proceeding and may want to consider hiring an attorney. Any party to such a proceeding without domicile in the United States must be represented by a properly-licensed U.S. attorney.

3.3.1.2. Staff

TTAB is composed of statutory members and appointed administrative trademark judges, as well as interlocutory attorneys, paralegals, and administrative staff to support operations and manage oral hearings. The statutory members are the USPTO Director, Deputy Director, Commissioner for Patents, and Commissioner for Trademarks. Administrative trademark judges are appointed by the Secretary of Commerce.

3.3.1.3. Practice and procedure

Rules and laws

TTAB proceedings are governed by the Lanham Trademark Act of 1946, as amended, (Trademark Act), 15 U.S.C. § 1051 et seq.; the rules of practice in trademark cases (commonly known as the Trademark Rules of Practice) found in Parts 2 and 7 of Title 37 of the Code of Federal Regulations (C.F.R.); the rules relating to the conduct of practitioners and the representation of others before the USPTO found in Part 11 of 37 C.F.R.; and guidance provided in the Trademark Trial and Appeal Board Manual of Procedure (TBMP).

The USPTO rules governing procedure in inter partes proceedings before the TTAB are adapted, in large part, from the Federal Rules of Civil Procedure, with modifications due primarily to the administrative nature of the TTAB proceedings.

There is a PDF version of the *U.S. Trademark Law: Rules of Practice and Federal Statutes* for the current rules of practice and federal statutes governing TTAB proceedings: http://www.uspto.gov/sites/default/files/documents/tmlaw.pdf

Policies and procedures

Practices and procedures for litigating before the TTAB are published in the TBMP. It provides practitioners with basic and detailed information generally useful for litigating trial cases before the TTAB, and pursuing appeals of decisions made in the Trademarks unit of the USPTO. The manual does not modify, amend, or serve as a substitute for any existing statutes, rules, or decisional law and is not binding upon the TTAB, its reviewing courts, the Director of the USPTO, or any part of the USPTO. Nonetheless, the TBMP describes current practice and procedure under the applicable authority, as of the manual's issue date and is a valuable resource.

The most recent version of the TBMP is available in a searchable e-version format (http://tbmp.uspto.gov/RDMS/TBMP/current) and PDF format (http://www.uspto.gov/trademarks/ttab/tbmp-preface). Earlier editions of the TBMP are archived on the TTAB's webpages.

Additional policies and guidance

The TTAB website has additional TTAB guidance and policy, including:

- Selection of decisions for designation as precedents
- Ethics guidance
- TTAB phone conferencing
- FAQs

The TTAB invites comments and suggestions by email to TTABFeedback@uspto.gov.

3.3.1.4. Proceedings

Ex parte appeals

Each year, TTAB panels decide hundreds of appeals from refusals to register trademarks because they are descriptive, generic, confusingly similar to existing marks, or otherwise ineligible under the Trademark Act. Such refusals to register are initially issued by trademark examining attorneys, whose decisions may be appealed to the TTAB. New ex parte cancellation proceedings are being implemented and appeals of final decisions in those proceedings will also be decided by the TTAB. Decisions of the TTAB may, in turn, be appealed, in some cases, to a United States district court, or the United States Court of Appeals for the Federal Circuit.

Inter partes

The TTAB is also responsible for hearing certain kinds of inter partes proceedings (also called adversarial or trial cases), including oppositions to applications for registration, cancellation proceedings against registered marks, and concurrent use proceedings where a party alleges its mark is entitled to joint registration, based on geographic divisions of territory between the concurrent use applicant and other parties, often registrants.

3.3.1.5. Public systems

- The **Trademark Trial and Appeal Board Center (TTAB Center)** (https://ttabcenter.uspto.gov/) allows users to file notices of opposition and petitions for cancellation, trial evidence, trial briefs, requests for oral hearing, responses to motions and board orders, replies in support of motions and submissions related to correspondence and parties in inter partes proceedings.
- The **Electronic System for Trademark Trial and Appeals (ESTTA)** (https://estta.uspto.gov/) allows users to file new and subsequent requests for extensions of time to oppose, file new ex parte appeals, file responses to motions or orders in an existing ex parte or inter partes proceeding, and legal briefs in ex parte proceedings.
- The **Trademark Trial and Appeal Board Inquiry System (TTABVUE)** (https://ttabvue.uspto.gov/ttabvue/) allows users to obtain current proceeding status and to view proceeding prosecution history entries and most submissions or orders in the proceeding. ESTTA and TTAB Center filers should use TTABVUE to verify online submissions are received and entered into the proceeding record.
- The **TTAB Reading Room** (https://ttab-reading-room.uspto.gov/efoia/efoia-ui/#/search/decisions) allows users to search for final decisions and precedential orders.

3.3.1.6. Filing with the TTAB

Mandatory electronic filing

The TTAB requires electronic filing for all submissions in TTAB proceedings and for requests for extensions of time to oppose. Notices of opposition, petitions for cancellation, trial evidence, trial briefs, requests for oral hearing, responses to motions and board orders, replies in support of motions and submissions related to correspondence and parties in inter partes proceedings must be filed using TTAB Center, TTAB's modernized electronic system. All other filings must be submitted through ESTTA.

If TTAB Center or ESTTA is unavailable due to technical problems, or when extraordinary circumstances are present, customers may use alternative filing methods for most filings. Email or facsimile submissions are not permitted and will not be assigned a filing date.

3.3.1.7. Settlement and alternative methods for dispute resolution

When feasible, settling disputed matters in a TTAB proceeding prior to a final decision is cost-effective for parties and encouraged by the TTAB. Most TTAB trial proceedings settle before a final hearing by a panel of judges. View the alternate dispute resolution and settlements webpage if you are a party to a TTAB proceeding and would like to consider a settlement or alternate resolution to your proceeding.

3.3.1.8. Hearing and decision information

Oral hearings

The TTAB usually conducts oral hearings Tuesdays through Thursdays either virtually or in one of the shared hearing rooms on the Alexandria campus. Oral hearings are usually open to the public. Visit the hearings webpage to view more information about TTAB hearings such as schedules, protocols, and Alexandria campus visiting information.

TTAB receipts and issued decisions

Visit the filing and pendency statistics webpage to view current pendency, inventory, new filing metrics, final decisions issued, processing times, and other statistics updated quarterly.

3.3.1.9. TTAB archives

The following are archives available from the TTAB website:

Alternate resolution options archives
Rules/laws archives
Stakeholder outreach archives
Standard protective order archives
TTAB Manual of Procedure (TBMP) archives

3.3.1.10. Attorney practice

Proceedings before the TTAB are legal proceedings. They are quite technical and highly specialized, involve complex questions of trademark law and procedure, and involve strict rules of practice. It is strongly recommended that any party to a proceeding secure the services of an attorney who is familiar with trademark law and Board practice; and representation by a U.S. attorney is required for any party without a U.S. domicile.

Board personnel are not permitted to provide legal advice to any applicant or party, and they will not give any special consideration to applicants or parties who elect not to retain counsel.

The Trademark Trial and Appeal Board (TTAB) Pro Bono Clearinghouse Program recognizes existing organizations that coordinate free legal services to members of the public in proceedings before the TTAB. These organizations match eligible clients with volunteer member attorneys. Currently, the International Trademark Association (INTA) Pro Bono Clearinghouse is recognized by TTAB. The Law School Clinic Certification Program also provides pro bono representation to individuals and small businesses throughout the country in the prosecution of patent and trademark applications before the USPTO.

3.4. Regulations regarding practice before the USPTO on trademark matters

{This section by EEJ in 2026,}

37 C.F.R. § 11.1 Definitions.

˜Unless otherwise clear from the context, the following definitions apply to this part:˜

Attorney or lawyer means an individual who is an active member in good standing of the bar of the highest court of any State. A non-lawyer means a person who is not an attorney or lawyer.˜

State means any of the 50 states of the United States of America, the District of Columbia, and any Commonwealth or territory of the United States of America.˜

United States means the United States of America, and the territories and possessions the United States of America.

37 C.F.R. § 11.14 Individuals who may practice before the Office in trademark and other non-patent matters.

(a) **Attorneys**. Any individual who is an attorney as defined in § 11.1 may represent others before the Office in trademark and other non-patent matters. An attorney is not required to apply for registration or recognition to practice before the Office in trademark and other non-patent matters. Registration as a patent practitioner does not itself entitle an individual to practice before the Office in trademark matters.

(b) **Non-lawyers**. Individuals who are not attorneys are not recognized to practice before the Office in trademark and other non-patent matters, except that individuals not attorneys who were recognized to practice before the Office in trademark matters under this chapter prior to January 1, 1957, will be recognized as agents to continue practice before the Office in trademark matters.˜

(e) **Appearance**. No individual other than those specified in paragraphs (a), (b), and (c) of this section will be permitted to practice before the Office in trademark matters on behalf of a client. Except as specified in § 2.11(a) of this chapter, any individual may appear in a trademark or other non-patent matter in his or her own behalf or on behalf of:

(1) A firm of which he or she is a member;

(2) A partnership of which he or she is a partner; or

(3) A corporation or association of which he or she is an officer and which he or she is authorized to represent˜

3.5. Case: *In re Jason Jimenez* (Gasper vs. Jasper) (TTAB 2025)

{Edit by EEJ in 2026. Various footnotes have been omitted without indication.}

In re Jason Jimenez

Trademark Trial and Appeal Board
November 5, 2025

This Opinion is a Precedent of the TTAB. UNITED STATES PATENT AND TRADEMARK OFFICE. Mailed: November 5, 2025. Serial No. 97551823. Ashok Tankha of Lipton, Weinberger & Husick, for Jason Jimenez. Jonathon Schlegelmilch, Trademark Examining Attorney, Law Office 108, Kathryn E. Coward, Managing Attorney. Before Lykos, Larkin and Lavache, Administrative Trademark Judges.

Opinion by Lykos, Administrative Trademark Judge:

Jason Jimenez ("Applicant") seeks to register on the Principal Register pursuant to Section 2(f) of the Trademark Act, 15 U.S.C. § 1052(f), the standard character mark GASPER ROOFING (ROOFING disclaimed) for "Roofing consultation; Roofing contracting; Roofing installation; Roofing maintenance; Roofing maintenance services; Roofing repair; Roofing services; Maintenance of roofing; Repair of roofing" in International Class 37.[1]

[1] Application Serial No. 97551823, filed August 17, 2022 under Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a), alleging January 1, 1972 as the date of first use anywhere and in commerce. Applicant claims acquired distinctiveness under Section 2(f) as to the entirety of its mark.

Citations to the prosecution file refer to the USPTO's Trademark Status & Document Retrieval ("TSDR") system in Portable Document Format ("PDF"). Citations to the record also include references to TTABVUE, the Board's online docketing system. *See, e.g., Turdin v. Trilobite, Ltd.*, No. 94002505, 2014 TTAB LEXIS 17, at *6 n.6.

This opinion cites decisions of the U.S. Court of Appeals for the Federal Circuit and the U.S. Court of Customs and Patent Appeals by the pages on which they appear in the Federal Reporter (e.g., F.2d, F.3d, or F.4th). For decisions of the Board, this opinion uses citations to the Lexis legal database as well as the TTABVUE proceeding number, where available. *See* TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (TBMP)

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§ 101.03(a)(2) (2025) for acceptable citation options to TTAB cases.

Applicant appealed the Trademark Examining Attorney's final refusal to register the mark on the grounds that Applicant's mark (1) is primarily merely a surname within the meaning of Section 2(e)(4) of the Trademark Act, 15 U.S.C. § 1052(e)(4); and (2) so resembles the registered standard character mark JASPER CONTRACTORS (CONTRACTORS disclaimed) on the Principal Register for "Roofing services" in International Class 37, that it is likely to cause confusion or mistake or to deceive under Trademark Act Section 2(d), 15 U.S.C. § 1052(d).[2]

[2] Registration No. 3867023, registered October 26, 2010 on the Principal Register; renewed. The Examining Attorney also initially made a third refusal that the original specimen was unacceptable but this refusal was withdrawn.

When he filed his notice of appeal, Applicant requested reconsideration of both refusals, but the Examining Attorney denied Applicant's request and maintained each final refusal.[3] Upon resumption of the appeal, Applicant and the Examining Attorney filed briefs addressing the surname and likelihood of confusion refusals.[4] The Board then sua sponte suspended the appeal and remanded the application to the Examining Attorney for consideration of Applicant's evidence submitted during prosecution in support of his claim of acquired distinctiveness under Trademark Act Section 2(f), 15 U.S.C. § 1052(f), which had not been previously addressed, and the related issue of a disclaimer of the generic wording ROOFING in Applicant's mark.[5] The Examining Attorney accepted Applicant's claim of acquired distinctiveness and disclaimer, thereby obviating the surname refusal.[6]

[4] Applicant's submission with his appeal brief of portions of the prosecution record was superfluous and the Board strongly discourages this practice. *See In re Info. Builders Inc.*, No. 87753964, 2020 TTAB LEXIS 20, at n.4 (attaching previously submitted evidence to an appeal brief is unnecessary and impedes efficient disposition of the appeal by the Board), *appeal dismissed*, No. 20-1979 (Oct. 20, 2020).

[6] 11 TTABVUE. Because Applicant's Section 2(f) claim was not made in the alternative, the claim constituted a concession that Applicant's mark is not inherently distinctive. *Cold War Museum, Inc. v. Cold War Air Museum, Inc.*, 586 F.3d 1352, 1358 (Fed. Cir. 2009) ("where an applicant seeks registration on the basis of Section 2(f), the mark's descriptiveness is a nonissue; an applicant's reliance on Section 2(f) during prosecution presumes that the mark is descriptive").

The Board resumed proceedings. The remaining issue before the Board is the likelihood of confusion refusal. For the reasons explained below, we reverse.

I. Evidentiary Objection

As a preliminary issue, we address an evidentiary objection raised during briefing. Applicant included links to and screenshots of YouTube videos in his brief. The Examining Attorney objects to this evidence on the grounds of untimeliness and improper format.

The objection is sustained. The record in an application should be complete prior to the filing of an appeal. Trademark Rule 2.142(d), 37 C.F.R. § 2.142(d). The hyperlinks and the descriptions of their alleged content on YouTube embedded in Applicant's brief constitute an improper attempt to augment the record. And even if timely, providing only a link and screenshot to a video is insufficient to make its content of record due to the transitory nature of websites. *See In re Change Wind Corp.*, No. 86046590, 2017 TTAB LEXIS 233, at *23 n.8 (providing only a web address or hyperlink is insufficient to make such materials of record); *In re HSB Solomon Assocs. LLC*, No. 77136242, 2012 TTAB LEXIS 79, at *9 (Board will not utilize web address to access site and consider whatever content appears). The hyperlinks to the videos embedded in Applicant's appeal brief, the screenshots themselves, and any arguments associated therewith have been given no consideration.

For future reference, we note that applicants may make video files of record during prosecution by submitting them in one of the formats designated as acceptable by the USPTO, such as .wav, .wmv, .wma, .mp3, .mpg, or .avi format, and in a size not to exceed 30 MB. *See, e.g., In re Fantasia Distrib., Inc.*, No. 86185623, 2016 TTAB LEXIS 471, at *21 n.13

(TEAS accepts multimedia evidence, including video files under 30 MB)~10~.

[10] For more information regarding TMEO's electronic filing system, *see* TMEP § 301.01(a).

The Board will consider videos that are timely and properly made of record during prosecution.~ Applicants should, if possible, file a transcript of the video content to support the request for remand with the Board, and indicate that if and when the remand request is granted and jurisdiction is restored to the examining attorney, the applicant will submit the video file through TMEO's electronic filing system so that it can be uploaded to TSDR.[11] This is another reason why applicants should not wait until after the filing of a notice of appeal to attempt to make video evidence of record.

[11] Alternatively, applicants may mail to the Board an Internet video file in CD or DVD format. Applicants should concurrently file in ESTTA a "placeholder" exhibit page to indicate that the CD or DVD was mailed to the Board to make clear that the evidence is part of the record. *See* TBMP § 106.03. That being said, electronic submissions are preferred.

II. Likelihood of Confusion under Trademark Act Section 2(d)

Section 2(d) of the Trademark Act prohibits the registration of a mark that:

> [c]onsists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods [or services] of the applicant, to cause confusion, or to cause mistake, or to deceive.

15 U.S.C. § 1052(d).

Our determination under Section 2(d) is based on an analysis of all of the probative evidence of record bearing on the likelihood of confusion. *In re E. I. DuPont de Nemours & Co*., 476 F.2d 1357, 1361 (CCPA 1973) ("*DuPont*"), *cited in B&B Hardware, Inc. v. Hargis Indus., Inc*., 575 U.S.

138, 144 (2015)˜. In making our determination, we have considered each *DuPont* factor for which there is evidence and argument.˜

Varying weights may be assigned to each *DuPont* factor depending on the evidence presented. *See Citigroup Inc. v. Cap. City Bank Grp. Inc*., 637 F.3d 1344, 353 (Fed. Cir. 2011). "Each case must be decided on its own facts and the differences are often subtle ones." *Indus. Nucleonics Corp. v. Hinde,* 475 F.2d 1197, 1199 (CCPA 1973). In any likelihood of confusion analysis, two key considerations are the similarities between the marks and the similarities between the services. *See In re i.am.symbolic, LLC*, 866 F.3d 1315, 1322 (Fed. Cir. 2017) (quoting *Herbko Int'l, Inc. v. Kappa Books, Inc*., 308 F.3d 1156, 1164-65 (Fed. Cir. 2002)); *see also Federated Foods, Inc. v. Fort Howard Paper Co*., 544 F.2d 1098, 1103 (CCPA 1976) ("The fundamental inquiry mandated by § 2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks."). These factors, and others, are discussed below.

A. The Services and the Established, Likely-to-Continue Channels of Trade and Classes of Consumers

We commence by comparing the services as identified in the application and cited registration. *See In re Detroit Athletic Co.*, 903 F.3d 1297, 1307 (Fed. Cir. 2018)˜. The sole service identified in the cited registration, "roofing services," is identical to the "roofing services" identified in the application and encompasses each of the specific roofing services listed in the application. *See Sw. Mgmt., Inc. v. Ocinomled, Ltd.,* No. 92080469, 2015 TTAB LEXIS 176, at *60-61 (given broad identification of services, "we must presume that the services encompass all services of the type identified"), *aff'd*, 652 Fed. Appx. 971 (Fed. Cir. 2016); *Info. Builders*, 2020 TTAB LEXIS 20, at *9-11 (finding services legally identical in part where registrant's services encompassed by applicant's services). This *DuPont* factor therefore weighs in favor of finding a likelihood of confusion.

This brings us to the established, likely-to-continue channels of trade and classes of consumers. *DuPont*, 476 F.2d at 1361. Because the services are identical and unrestricted as to trade channels and consumer classes, we must presume that the services travel in the same ordinary trade and distribution channels and will be marketed to the same potential consumers. *See In re Viterra Inc.*, 671 F.3d 1358, 1362 (Fed. Cir. 2012) (even though there was no evidence regarding channels of trade and classes of consumers, the Board was entitled to rely on this legal presumption in determining likelihood of confusion); *In re Yawata Iron & Steel Co.*, 403 F.2d 752, 771 (CCPA 1968) (where there are legally identical goods, the channels of trade and classes of purchasers are considered to be the same). This *DuPont* factor also weighs in favor of finding a likelihood of confusion.

B. The Marks

Keeping in mind that where the services are identical, the degree of similarity between the marks necessary to support a determination that confusion is likely declines, *Bridgestone Ams. Tire Operations, LLC v. Fed. Corp.*, 673 F.3d 1330, 1337 (Fed. Cir. 2012), we now consider the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression. *See Palm Bay Imps. Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 1371 (Fed Cir. 2005) (citing *DuPont*, 476 F.2d at 1361). "Similarity in any one of these elements may be sufficient to find the marks confusingly similar." *In re Inn at St. John's, LLC*, 2018 TTAB LEXIS 170, at *13 (quoting *In re Davia,* No. 85497617, 2014 TTAB LEXIS 214, at *21-24, *aff'd per curiam*, 777 F. App'x 516 (Fed. Cir. 2019); *accord Krim-Ko Corp. v. Coca-Cola Bottling Co.*, 390 F.2d 728, 732 (CCPA 1968) ("It is sufficient if the similarity in either form, spelling or sound alone is likely to cause confusion.") (citation omitted).

"Similarity is not a binary factor but is a matter of degree." *In re St. Helena Hosp.*, 774 F.3d 747, 751 (Fed. Cir. 2014) (quoting *In re Coors Brewing Co.*, 343 F.3d 1340 1344 (Fed. Cir. 2003)). The proper test regarding similarity "is not a side-by-side comparison of the marks, but instead whether the marks are sufficiently similar in terms of their commercial impression such that persons who encounter the marks would be likely to assume a connection between the parties." *Cai v. Diamond Hong, Inc.*, 901 F.3d 1367, 1373 (Fed. Cir. 2018) (quoting *Coach Servs. Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 1368 (Fed. Cir. 2012) (internal quotation marks and citation omitted)). The focus is on the recollection of the average purchaser, who normally retains a general rather than a specific impression of trademarks. *In re St. Julian Wine Co*., No. 87834973, 2020 TTAB LEXIS 196, at *13; *In re Bay State Brewing Co., Inc.,* No. 85826258, 2016 TTAB LEXIS 46, at *9 (citing *Spoons Rests. Inc. v. Morrison Inc*., No. 91079317, 1991 TTAB LEXIS 53, at *18, *aff'd per curiam*, 972 F.2d 1353 (Fed. Cir. 1992)).

Our analysis cannot be predicated on dissecting the marks into their various components; that is, the decision must be based on the entire marks, not just part of the marks. *In re Nat'l Data Corp*., 753 F.2d 1056 (Fed. Cir. 1985). *See also Franklin Mint Corp. v. Master Mfg. Co*., 667 F.2d 1005, 1007 (CCPA 1981) ("It is axiomatic that a mark should not be dissected and considered piecemeal; rather, it must be considered as a whole in determining likelihood of confusion."). "No element of a mark is ignored simply because it is less dominant, or would not have trademark significance if used alone." *In re Electrolyte Labs. Inc*., 929 F.2d 645, 647 (Fed. Cir. 1990) (citing *Spice Islands, Inc. v. Frank Tea & Spice Co*., 505 F.2d 1293 (CCPA 1974)). Nonetheless, there is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature of a mark, provided the ultimate conclusion rests on a consideration of the marks in their entireties. *Detroit Athletic Co*., 903 F.3d at 1305 (quoting *Nat'l Data Corp*., 753 F.2d at 1058); *see also Sabhnani v. Mirage Brands, LLC*, No. 92068086, 2021 TTAB LEXIS 464, at *31.

We now compare Applicant's mark GASPER ROOFING with the cited mark JASPER CONTRACTORS, both in standard characters. The Examining Attorney argues that the marks are similar in sound, appearance, connotation and commercial impression because the first terms, GASPER and JASPER, are dominant and are "nearly identical." The Examining Attorney asserts that the surname GASPER and the term JASPER are phonetic equivalents because GASPER can be pronounced with a hard or soft letter "g" sound. In making this finding, the Examining Attorney relies solely on the line of case law holding that there is no correct pronunciation of a mark, citing cases such as *Viterra*, 671 F.3d at 1367 (comparing XCEED versus X-SEED (stylized) and finding that "substantial evidence supports the Board's determination that any minor differences in the sound of these marks may go undetected by consumers") and *Interlego AG v.*

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Abrams/Gentile Entm't, Inc., No. 91103612, 2002 TTAB LEXIS 200, at *5 (comparing LEGO versus MEGO).

The case law relied on by the Examining Attorney does not require us to find that GASPER and JASPER would be pronounced the same. Generally, the principle that there is no correct pronunciation of a mark applies with greater force when one of the marks involved is a coined mark without a specific meaning. As explained by the U.S. Court of Appeals for the Federal Circuit in *StonCor Grp., Inc. v. Specialty Coatings, Inc.*, 759 F.3d 1327, 1331-32 (Fed. Cir. 2014), "there is no correct pronunciation of a trademark that is not a recognized word."[13] *Accord Chas. Pfizer & Co., Inc. v. R. J. Moran Co*., 1960 TTAB LEXIS 105, at *4 (finding that DIABINESE and DIABLAISE "when spoken are substantially similar in sound" because "there is no correct pronunciation of a mark" where the marks are "coined marks having no specific meaning and no established pronunciation"). In other words, this principle may apply to instances involving an invented term devoid of any known or understood meaning. *See, e.g., Inter Ikea Sys. B.V. v. Akea, LLC*, No. 91196527, 2014 TTAB LEXIS 166, at *18 (finding IKEA and AKEA confusingly similar, where "both marks are coined terms that look alike and sound alike" with "no apparent meaning in any language"); *In re Cresco Mfg. Co.*, 1963 TTAB LEXIS 84, at *2 ("The terms "CRESCO" and "KRESSCO" are phonetically indistinguishable; both terms are obviously derived from their respective corporate names and they are equally arbitrary in nature as applied to the products to which they are applied."). In this case, we find that the lead letters "G" and "J" in the marks would be pronounced differently, and that the entire marks differ in pronunciation, for the reasons discussed below.

[13] In *StonCor Grp.*, the Court found that the Board erred in failing to credit the opposer's testimony that consumers would pronounce "STON" as "stone" in its coined mark STONSHIELD. 759 F.3d at 1331. The Court observed that the prefix in the opposer's mark is neither a word in English nor in any other language. *Id.* at 1332. The Court found that "[w]here a trademark is not a recognized word and the weight of the evidence suggests that potential consumers would pronounce the mark in a particular way, it is error for the Board

> to ignore this evidence entirely and supply its own pronunciation." *Id*.

As explained in Section 1209.01(a) of the TMEP, coined or fanciful marks are

> terms that have been invented for the sole purpose of functioning as a trademark or service mark. Such marks comprise words that are either unknown in the language (e.g., PEPSI, KODAK, and EXXON) or are completely out of common usage (e.g., FLIVVER).

The record demonstrates that neither the word "jasper" nor the surname "Gasper" is a coined term.[14] As a result, and contrary to the Examining Attorney's position, the case law discussed above does not require us to find that these two terms may be pronounced in an identical manner. The Examining Attorney merely speculates and assumes, without evidentiary support, that "jasper" and "Gasper" are pronounced the same. *Cf. StonCor Grp*., 759 F.3d at 1331 (the Board erred in failing to credit the opposer's testimony that consumers would pronounce "STON" as "stone" in its coined mark STONSHIELD). The record in this case establishes that "Gasper" is a surname that begins with the letter strings "G-a-s" and "G-a-s-p," each of which forms the words "gas" and "gasp" that are recognized in U.S. English, and pronounced with a hard letter "g" sound. *See Great Lakes Canning*, No. 365360, 1985 TTAB LEXIS 75 at 4 ("the pronunciation given by dictionaries for "Cana", per se, is a "long first a" pronunciation."). The dictionary entry for "jasper" further shows that it is pronounced as "ˈja-spər" with the soft letter "j" sound and not with the hard letter "g" sound. Therefore, contrary to the Examining Attorney's argument, we find that "Gasper" would be pronounced with a hard letter "g" sound and that "Jasper" would be pronounced with a soft "j" sound, consistent with the rules of pronunciation for U.S. English. We find that "Gasper" and "Jasper" sound different when verbalized.

[14] The record in this appeal establishes that "Gasper" is a recognized surname. *See* June 14, 2024 Office Action at TSDR 7 (negative dictionary evidence from the online U.S. English version of The Oxford Learner's Dictionary) and 11 (U.S. Census Data). *See also* footnote 6, *supra*.

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> We take judicial notice from the online version of THE MERRIAM-WEBSTER DICTIONARY that "jasper" is a recognized word in U.S. English defined as a "an opaque cryptocrystalline quartz of any of several colors especially : green chalcedony." *Merriam-Webster.com Dictionary*, Merriam-Webster, https://www.merriam-webster.com /dictionary/jasper. Accessed October 31, 2025. *See In re Zuma Array Ltd.*, 2022 LEXIS 281 at *15 n.18 (Board took judicial notice of meaning of the word "module"). We take further judicial notice that "Jasper" may also refer to "a city in NW Alabama;" "a resort town in SW Alberta;" or "a male given name"; or slang for "a fellow: guy." Dictionary.com https://www.dictionary.com/browse/jasper. Accessed October 31, 2025.

The additional wording in each mark, ROOFING and CONTRACTORS, albeit disclaimed, further contributes to differences in sound and appearance. To state the obvious, the words "roofing" and "contractors" look and sound completely different.

The presence of the words ROOFING and CONTRACTORS in the respective marks also engenders differences in connotation and commercial impression when the marks are considered in their entireties. Consistent with the Examining Attorney's issuance of a refusal under Trademark Act Section 2(e)(4), the primary connotation and commercial impression of Applicant's mark GASPER ROOFING is that of a surname. The word "jasper" projects the connotation and commercial impression of a semi-precious stone. And even assuming arguendo that JASPER in the cited mark JASPER CONTRACTORS is also perceived as a surname, it is a different surname than GASPER. We find, in sum, that the marks in their entireties are different in appearance, pronunciation, connotation, and overall commercial impression which weighs against a finding of likelihood of confusion.

C. Purchasing Conditions

We now consider '[t]he conditions under which and buyers to whom sales are made, i.e. 'impulse' vs. careful, sophisticated purchasing.'" *DuPont*, 476 F.2d at 1361. A heightened degree of care when making a purchasing decision may tend to minimize likelihood of confusion. *See, e.g., In re N.A.D., Inc.*, 754 F.2d 996, 999-1000 (Fed. Cir. 1985) (because only sophisticated purchasers exercising great care would purchase the relevant goods, there would be no likelihood of confusion merely because of the similarity between the marks NARCO and NARKOMED). Conversely, impulse purchases of inexpensive services may tend to have the opposite effect. *Palm Bay Imps.,* 396 F.3d at 1376.

Neither the application nor cited registration limit the identified roofing services to any particular type or consumer, meaning that they encompass both commercial and residential. Roofing services, by their intrinsic nature, are not impulse purchases but are relatively expensive and would ordinarily be purchased with a relatively high degree of care. *See In re Charger Ventures LLC,* 64 F.4th 1375, 1378-79 (Fed. Cir. 2023) (noting the Board's finding that the identified real estate services are "not average consumer services" and that the purchaser would exercise elevated care due to the nature and cost of real estate services); *Info. Builders*, 2020 TTAB LEXIS 20, at *14 ("[I]n light of the inherent nature of the goods and services involved, some degree of purchasing care may be exercised by Applicant's potential or actual consumers."); *Edwards Lifesciences Corp. v. VigiLanz Corp.*, No. 91154210, 2010 TTAB LEXIS 84, at *51 ("Just based on the products involved in this proceeding [medical monitors], one would expect that all of the purchasers would exercise a high degree of care when making their purchasing decision."). Indeed, Applicant's substitute specimen touts his ability to assist his customers with insurance claims, and Applicant's website invites consumers to schedule a consultation and advertises that Applicant offers financing options.[16] This evidence supports a finding that roofing service purchases may involve multiple steps and may be complex. As a result, even the least sophisticated consumer is likely to exercise an elevated level of care. This *DuPont* factor therefore weighs against a likelihood of confusion.

[16] August 23, 2023 Response to Office Action at TSDR 34 (www.gasperroofing.com accessed on 23 August. 2023).

D. Actual Confusion and Contemporaneous Use

Lastly, we address Applicant's argument that the Examining Attorney's failure to present evidence of instances of actual confusion indicates that Applicant's and Registrant's marks are dissimilar. Applicant's assertions implicate the "nature and extent of any actual confusion," and the "length of time during and conditions under which there has been concurrent use without evidence of actual confusion." *DuPont*, 476 F.2d at 1361. The Examining Attorney is under no obligation to adduce such evidence in an ex parte appeal.

In any event, "[t]he relevant test is likelihood of confusion, not actual confusion." *Detroit Athletic Co*., 903 F.3d at 1309. "[A] showing of actual confusion is not necessary to establish a likelihood of confusion." *Herbko Int'l*, 308 F.3d at 1165 (citing *Giant Food, Inc. v. Nation's Foodservice, Inc*., 710 F.2d 1565, 1571 (Fed. Cir. 1983)); *cf. Sunkist Growers, Inc. v. Intrastate Distrib. Inc.*, 144 F.4th 1376, 1381 (Fed. Cir. 2025). We deem both of these *DuPon*t factors neutral.

E. Weighing the *DuPont* Factors

The final step in analyzing likelihood of confusion is to weigh the *DuPont* factors for which there has been evidence and argument; "explain the results of that weighing;" and discuss "the weight [we] assigned to the relevant factors." *Charger Ventures LLC*, 65 F.4th at 1379. "No mechanical rule determines likelihood of confusion, and each case requires weighing of the facts and circumstances of the particular mark." *In re Mighty Leaf Tea*, 601 F.3d 1342, 1346 (Fed. Cir. 2010). "[T]he weight afforded to each factor depends on the circumstances" and "[a]ny single factor may control a particular case." *Stratus Networks, Inc. v. UBTA-UBET Commc'ns Inc.*, 955 F.3d 994, 998 (Fed. Cir. 2020).

We have carefully considered all of the evidence made of record, as well as all of the arguments related thereto. The services are identical, which weighs heavily in favor of concluding that confusion is likely. Because the services are identical and unrestricted as to trade channels and consumers classes, we can rely on the presumption that the services travel in the same ordinary trade and distribution channels and will be marketed to the same potential consumers which also favors a likelihood of confusion. The marks, however, are different in their entireties, weighing heavily against finding a likelihood of confusion. Because purchasing decisions for the services will likely be made with an elevated degree of care, this *DuPont* factor also weighs against a likelihood of confusion. The remaining factors discussed above are neutral.

We find that the dissimilarity of the marks in sound, appearance, meaning and commercial impression is sufficiently great that, coupled with an elevated level of purchaser care, outweighs the identical nature of the services, trade channels and classes of consumers. We conclude that there is no likelihood of confusion.

Decision: The Section 2(d) refusal is reversed.

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4. Failure to Function as a Trademark

4.1. Prof. Roberts on Failure to Function

"Distinctiveness is the primary protectability hurdle for most trademarks," observes legal scholar Alexandra J. Roberts. But there's another doctrine that has been recently ascendant in trademark law – particularly in practice before the USPTO: *failure to function*:

> "Under the Lanham Act and common law, matter used in commerce is only protectable if it is both distinctive and *used as a mark*. Its success as a mark depends upon how it is used not just semantically, but aesthetically. While courts pay little attention to the latter requirement, and the USPTO applies it somewhat inconsistently, use as a mark plays a crucial role – along with distinctiveness – in predicting whether or not the public will perceive matter as indicating source. To be protectable, a trademark must be not only used in commerce, but used in a trademark way: It must appear where consumers expect a trademark to appear, and it must be sufficiently set off from the surrounding text and images to attract notice. If it isn't, it will fail to function as a trademark to consumers, and thus shouldn't merit protection under federal trademark law."

Roberts, *Trademark Failure to Function*, 104 IOWA L. REV. 1977 (2019).

4.2. Case: *In re Erik Brunetti* ("fuck" failure to function) (Fed Cir. 2025)

{This section by EEJ in 2026}

4.2.1. Advance Notes

Erik Brunetti tried to register the word "fuck" as a trademark for sunglasses, cell phones cases, jewelry, watches, backpacks, wallets, luggage, and other goods, as well as retail services selling such goods. The examining attorney rejected the application, and the Trademark Trial and Appeals Board (TTAB) upheld the refusal on the basis that "fuck" failed to function as a trademark. Brunetti appealed to the Federal Circuit.

On appeal, the Federal Circuit rejected many of Brunetti's arguments but held the TTAB didn't provide a sufficiently clear explanation for its decision, so the court vacated and remanded.

4.2.2. Opinion

Note about editing marks: The superscript tilde ˜ denotes a deletion from the text. It is intended as a less obtrusive means of indicating an ellipsis than three dots or three asterisks.

{Edit by EEJ in 2026. Footnotes and citations to record omitted without indication.}

In Re: Erik Brunetti

United States Court of Appeals for the Federal Circuit
(August 26, 2025)

IN RE: ERIK BRUNETTI, Appellant. 2023-1539. Appeal from the United States Patent and Trademark Office, Trademark Trial and Appeal Board in Nos. 88308426, 88308434, 88308451, 88310900.

DYK, Circuit Judge.

Erik Brunetti appeals a decision of the Trademark Trial and Appeal Board ("Board"). The Board affirmed the examining attorney's refusal to register the word FUCK as a trademark for certain goods and services because it failed to function as a trademark. In re Brunetti, No. 88308426, 2022 WL 3644733 (T.T.A.B. Aug. 22, 2022). We reject many of Mr. Brunetti's arguments but nonetheless conclude that the decision of the Board lacks sufficient clarity, and, accordingly, we vacate and remand for further proceedings.

BACKGROUND

In February 2019, Mr. Brunetti filed four intent-to-use trademark registration applications. He sought registration on the principal register of the standard character mark FUCK (the "proposed mark" or the "applied-for mark") for (1) goods including sunglasses and carrying cases for cell phones, laptops, and glasses; jewelry, watches, and related products; backpacks, wallets, luggage, and other bags; and (2) services including retail store services featuring the aforementioned goods and a wide variety of other consumer goods.

After issuing non-final refusals and receiving responses from Mr. Brunetti,[6] the United States Patent and Trademark Office ("PTO") examining attorney refused the trademark applications on the ground that "the applied-for mark is a slogan or term that does not function as a trademark or service mark to indicate the source of applicant's goods and/or services and to identify and distinguish them from others." The examining attorney refused the applications under the heading "Refusal under Trademark Act Sections 1, 2, 3, and 45—Widely-used Commonplace Wording." *Id.* In relation to the jewelry and related goods application, for example, the examining attorney explained "the applied-for mark is a commonplace term, message, or expression widely used by a variety of sources that merely conveys an ordinary, familiar, well-recognized concept or sentiment." The examining attorney "attached evidence from multiple internet websites and internet based periodicals [to] show[] that the term FUCK is commonly used as a versatile expression that conveys a wide range of emotion, from disdain to joy." The evidence included images of jewelry and other goods with no connection to Mr. Brunetti marketed on websites.

[6] The applications were initially refused on the ground that the proposed mark "[c]onsists of or comprises immoral[] . . . or scandalous matter." 15 U.S.C. § 1052(a). The Supreme Court subsequently held, in a separate case involving Mr. Brunetti,

> that section 1052(a)'s bar on registering immoral or scandalous matter was unconstitutional. *Iancu v. Brunetti*, 588 U.S. 388, 390 (2019). The examining attorney then reexamined the applications, leading to the decisions under review here.

On August 22, 2022, the Board in a precedential opinion affirmed the refusals to register the proposed mark for failure to function as a mark. The Board concluded that "[m]ere commonality[] . . . is not the test" for a failure to function refusal but, instead, the Board "must assess whether Applicant's proposed mark, [FUCK], functions as a mark based on whether the relevant public, i.e. purchasers or potential purchasers of the identified [] goods and [] services . . . would perceive [FUCK] as identifying the source or origin of such goods and services." But the Board explained that "[m]atter may be merely informational and fail to function as a trademark if it is a common term or phrase that consumers of the goods or services identified in the application are accustomed to seeing used by various sources to convey ordinary, familiar, or generally understood concepts or sentiments." "[T]here are designations, including certain widely-used messages, which are inherently incapable of being regarded as source indicators." "Such widely used messages will be understood as merely conveying the ordinary concept or sentiment normally associated with them, rather than serving any source-indicating function."

The Board then considered the ubiquity of the applied-for mark, explaining that "FUCK is no ordinary word, but rather one that has acquired a multitude of recognized meanings . . . , and whose popularity has soared over the years" such that it is "arguably one of the most expressive words in the English language—an 'all-purpose word.'" Next, the Board considered the applied-for mark's use in the marketplace, explaining that "[p]rominent use of an applied-for-mark, as shown in the examples of record, 'is probative in determining whether a term or phrase would be perceived in the marketplace as a trademark or as a widely used message.'" The Board concluded that:

> The record before us establishes that the word FUCK expresses well-recognized familiar sentiments and the relevant consumers are accustomed to seeing it in widespread use, by many different sources, on the kind of goods identified in the [applications at issue]. Consequently, we find that it does not

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> create the commercial impression of a source indicator, and does not function as a trademark to distinguish Applicant's goods and services in commerce and indicate their source.

Accordingly, the Board affirmed the refusals to register.

Mr. Brunetti appealed. We have jurisdiction under 28 U.S.C. § 1295(a)(4)(B).

DISCUSSION

We review the Board's decision in accordance with the standards of the Administrative Procedure Act ("APA"). *Bridgestone/Firestone Rsch., Inc. v. Auto. Club De L'Quest e La France*, 245 F.3d 1359, 1361 (Fed. Cir. 2001) (citing *Dickinson v. Zurko*, 527 U.S. 150, 152 (1999)). We evaluate the Board's legal conclusions de novo. *In re HOTELS.COM, L.P.*, 573 F.3d 1300, 1302 (Fed. Cir. 2009). We uphold the Board's factual findings unless they are arbitrary, capricious, an abuse of discretion, or unsupported by substantial evidence. *Id.* "The [APA] . . . establishes a scheme of 'reasoned decisionmaking,'" which requires that "the process by which [an agency] reaches [a] result must be logical and rational." *Allentown Mack Sales & Serv., Inc. v. NLRB*, 522 U.S. 359, 372 (1998) (quoting *Motor Vehicle Mfrs. Ass'n of United States, Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 52 (1983) ("*State Farm*")).

We reject most of Mr. Brunetti's arguments but conclude that the Board has failed to articulate a satisfactory explanation for its action.

I

We begin by considering Mr. Brunetti's arguments that the Board violated various constitutional rights and that the Supreme Court's decision in *Iancu v. Brunetti*, 588 U.S. 388 (2019), dictates the outcome of this case. We find these arguments unpersuasive.

First, Mr. Brunetti argues that the PTO has violated the First Amendment by engaging in viewpoint discrimination because it has allowed trademark registration of "positive terms," such as FUCK CANCER and LOVE, while refusing registration of "negative terms" or "profanity," such as the applied-for mark. Appellant's Br. 52–53 (citing *Iancu v. Brunetti*, 588 U.S. 388 (2019); *Matal v. Tam*, 582 U.S. 218 (2017)). The Board explained that the focus of a failure-to-function refusal is "whether the relevant consumers perceive [the applied-for mark] as a trademark" and that such a "refusal applies evenhandedly, regardless of any viewpoint expressed." Mr. Brunetti has identified no basis for concluding that the Board's analysis in this case deviated from that viewpoint-neutral principle.

Second, Mr. Brunetti argues that the PTO is retaliating against him for exercising his "right to petition" the courts for redress. Mr. Brunetti appears to be referring to his prior case addressed by the Supreme Court in *Iancu v. Brunetti*, 588 U.S. 388 (2019), where Mr. Brunetti prevailed and the Supreme Court held that the PTO had erred in declining to register the mark FUCT on the ground that it was "immoral or scandalous" within the meaning of 15 U.S.C. § 1052(a). *Brunetti,* 588 U.S. at 390 (holding that section 1052(a) bar to registration of "immoral[ ] or scandalous" trademarks violated the First Amendment). Mr. Brunetti's sole evidence of retaliation is that the refusals in this case came after his Supreme Court victory. We conclude Mr. Brunetti has failed to show the Board's decision in this case is retaliatory.

Third, Mr. Brunetti appears to argue that *Iancu v. Brunetti* dictates the outcome of this case. We disagree. *Iancu v. Brunetti* addressed a different legal issue (the constitutionality of a prohibition on scandalous words) than is present in this case (failure to function as a mark). 588 U.S. at 390. It also addressed a fundamentally different mark (FUCT as compared to FUCK). The applied-for mark in this case is a well-defined and widely used word. FUCT, on the other hand, is not a word at all; it is wordplay on its "phonetic twin[,] . . . 'fucked,'" *In re Brunetti*, 877 F.3d 1330, 1338 (Fed. Cir. 2017), *aff'd sub nom. Iancu v. Brunetti*, 588 U.S. 388 (2019). *Iancu v. Brunetti* thus did not answer the question in this case: whether the Board erred in determining the applied-for mark fails to function as a trademark. Additionally, Mr. Brunetti's successful registration of the FUCT mark, *see* U.S. Trademark Registration No. 6230977 (registered Dec. 29, 2020), does not guarantee him the ability to register a separate and fundamentally different mark.

II

Mr. Brunetti next appears to argue that, in affirming the examining attorney's refusals, the Board improperly created an "entirely novel" failure-

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to-function doctrine "wherein there are some words or phrases that just can never be registered for any goods or services because the terms are allegedly 'too widely-used.'"

A

The registrability of a trademark is governed by the Lanham Act. *See* 15 U.S.C. §§ 1051, 1052. By definition, a "trademark" must indicate a product's source:

> The term "trademark" includes any word, name, symbol, or device, or any combination thereof— (1) used by a person, or (2) which a person has a bona fide intention to use in commerce . . . , to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

15 U.S.C. § 1127. It is thus "a threshold requirement of registrability that [an applied-for] mark 'identify and distinguish' the goods and services of the applicant from those of others, as well as 'indicate the source' of those goods and services." *In re GO & Assocs., LLC*, 90 F.4th 1354, 1356 (Fed. Cir. 2024) (quoting 15 U.S.C. § 1127); *Jack Daniel's Props., Inc. v. VIP Prods. LLC*, 599 U.S. 140, 146 (2023) ("[A] trademark is not a trademark unless it identifies a product's source (this is a Nike) and distinguishes that source from others (not any other sneaker brand).").

To distinguish one producer's goods or services from another's, and thus be a registerable trademark, a proposed mark must be "distinctive," either inherently or through the acquisition of secondary meaning. 1 J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition* § 4:13 (5th ed.) ("McCarthy"). "Distinctiveness is often expressed on an increasing scale: Word marks 'may be (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful.'" *United States Pat. & Trademark Off. v. Booking.com B.V.*, 591 U.S. 549, 553 (2020) (quoting *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992)). "A mark that is, for example, generic or descriptive, fails to function as a source identifier, though descriptive marks can be registered if they have acquired secondary meaning in the perception of consumers." *In re Vox Populi Registry Ltd.*, 25 F.4th 1348, 1351 (Fed. Cir. 2022) (citations omitted).[8]

[8] "To establish secondary meaning, a manufacturer must show that, in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself." *Inwood Lab'ys, Inc. v. Ives Lab'ys, Inc.*, 456 U.S. 844, 851 n.11 (1982). The Supreme Court has explained that a mark that otherwise fails to indicate a source may become sourceidentifying by attaining secondary meaning. *See, e.g.*, *Qualitex*, 514 U.S. at 166 (explaining that a color alone can "distinguish[] a firm's goods and identif[y]" if it develops secondary meaning).

But "the source identifier requirement is broader than just whether a proposed mark is generic or descriptive." *Vox*, 25 F.4th at 1351. The Supreme Court and our court have recognized that a claimed mark that does not serve as a source identifier cannot be registered under the Lanham Act. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162–64 (1995) ("It is the source-distinguishing ability of a mark . . . that permits it to serve the[] basic purposes [of trademark law]."); *GO*, 90 F.4th at 1356 ("If the nature of a proposed mark would not be perceived by consumers as identifying the source of a good or service, it is not registrable."); *Vox*, 25 F.4th at 1350–51 ("[T]he source identifier and descriptiveness inquiries are 'complementary and opposite sides of the same coin to the extent that a mark . . . is "merely descriptive" of the goods.'" (quoting *In re Cooper*, 254 F.2d 611, 613 (CCPA 1958)). It is thus well-established that an applied-for mark that does not serve as a source identifier fails to function as a trademark and should be refused federal trademark registration.

The source-identifier inquiry "typically focuses on how the mark is used in the marketplace and how it is perceived by consumers." *GO*, 90 F.4th at 1356. Whether or not a proposed mark functions as a source identifier is a question of fact that we review for substantial evidence. *Id.* at 1357. At least as an initial matter, the examining attorney bears the burden to establish a prima facie case of failure to function.[9]

[9] The Board explained that "[t]he Examining Attorney is required to establish a reasonable predicate for his position—i.e., a prima facie case—that FUCK is not registrable" and, after the examining attorney made such a showing, Mr. Brunetti was required to rebut it by "com[ing] forth with competent

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evidence that consumers would perceive the proposed mark as a source identifier." Neither party here disputes that the examining attorney had the initial burden to establish a prima facie case of failure to function. Because we conclude the Board erred in assessing the examining attorney's prima facie case, we do not address the correctness of the Board's burden-shifting framework.

B

Mr. Brunetti argues that the Board misconstrued the failure-to-function doctrine in holding that marks cannot be registered if they are "widely-used commonplace terms." Neither the examining attorney nor the Board made such a holding.

The examining attorney explained that the basis for the refusals was that "the applied-for mark [was] a slogan or term that [did] not function as a trademark or service mark to indicate the source of applicant's goods and/or services and to identify and distinguish them from others." The Board's affirmance similarly was based on the applied-for mark's failure to distinguish the goods and services of the user from those of others, i.e., its failure to function as a trademark. The Board made clear that "commonality . . . is not the test" for determining whether an applied-for mark functions as a trademark.

This is correct under our caselaw—the fact that a mark is a commonplace word is itself not a ground for refusing registration. Courts have repeatedly explained that arbitrary or suggestive marks consisting of only a commonplace word or phrase, such as CAMEL for cigarettes, can be inherently distinctive and thus registered on the principal register.[10] *See, e.g.*, *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 209–11 (2000) (noting inherent distinctiveness of "arbitrary" marks such as "Camel" cigarettes). The Board's decision appropriately acknowledged that the "commonality" of a word or phrase alone cannot form the basis of a refusal to register an applied-for mark.

[10] Arbitrary word marks are "words in common linguistic use but which, when used with the goods or services in issue, neither suggest nor describe any ingredient, quality or characteristic of those goods or services," such as "APPLE for computers and

other electronic goods" and "SHELL for gasoline." 1 McCarthy § 11:11. "Marks[] . . . that are '"arbitrary" ("Camel" cigarettes), "fanciful" ("Kodak" film), or "suggestive" ("Tide" laundry detergent)'[] may be placed on the principal trademark register because they are 'inherently distinctive.'" *Booking.com*, 591 U.S. at 553 (quoting *Wal-Mart*, 529 U.S. at 210–11).

Mr. Brunetti also suggests that the Board's decision cannot be sustained under the informational matter doctrine. The Board's failure-to-function analysis in this case is similar to, but not identical to, an informational matter refusal. The Board has held that "[s]logans and other terms that are considered to be merely informational in nature[] . . . are not registrable." *In re Eagle Crest, Inc.*, 96 U.S.P.Q.2d 1227, 2010 WL 3441109, at *2 (T.T.A.B. 2010). But in those cases, the proposed marks conveyed recognized information. In affirming the refusals here, the Board relied on its determination that the applied-for mark "is arguably one of the most expressive words in the English language" and that it is used "to convey a wide[] range of recognized concepts and sentiments." Unlike the proposed marks refused as merely informational matter, the applied-for mark in this case does not convey a single idea or a complete piece of information, nor did the Board analyze it as such.

[11] *See Eagle Crest*, 2010 WL 3441109, at *5 (refusing registration of ONCE A MARINE, ALWAYS A MARINE for clothing because "[t]he primary function of this familiar Marine slogan . . . is[] to express support, admiration, or affiliation with the Marines"); *D.C. One Wholesaler, Inc. v. Chien*, 120 U.S.P.Q.2d 1710, 2016 WL 7010638, at *7 (T.T.A.B. 2016) (refusing registration of I ♥ DC for bags, clothing, and plush toys "[b]ecause the nature of the phrase will be perceived as informational[] and . . . because the ubiquity of the phrase . . . has given it a significance as an expression of enthusiasm"); *In re Volvo Cars of N. Am., Inc.*, 46 U.S.P.Q.2d 1455, 1998 WL 239298, at *5 (T.T.A.B. 1998) (refusing registration of DRIVE SAFELY for cars and car parts because the phrase "would be regarded simply as a familiar safety admonition, particularly when used in connection with automobiles"); Trademark Manual of Examining Procedure (July 2022) § 1202.04(b) (precluding from trademark protection "informational

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matter," such as slogans, terms, and phrases used by the public to convey familiar sentiments, because consumers are unlikely to "perceive the matter as a trademark or service mark for any goods and services").

III

The broad spectrum of marks about which the Board is concerned here is clear enough. The Board focused on the applied-for mark's use as an "all-purpose word." App'x 38–39 (citation omitted); *see also id.* ("FUCK is no ordinary word, but rather one that has acquired a multitude of recognized meanings since its first recorded use[] . . . ."). We refer to such words with many meanings as "all-purpose word marks." We see no error in the Board's fact determination that the record demonstrates the "the ubiquity of the term FUCK as an expression to convey a wide[] range of recognized concepts and sentiments."

But Mr. Brunetti argues that the Board erred by allowing the registration of some all-purpose word marks while inexplicably denying registration of others, including registrations for the word FUCK, without any explanation as to the difference. For example, Mr. Brunetti argues that the PTO has registered other marks consisting only of a ubiquitous word that has a variety of meanings, such as LOVE, and that "all of the 100 most common words in English are registered."; *see also*, *e.g.*, U.S. Trademark Registration No. 2191439 (LOVE in standard characters registered for "fresh fruit and vegetables" on September 22, 1998). In fact, he argues that the applied-for mark, FUCK in standard characters, has been registered by a third party for goods in International Class 28, "[s]now globes; [t]oy snow globes," U.S. Trademark Registration No. 6172195 (registered Oct. 13, 2020), and then by another party for goods in International Class 30, "[g]ummy candies," U.S. Trademark Registration No. 7344225 (registered Apr. 2, 2024), after the Board's decision in this case was published.

On appeal, the PTO does not dispute the existence of these registrations. It admits that "the [PTO] has registered other marks including FUCK or other common words," but argues that our cases have consistently recognized that the PTO need not reconcile all past cases with the case under consideration.

We have recognized that a decision of the Board may not be challenged on the ground that examining attorneys in other cases may have made erroneous rulings. *See, e.g.*, *In re Cordua Rests., Inc.*, 823 F.3d 594, 600 (Fed. Cir. 2016); *In re Nett Designs*, 236 F.3d 1339, 1342 (Fed. Cir. 2001). Understanding the basis and scope of this principle requires some understanding of the structure of PTO trademark examination. In 2022, there were over 700 examining attorneys charged with addressing trademark registration applications. *See* U.S. Patent & Trademark Office, Fiscal Year 2022 Agency Financial Report 20 ("2022 Financial Report"). If the examining attorney issues a final decision refusing registration of the application, appeal is available to the Board, 15 U.S.C. § 1070, which is comprised of administrative trademark judges and certain other high-level PTO officers, *id.* § 1067(b). The Board issues precedential decisions (such as the decision here), which are binding on the Board, and nonprecedential decisions, which are not binding.

Our decisions recognize that, through examiner error, some marks are granted that should not have been granted, making it impossible to require the PTO to assure consistency among all examining attorney decisions. We have explained that "[t]he PTO is required to examine all trademark applications for compliance with each and every eligibility requirement, . . . even if the PTO earlier mistakenly registered a similar or identical mark suffering the same defect." *Cordua*, 823 F.3d at 600; *see also Nett*, 236 F.3d at 1342 ("Even if some prior registrations had some characteristics similar to [the application], the PTO's allowance of such prior registrations does not bind the Board or this court."). To that end, we have explained that "[e]ach application for registration must be considered on its own merits." *In re Merrill Lynch, Pierce, Fenner, & Smith, Inc.*, 828 F.2d 1567, 1569 (Fed. Cir. 1987); *accord Nett*, 236 F.3d at 1342; *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1127 (Fed. Cir. 1985); *In re Loew's Theatres, Inc.*, 769 F.2d 764, 769 (Fed. Cir.1985). This does not mean that the Board need not take account of prevailing practice. The Supreme Court recently in *Booking.com* explained that the PTO must consider its "own past practice" in developing a "comprehensive rule." 591 U.S. at 558.

Nor does this mean that the Board has no obligation to develop coherent and rational rules for the guidance of examining attorneys and the

Board in other proceedings. Like other agencies, the Board "must examine the relevant data and articulate a satisfactory explanation for its action including a 'rational connection between the facts found and the choice made.'" *State Farm*, 463 U.S. at 43 (quoting *Burlington Truck Lines v. United States*, 371 U.S. 156, 168 (1962)).

In addition, to enable us in our role of judicial review, the Board must make "sufficient findings and reasoning to permit meaningful appellate scrutiny"—a requirement that applies with equal force to issues of law and issues of fact. *Gechter v. Davidson*, 116 F.3d 1454, 1458 (Fed. Cir. 1997) (vacating decision of the Board of Patent Appeals and Interferences); *Nazomi Commc'ns, Inc. v. Arm Holdings, PLC*, 403 F.3d 1364, 1371 (Fed. Cir. 2005); *see also Princeton Vanguard, LLC v. Frito-Lay N. Am., Inc.*, 786 F.3d 960, 970 (Fed. Cir. 2015) (explaining that judicial review under the substantial evidence standard "can only take place when the agency explains its decisions with sufficient precision, including the underlying factfindings and the agency's rationale" (quoting *Packard Press, Inc. v. Hewlett–Packard Co.,* 227 F.3d 1352, 1357 (Fed. Cir. 2000))); *SEC v. Chenery Corp.*, 318 U.S. 80, 94 (1943) ("[T]he orderly functioning of the process of review requires that the grounds upon which the administrative agency acted [be] clearly disclosed and adequately sustained."); *Allentown Mack*, 522 U.S. at 374 ("[A]djudication is subject to the requirement of reasoned decisionmaking . . . .").

For all these reasons, the Board must provide rational guidance that is sufficiently explained. *See, e.g.*, *State Farm*, 463 U.S. at 43. That guidance is missing here. The Board consistently dismissed Mr. Brunetti's reliance on other registered marks by explaining that "the cited thirdparty registrations for other single word marks, perceived in a vacuum without any contextual information, are not relevant to our determination of whether FUCK functions as a mark for the applied[-]for goods and services." But the Board did not explain what such contextual information might be. The Board also contemplated that Mr. Brunetti could "come forward with competent evidence that consumers would perceive the proposed mark as a source identifier" to rebut the examining attorney's prima facie showing. Again, the Board did not indicate what that evidence would be. The Board determined that Mr. Brunetti failed to meet a standard, but it did not articulate what that standard would be. In other words, the Board's decision is unclear as to the circumstances under which all-purpose word marks can be registered and which are "inherently incapable of being regarded as [a] source indicator[]."

The Board's reasoning in this case suggests that the Board has concluded that it need not articulate a viable registration standard. The apparent inconsistency of past examining attorneys' decisions with respect to the registration of all-purpose word marks is itself strong evidence of the failure to articulate coherent rules and engage in reasoned decisionmaking.

The Board's reasoning sounds in fact very much as though it has taken an "I know it when I see it" approach to failure-to-function refusals. Such an approach is inconsistent with the Board's mandate to engage in reasoned decisionmaking under the APA. *Pearson v. Shalala*, 164 F.3d 650, 660–61 (D.C. Cir. 1999) (holding invalid FDA's interpretation of regulation where FDA took "I know it when I see it" approach to the term "significant scientific agreement"); *Stanojkova v. Holder*, 645 F.3d 943, 949 (7th Cir. 2011), *as amended* (Aug. 16, 2011) (explaining that "I know it when I see it" approach of the Board of Immigration Appeals resulted in "capricious adjudication"); *see also In re Scheer,* 819 F.3d 1206, 1210 (9th Cir. 2016) ("It is fair to say that the 'I know it when I see it approach' of [a prior precedent] has led to predictably unpredictable results.").[16]

[16] To be sure, our own decisions have provided some limited but incomplete guidance. We have explained that marks containing informational matter may be registerable so long as they are <u>also</u> source-identifying by conveying matter that is associated with a particular source of goods and services. *GO*, 90 F.4th at 1358. In *GO*, we recognized that many "widely used slogans" are valid marks because they serve dual functions, both conveying information and indicating source. *Id.* (providing as examples Donald Trump's MAKE AMERICA GREAT AGAIN, Nike's JUST DO IT, DeBeers' A DIAMOND IS FOREVER, and Verizon's CAN YOU HEAR ME NOW?).

We have also suggested that the stylization of a mark and its placement on marked goods or in advertisements for services may impact its ability to operate as a source identifier. In *Vox*, we explained that "[d]esign or stylization may make an otherwise unregistrable mark registrable if the features 'create an impression on the purchasers separate and apart from the impression made by the words themselves.'" 25 F.4th at 1353 (quoting *Cordua*, 823 F.3d at 606); *see also* 1 McCarthy § 3:4.

We note that in concluding that the examining attorney established a prima facie case that consumers would not perceive the applied-for mark as indicating the source of the applied-for goods and services, the Board relied in part on the fact that the applied-for mark has been used by other entities in the past on commercial listings for goods falling within the claimed categories. As the Board explained, the "record in this case demonstrates that a variety of sources prominently display the term FUCK on a wide range of consumer merchandise and household items, including the kinds of goods identified in [Mr. Brunetti's] Applications . . . ." The Board's reliance on this factor—prior third-party use of the applied-for mark for the applied-for goods or services in the marketplace—was appropriate under our caselaw. *See GO*, 90 F.4th at 1357 (concluding that "the Board properly considered both [the applicant's] uses and third-party uses when assessing how the public would likely perceive the [applied-for] mark"). It was also proper for the Board to consider that Mr. Brunetti could not "appropriate the term exclusively . . . , denying others the ability to use [the applied-for mark] freely."

But the Board's reliance on third-party use does not create a coherent standard. We conclude the Board failed to provide sufficient precision in its rationale for why some commonplace words can serve as a mark, but others, such as FUCK, cannot. The Board's lack of clarity in this regard is especially troubling given the increasing number of failure-to-function refusals in recent years. Without a clearer explanation, we are unable to determine whether substantial evidence supports the Board's determination that the applied-for mark fails to function as a source identifier. Accordingly, remand is required.

CONCLUSION

We have considered Mr. Brunetti's remaining arguments and find them unpersuasive. We vacate the Board's decision and remand for further proceedings consistent with this opinion.

VACATED AND REMANDED

LOURIE, *Circuit Judge*, dissenting.

"[A] trademark is not a trademark unless it . . . tells the public who is responsible for a product." *Jack Daniel's Props., Inc. v. VIP Prods. LLC*, 599 U.S. 140, 146 (2023); *see* 15 U.S.C. § 1127 (a trademark must "indicate the source" of the applicant's goods and "distinguish [the applicant's] goods . . . from those manufactured or sold by others"). Substantial evidence supports a conclusion that the f-word[1] cannot do so for the classes of goods in Brunetti's applications. I therefore respectfully dissent.

[1] Brunetti's applications use the f-word in full. Application Serial Nos. 88308426, 88308434, 88308451, 88310900.

As the record shows, the word is widely used to express an innumerable range of "well-recognized familiar sentiments." *In re Brunetti*, No. 88308426, 2022 WL 3644733, at *21 (T.T.A.B. Aug. 22, 2022) (the word is used generally as an "intensifier to express extremes of emotion, negative and positive (e.g., shock), to note disdain, sadness, confusion, panic, boredom, annoyance, disgust, or pleasure; to insult or offend; and to evoke other emotions") (cleaned up). And the word is frequently used in connection with the classes of goods in Brunetti's applications. *E.g.*, *id.* at *10– 11 (showing the word used on bags, jewelry, cellphone cases, etc.). Because of its ubiquity, consumers cannot specifically associate the word with Brunetti's brand. *See id.* at *21–22.

Brunetti argues that the widely-used words and phrases that the PTO has registered, "love" and "f[] cancer," support his position. But those examples demonstrate why Brunetti's applications were correctly rejected here. "Love," as Brunetti points out, is one of the most common words in the English language. Critically though, "love" does not carry a wide variety of meanings. Rather, it is used to convey primarily one thing—a strong feeling of attachment. "F[] cancer" is similarly limited. By adding the word "cancer," the meaning of the phrase is substantially narrowed to signify a passionate displeasure for the disease. Such words and phrases are not so ubiquitous as to be incapable of acting as a source identifier. This case is different. The f-word is primarily an explicative, expressive of a variety of definitions, or none at all.

The majority well points out shortcomings in the Board's analysis of the failure to function issue. But anyone living in today's society of degraded language can readily tell that the f-word does not indicate the source of the proposed trademarked goods and distinguish them from goods of another. If the Board's overall analysis needs sharpening, this case, which has been pending for most of a decade, surely isn't one in which we need more help from the Board to know the right answer under the law. There will be better cases in which we need more guidance from the Board in order to properly review its decisions.

For the above reasons, I dissent from the majority's decision to vacate a decision that should be affirmed.

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5. Distinctiveness

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(credit/licensing note: MG-TL25-D, *infra*).

5.1. Discussion of distinctiveness

Trademark protection begins with selecting a trademark that is eligible for protection. To be protected a trademark must be distinctive, that is, it must be capable of identifying and distinguishing the product or service in the marketplace. Accordingly, Section 45 of the Lanham Act (15 U.S.C. § 1127) defines a trademark as "any word, name, symbol, or device, or any combination thereof [used] . . . to identify and distinguish [goods or services] from those manufactured or sold by others and to indicate the source of the goods [or services], even if that source is unknown." The *Restatement of Unfair Competition* requires that a mark be "distinctive of a person's goods or services and . . . used in a manner that identifies those goods or services and distinguishes them from the goods or services of others."

Note that neither of these definitions limits a trademark to words. As we will see, trademark rights have been claimed in a range of subject matter, including logos, symbols, product packaging, product design, color, sounds, and expressive works. This reading focuses on trademark protection for words.

What does it mean to be distinctive? Trademark law sees certain marks as *inherently distinctive*. That means that by their very nature, the marks are perceived as performing a trademark function when paired with a product or service. Note that this is an empirical assumption, which may not necessarily be true. If a court treats a mark as inherently distinctive, the mark holder need not show that consumers *actually* treat the word as a trademark.

On the flip side of the coin, some would-be marks are not inherently distinctive but remain eligible for protection. These source identifiers are treated as trademarks only if the trademark holder can establish *secondary meaning*. For protection, the mark holder must show that consumers have come to treat the word or device in question as a trademark. In other words, the primary significance of the word (in context) with the relevant consuming public must be as a source identifier rather as a descriptor of the product. *See, e.g.*, *Kellogg Co. v. Nat'l Biscuit Co.*, 305 U.S. 111, 113 (1938) (when "the primary significance of the term in the minds of the consuming public is not the product but the producer"). As you will see when you read the *Zatarains* case, words that are deemed descriptive of a product are not inherently distinctive for trademark purposes, while arbitrary words are. Thus APPLE computer is an inherently distinctive mark, while TASTY hamburgers is not. But if the consuming public comes to associate TASTY with a particular source of hamburgers, the TASTY mark may be protected. Secondary meaning has its limits. Some words may never be trademarked regardless of what consumers think. Generic marks, words that are descriptive of product *categories*, are ineligible for protection regardless of secondary meaning. APPLE cannot be a trademark for a brand of apple.

The distinction between distinctive and non-distinctive marks also applies to trademark registration. Section 2 of the Lanham Act, 15 U.S.C. § 1052, makes this distinction and gives some clues on ways to establish secondary meaning. It provides that:

> . . . . Except as expressly excluded in subsections (a), (b), (c), (d), (e)(3), and (e)(5) of this section, nothing herein shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Director may accept as prima facie evidence that the mark has become distinctive, as used on or in connection with the applicant's goods in commerce, proof of substantially

> exclusive and continuous use thereof as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made.

A well-known classification case follows:

5.2. Case: *Zatarains v. Oak Grove Smokehouse* (Fish-Fri, Chick-Fri) (5th Cir. 1983)

Zatarains, Inc. v. Oak Grove Smokehouse, Inc.

698 F.2d 786 (5th Cir. 1983)

GOLDBERG, Circuit Judge:

This appeal of a trademark dispute presents us with a menu of edible delights sure to tempt connoisseurs of fish and fowl alike. At issue is the alleged infringement of two trademarks, “Fish-Fri” and “Chick-Fri,” held by appellant Zatarain’s, Inc. (“Zatarain’s”). The district court held that the alleged infringers had a “fair use” defense to any asserted infringement of the term “Fish-Fri” and that the registration of the term “Chick-Fri” should be cancelled. We affirm.

I. FACTS AND PROCEEDINGS BELOW

A. THE TALE OF THE TOWN FRIER

Zatarain’s is the manufacturer and distributor of a line of over one hundred food products. Two of these products, “Fish-Fri” and “Chick-Fri,” are coatings or batter mixes used to fry foods. These marks serve as the entreè in the present litigation.

Zatarain’s “Fish-Fri” consists of 100% corn flour and is used to fry fish and other seafood. “Fish-Fri” is packaged in rectangular cardboard boxes containing twelve or twenty-four ounces of coating mix. The legend “Wonderful FISH-FRI ®” is displayed prominently on the front panel, along with the block Z used to identify all Zatarain’s products. The term “Fish-Fri” has been used by Zatarain’s or its predecessor since 1950 and has been registered as a trademark since 1962.

Zatarain’s “Chick-Fri” is a seasoned corn flour batter mix used for frying chicken and other foods. The “Chick-Fri” package, which is very similar to that used for "Fish-Fri," is a rectangular cardboard container labelled "Wonderful CHICK-FRI." Zatarain's began to use the term "Chick-Fri" in 1968 and registered the term as a trademark in 1976.

Zatarain's products are not alone in the marketplace. At least four other companies market coatings for fried foods that are denominated "fish fry" or "chicken fry." Two of these competing companies are the appellees here, and therein hangs this fish tale.

Appellee Oak Grove Smokehouse, Inc. ("Oak Grove") began marketing a "fish fry" and a "chicken fry" in March 1979. Both products are packaged in clear glassine packets that contain a quantity of coating mix sufficient to fry enough food for one meal. The packets are labelled with Oak Grove's name and emblem, along with the words "FISH FRY" OR "CHICKEN FRY." Oak Grove's "FISH FRY" has a corn flour base seasoned with various spices; Oak Grove's "CHICKEN FRY" is a seasoned coating with a wheat flour base.

Appellee Visko's Fish Fry, Inc. ("Visko's") entered the batter mix market in March 1980 with its "fish fry." Visko's product is packed in a cylindrical eighteen-ounce container with a resealable plastic lid. The words "Visko's FISH FRY" appear on the label along with a photograph of a platter of fried fish. Visko's coating mix contains corn flour and added spices.

Other food manufacturing concerns also market coating mixes. Boochelle's Spice Co. ("Boochelle's"), originally a defendant in this lawsuit, at one time manufactured a seasoned "FISH FRY" packaged in twelve-ounce vinyl plastic packets. Pursuant to a settlement between Boochelle's and Zatarain's, Boochelle's product is now labelled "FISH AND VEGETABLE FRY." Another batter mix, "YOGI Brand ® OYSTER SHRIMP and FISH FRY," is also available. Arnaud Coffee Corporation ("Arnaud") has manufactured and marketed "YOGI Brand" for ten to twenty years, but was never made a party to this litigation. A product called "Golden Dipt Old South Fish Fry" has recently entered the market as well.

B. OUT OF THE FRYING PAN, INTO THE FIRE

Zatarain's first claimed foul play in its original complaint filed against Oak Grove on June 19, 1979, in the United States District Court for the Eastern District of Louisiana. The complaint alleged trademark infringement and unfair competition under the Lanham Act §§ 32(1), 43(a), 15 U.S.C. §§ 1114(1), 1125(a) (1976), and La.Rev.Stat.Ann. § 51:1405(A) (West

Supp.1982). Zatarain's later amended its complaint to add Boochelle's and Visko's as defendants. Boochelle's and Zatarain's ultimately resolved their dispute, and Boochelle's was dismissed from the suit. The remaining defendants, Oak Grove and Visko's, filed counterclaims against Zatarain's under the Sherman Act § 2, 15 U.S.C. § 2 (1976); the Clayton Act § 4, 15 U.S.C. § 15 (1976); La.Rev.Stat.Ann. § 51:1401 (West Supp.1982); the Fair Packaging and Labeling Act, 15 U.S.C. §§ 1451-1461 (1976); and the Food, Drug, and Cosmetic Act § 403, 21 U.S.C. § 343 (1976). The defendants also counterclaimed for cancellation of the trademarks "Fish-Fri" and "Chick-Fri" under section 37 of the Lanham Act, 15 U.S.C. § 1119 (1976), and for damages under section 38 of the Lanham Act, 15 U.S.C. § 1120 (1976).

The case was tried to the court without a jury. Treating the trademark claims first, the district court classified the term "Fish-Fri" as a descriptive term identifying a function of the product being sold. The court found further that the term "Fish-Fri" had acquired a secondary meaning in the New Orleans geographical area and therefore was entitled to trademark protection, but concluded that the defendants were entitled to fair use of the term "fish fry" to describe characteristics of their goods. Accordingly, the court held that Oak Grove and Visko's had not infringed Zatarain's trademark "Fish-Fri."

With respect to the alleged infringement of the term "Chick-Fri," the court found that "Chick-Fri" was a descriptive term that had not acquired a secondary meaning in the minds of consumers. Consequently, the court held that Zatarain's claim for infringement of its trademark "Chick-Fri" failed and ordered that the trademark registration of "Chick-Fri" should be cancelled.

Turning to Zatarain's unfair competition claims, the court observed that the evidence showed no likelihood of or actual confusion on the part of the buying public. Additionally, the court noted that the dissimilarities in trade dress of Zatarain's, Oak Grove's, and Visko's products diminished any possibility of buyer confusion. For these reasons, the court found no violations of federal or state unfair competition laws.

Finally, the court addressed the counterclaims asserted by Oak Grove and Visko's. Because no evidence was introduced to support the defendants' allegations of monopolistic behavior, fraud, and bad faith on the part of Zatarain's, the court dismissed the federal and state antitrust and unfair trade practices counterclaims. The court also dismissed the counterclaim based on

Zatarain's allegedly improper product identity labelling. Both sides now appeal to this court.

II. ISSUES ON APPEAL

The district court found that Zatarain's trademark "Fish-Fri" was a descriptive term with an established secondary meaning, but held that Oak Grove and Visko's had a "fair use" defense to their asserted infringement of the mark. The court further found that Zatarain's trademark "Chick-Fri" was a descriptive term that lacked secondary meaning, and accordingly ordered the trademark registration cancelled. Additionally, the court concluded that Zatarain's had produced no evidence in support of its claims of unfair competition on the part of Oak Grove and Visko's. Finally, the court dismissed Oak Grove's and Visko's counterclaims for antitrust violations, unfair trade practices, misbranding of food products, and miscellaneous damages.

Battered, but not fried, Zatarain's appeals from the adverse judgment on several grounds. First, Zatarain's argues that its trademark "Fish-Fri" is a suggestive term and therefore not subject to the "fair use" defense. Second, Zatarain's asserts that even if the "fair use" defense is applicable in this case, appellees cannot invoke the doctrine because their use of Zatarain's trademarks is not a good faith attempt to describe their products. Third, Zatarain's urges that the district court erred in cancelling the trademark registration for the term "Chick-Fri" because Zatarain's presented sufficient evidence to establish a secondary meaning for the term. For these reasons, Zatarain's argues that the district court should be reversed. . . .

III. THE TRADEMARK CLAIMS

A. BASIC PRINCIPLES

1. Classifications of Marks

The threshold issue in any action for trademark infringement is whether the word or phrase is initially registerable or protectable. Courts and commentators have traditionally divided potential trademarks into four categories. A potential trademark may be classified as (1) generic, (2) descriptive, (3) suggestive, or (4) arbitrary or fanciful. These categories, like the tones in a spectrum, tend to blur at the edges and merge together. The labels are more advisory than definitional, more like guidelines than pigeonholes. Not surprisingly, they are somewhat difficult to articulate and to apply.

A *generic* term is "the name of a particular genus or class of which an individual article or service is but a member." A generic term connotes the "basic nature of articles or services" rather than the more individualized characteristics of a particular product. Generic terms can never attain trademark protection. Furthermore, if at any time a registered trademark becomes generic as to a particular product or service, the mark's registration is subject to cancellation. Lanham Act § 14, 15 U.S.C. § 1064(c) (1976). Such terms as aspirin and cellophane have been held generic and therefore unprotectable as trademarks. *See Bayer Co. v. United Drug Co.,* 272 F. 505 (S.D.N.Y.1921) (aspirin); *DuPont Cellophane Co. v. Waxed Products Co.,* 85 F.2d 75 (2d Cir.1936) (cellophane).

A *descriptive* term "identifies a characteristic or quality of an article or service," such as its color, odor, function, dimensions, or ingredients. Descriptive terms ordinarily are not protectable as trademarks, Lanham Act § 2(e)(1), 15 U.S.C. § 1052(e)(1) (1976); they may become valid marks, however, by acquiring a secondary meaning in the minds of the consuming public. *See id.* § 2(f), 15 U.S.C. § 1052(f). Examples of descriptive marks would include "Alo" with reference to products containing gel of the aloe vera plant and "Vision Center" in reference to a business offering optical goods and services. As this court has often noted, the distinction between descriptive and generic terms is one of degree. The distinction has important practical consequences, however; while a descriptive term may be elevated to trademark status with proof of secondary meaning, a generic term may never achieve trademark protection.

A *suggestive* term suggests, rather than describes, some particular characteristic of the goods or services to which it applies and requires the consumer to exercise the imagination in order to draw a conclusion as to the nature of the goods and services. A suggestive mark is protected without the necessity for proof of secondary meaning. The term "Coppertone" has been held suggestive in regard to sun tanning products.

Arbitrary or *fanciful* terms bear no relationship to the products or services to which they are applied. Like suggestive terms, arbitrary and fanciful marks are protectable without proof of secondary meaning. The term "Kodak" is properly classified as a fanciful term for photographic supplies; "Ivory" is an arbitrary term as applied to soap.

2. Secondary Meaning

As noted earlier, descriptive terms are ordinarily not protectable as trademarks. They may be protected, however, if they have acquired a secondary meaning for the consuming public. The concept of secondary meaning recognizes that words with an ordinary and primary meaning of their own "may by long use with a particular product, come to be known by the public as specifically designating that product." In order to establish a secondary meaning for a term, a plaintiff "must show that the primary significance of the term in the minds of the consuming public is not the product but the producer." The burden of proof to establish secondary meaning rests at all times with the plaintiff; this burden is not an easy one to satisfy, for " '[a] high degree of proof is necessary to establish secondary meaning for a descriptive term.' " *Vision Center,* 596 F.2d at 118 (quoting 3 R. Callman, *supra,* § 77.3, at 359). Proof of secondary meaning is an issue only with respect to descriptive marks; suggestive and arbitrary or fanciful marks are automatically protected upon registration, and generic terms are unprotectible even if they have acquired secondary meaning.

3. The "Fair Use" Defense

Even when a descriptive term has acquired a secondary meaning sufficient to warrant trademark protection, others may be entitled to use the mark without incurring liability for trademark infringement. When the allegedly infringing term is "used fairly and in good faith only to describe to users the goods or services of [a] party, or their geographic origin," Lanham Act § 33(b)(4), 15 U.S.C. § 1115(b)(4) (1976), a defendant in a trademark infringement action may assert the "fair use" defense. The defense is available only in actions involving descriptive terms and only when the term is used in its descriptive sense rather than its trademark sense. In essence, the fair use defense prevents a trademark registrant from appropriating a descriptive term for its own use to the exclusion of others, who may be prevented thereby from accurately describing their own goods. The holder of a protectable descriptive mark has no legal claim to an exclusive right in the primary, descriptive meaning of the term; consequently, anyone is free to use the term in its primary, descriptive sense so long as such use does not lead to customer confusion as to the source of the goods or services. *See* 1 J. McCarthy, *Trademarks and Unfair Competition* § 11.17, at 379 (1973). . . .

B. "FISH-FRI"[3]

[3] We note at the outset that Zatarain's use of the phonetic equivalent of the words "fish fry"—that is, misspelling it—does not render the mark protectable.

1. Classification

Throughout this litigation, Zatarain's has maintained that the term "Fish-Fri" is a suggestive mark automatically protected from infringing uses by virtue of its registration in 1962. Oak Grove and Visko's assert that "fish fry" is a generic term identifying a class of foodstuffs used to fry fish; alternatively, Oak Grove and Visko's argue that "fish fry" is merely descriptive of the characteristics of the product. The district court found that "Fish-Fri" was a descriptive term identifying a function of the product being sold. Having reviewed this finding under the appropriate "clearly erroneous" standard, we affirm.

We are mindful that "[t]he concept of descriptiveness must be construed rather broadly." 3 R. Callman, *supra,* § 70.2. Whenever a word or phrase conveys an immediate idea of the qualities, characteristics, effect, purpose, or ingredients of a product or service, it is classified as descriptive and cannot be claimed as an exclusive trademark. *Id.* § 71.1. Courts and commentators have formulated a number of tests to be used in classifying a mark as descriptive.

A suitable starting place is the dictionary, for "[t]he dictionary definition of the word is an appropriate and relevant indication 'of the ordinary significance and meaning of words' to the public." *Webster's Third New International Dictionary* 858 (1966) lists the following definitions for the term "fish fry": "1. a picnic at which fish are caught, fried, and eaten; .... 2. fried fish." Thus, the basic dictionary definitions of the term refer to the preparation and consumption of fried fish. This is at least preliminary evidence that the term "Fish-Fri" is descriptive of Zatarain's product in the sense that the words naturally direct attention to the purpose or function of the product.

The "imagination test" is a second standard used by the courts to identify descriptive terms. This test seeks to measure the relationship between the actual words of the mark and the product to which they are applied. If a term "requires imagination, thought and perception to reach a conclusion as to the nature of goods," it is considered a suggestive term. Alternatively, a term is descriptive if standing alone it conveys information as to the characteristics of the product. In this case, mere observation compels the conclusion that a product branded "Fish-Fri" is a prepackaged coating or batter mix applied to fish prior to cooking. The connection between this merchandise and its identifying terminology is so close and direct that even a consumer unfamiliar with the product would doubtless have an idea of its purpose or function. It simply does not require an exercise of the imagination to deduce that "Fish-Fri" is used to fry fish. Accordingly, the term "Fish-Fri" must be considered descriptive when examined under the "imagination test."

A third test used by courts and commentators to classify descriptive marks is "whether competitors would be likely to need the terms used in the trademark in describing their products." A descriptive term generally relates so closely and directly to a product or service that other merchants marketing similar goods would find the term useful in identifying their own goods. Common sense indicates that in this case merchants other than Zatarain's might find the term "fish fry" useful in describing their own particular batter mixes. While Zatarain's has argued strenuously that Visko's and Oak Grove could have chosen from dozens of other possible terms in naming their coating mix, we find this position to be without merit. As this court has held, the fact that a term is not the only or even the most common name for a product is not determinative, for there is no legal foundation that a product can be described in only one fashion. There are many edible fish in the sea, and as many ways to prepare them as there are varieties to be prepared. Even piscatorial gastronomes would agree, however, that frying is a form of preparation accepted virtually around the world, at restaurants starred and unstarred. The paucity of synonyms for the words "fish" and "fry" suggests that a merchant whose batter mix is specially spiced for frying fish is likely to find "fish fry" a useful term for describing his product.

A final barometer of the descriptiveness of a particular term examines the extent to which a term actually has been used by others marketing a similar service or product. This final test is closely related to the question whether competitors are likely to find a mark useful in describing their products. As noted above, a number of companies other than Zatarain's have chosen the word combination "fish fry" to identify their batter mixes. Arnaud's product, "Oyster Shrimp and Fish Fry," has been in competition with Zatarain's "Fish-Fri" for some ten to twenty years. When companies from A to Z, from Arnaud to Zatarain's, select the same term to describe their similar products, the term in question is most likely a descriptive one.

The correct categorization of a given term is a factual issue; consequently, we review the district court's findings under the "clearly erroneous" standard of Fed.R.Civ.P. 52. The district court in this case found that Zatarain's trademark "Fish-Fri" was descriptive of the function of the product being sold. Having applied the four prevailing tests of descriptiveness to the term "Fish-Fri," we are convinced that the district court's judgment in this matter is not only not clearly erroneous, but clearly correct.[4]

[4] Oak Grove and Visko's argue in a conclusory manner that the term "fish fry" is a generic name for the class of substances used to coat fish prior to frying. We are unable to agree. No evidence in the record indicates that the term "fish fry" is the common, recognized name for *any* class of foodstuffs. The district court specifically rejected the contention that the term "Fish-Fri" was generic. This finding was not clearly erroneous and must be affirmed.

Zatarain's urges that its "Fish-Fri" mark is suggestive rather than descriptive, and our lengthy discussion in text addresses this contention fully. We pause here, however, to speak to Zatarain's argument that certain survey evidence introduced at trial proves the suggestive nature of the term "Fish-Fri." Just as the compleat angler exaggerates his favorite fish story, so Zatarain's overstates the results of its consumer survey. We consider the survey unpersuasive on the issue of suggestiveness for several reasons.

First, the survey was not intended to investigate the term's descriptiveness or suggestiveness. Rather, as expert witness Allen Rosenzweig testified, the survey was designed to explore two completely different issues: likelihood of confusion in the marketplace and secondary meaning. Furthermore, the district court prohibited Rosenzweig's testimony as to whether the survey data showed Zatarain's term to be suggestive or descriptive.

Second, a glance at the survey itself convinces us that, regardless of its purpose, the questions were not framed in a manner adequate to classify the mark properly. Respondents were asked the following questions: "2. If you planned to fry fish tonight, what would you buy at the grocery to use as a coating? 3. Are you familiar with any product on the market that is especially made for frying fish?" If these questions were to test the associational link between the mark “Fish-Fri” and Zatarain’s product, they should have been devoid of such broad hints as the place of purchase (“grocery”), the nature of the product (“coating”), and the purpose or function of the product (“to fry fish”). Furthermore, we caution that survey samples such as these-100 women in each of four randomly selected cities-may not be adequate in size to prove much of anything.

Survey evidence is often critically important in the field of trademark law. We heartily embrace its use, so long as the survey design is relevant to the legal issues, open-ended in its construction, and neutral in its administration. Given the admitted purposes of this survey and its obvious design limitations, it is rather disingenuous of Zatarain’s to assert that the survey provided conclusive evidence of suggestiveness. We therefore reject Zatarain’s contention in this regard.

Finally, Zatarain’s urges that it is entitled to a legal presumption of suggestiveness by virtue of its federal registration of the term “Fish-Fri.” The Lanham Act provides that:

> [Registration] shall be prima facie evidence of registrant’s exclusive right to use the registered mark in commerce on the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude an opposing party from proving any legal or equitable defense or defect which might have been asserted if such mark had not been registered.

Lanham Act § 33(a), 15 U.S.C. § 1115(a) (1976). *See also id.* § 7(b), 15 U.S.C. § 1057(b). This statutory presumption can be rebutted by establishing the generic or descriptive nature of the mark.

Zatarain’s maintains that Oak Grove and Visko’s failed to show that the term “Fish-Fri” is a descriptive one. We cannot agree. As our discussion in text indicates, ample evidence supports the appellees’ contention that “Fish-Fri” is descriptive of a coating used to fry fish. This evidence is sufficient to rebut the presumption that the term is suggestive rather than descriptive

2. Secondary Meaning

Descriptive terms are not protectable by trademark absent a showing of secondary meaning in the minds of the consuming public. To prevail in its trademark infringement action, therefore, Zatarain's must prove that its mark "Fish-Fri" has acquired a secondary meaning and thus warrants trademark protection. The district court found that Zatarain's evidence established a secondary meaning for the term "Fish-Fri" in the New Orleans area. We affirm.

The existence of secondary meaning presents a question for the trier of fact, and a district court's finding on the issue will not be disturbed unless clearly erroneous. The burden of proof rests with the party seeking to establish legal protection for the mark—the plaintiff in an infringement suit. The evidentiary burden necessary to establish secondary meaning for a descriptive term is substantial.

In assessing a claim of secondary meaning, the major inquiry is the consumer's attitude toward the mark. The mark must denote to the consumer "a single thing coming from a single source," to support a finding of secondary meaning. Both direct and circumstantial evidence may be relevant and persuasive on the issue.

Factors such as amount and manner of advertising, volume of sales, and length and manner of use may serve as circumstantial evidence relevant to the issue of secondary meaning. While none of these factors alone will prove secondary meaning, in combination they may establish the necessary link in the minds of consumers between a product and its source. It must be remembered, however, that "the question is not the *extent* of the promotional efforts, but their *effectiveness* in altering the meaning of [the term] to the consuming public."

Since 1950, Zatarain's and its predecessor have continuously used the term "Fish-Fri" to identify this particular batter mix. Through the expenditure of over $400,000 for advertising during the period from 1976 through 1981, Zatarain's has promoted its name and its product to the buying public. Sales of twelve-ounce boxes of "Fish-Fri" increased from 37,265 cases in 1969 to 59,439 cases in 1979. From 1964 through 1979, Zatarain's sold a total of 916,385 cases of "Fish-Fri." The district court considered this circumstantial evidence of secondary meaning to weigh heavily in Zatarain's favor. Record on Appeal, Vol. I at 273.

In addition to these circumstantial factors, Zatarain's introduced at trial two surveys conducted by its expert witness, Allen Rosenzweig. In one survey, telephone interviewers questioned 100 women in the New Orleans area who fry fish or other seafood three or more times per month. Of the women surveyed, twenty-three percent specified *Zatarain's* "Fish-Fri" as a product they "would buy at the grocery to use as a coating" or a "product on the market that is especially made for frying fish." In a similar survey conducted in person at a New Orleans area mall, twenty-eight of the 100 respondents answered "*Zatarain's* 'Fish-Fri' " to the same questions.[8]

> [8] The telephone survey also included this question: "When you mentioned 'fish fry,' did you have a specific product in mind or did you use that term to mean any kind of coating used to fry fish?" To this inartfully worded question, 77% of the New Orleans respondents answered "specific product" and 23% answered "any kind of coating." Unfortunately, Rosenzweig did not ask the logical follow-up question that seemingly would have ended the inquiry conclusively: "Who makes the specific product you have in mind?" Had he but done so, our task would have been much simpler.

The authorities are in agreement that survey evidence is the most direct and persuasive way of establishing secondary meaning. The district court believed that the survey evidence produced by Zatarain's, when coupled with the circumstantial evidence of advertising and usage, tipped the scales in favor of a finding of secondary meaning. Were we considering the question of secondary meaning *de novo,* we might reach a different conclusion than did the district court, for the issue is close. Mindful, however, that there is evidence in the record to support the finding below, we cannot say that the district court's conclusion was clearly erroneous. Accordingly, the finding of secondary meaning in the New Orleans area for Zatarain's descriptive term "Fish-Fri" must be affirmed.

3. The "Fair Use" Defense

[The court concluded that the defendant's use of the term "Fish-Fri" was a "fair use" for purposes of trademark law and did not create liability.]

C. "CHICK-FRI"

1. Classification

Most of what has been said about "Fish-Fri" applies with equal force to Zatarain's other culinary concoction, "Chick-Fri." "Chick-Fri" is at least as descriptive of the act of frying chicken as "Fish-Fri" is descriptive of frying fish. It takes no effort of the imagination to associate the term "Chick-Fri" with Southern fried chicken. Other merchants are likely to want to use the words "chicken fry" to describe similar products, and others have in fact done so. Sufficient evidence exists to support the district court's finding that "Chick-Fri" is a descriptive term; accordingly, we affirm.

2. Secondary Meaning

The district court concluded that Zatarain's had failed to establish a secondary meaning for the term "Chick-Fri." We affirm this finding. The mark "Chick-Fri" has been in use only since 1968; it was registered even more recently, in 1976. In sharp contrast to its promotions with regard to "Fish-Fri," Zatarain's advertising expenditures for "Chick-Fri" were mere chickenfeed; in fact, Zatarain's conducted no direct advertising campaign to publicize the product. Thus the circumstantial evidence presented in support of a secondary meaning for the term "Chick-Fri" was paltry.

Allen Rosenzweig's survey evidence regarding a secondary meaning for "Chick-Fri" also "lays an egg." The initial survey question was a "qualifier:" "Approximately how many times in an average month do you, yourself, fry *fish or other seafood*?" Only if respondents replied "three or more times a month" were they asked to continue the survey. This qualifier, which may have been perfectly adequate for purposes of the "Fish-Fri" questions, seems highly unlikely to provide an adequate sample of potential consumers of "Chick-Fri." This survey provides us with nothing more than some data regarding fish friers' perceptions about products used for frying chicken. As such, it is entitled to little evidentiary weight.[10]

[10] Even were we to accept the results of the survey as relevant, the result would not change. In the New Orleans area, only 11 of the 100 respondents in the telephone survey named "Chick-Fri," "chicken fry," or "Zatarain's 'Chick-Fri' "as a product used as a coating for frying chicken. Rosenzweig himself testified that this number was inconclusive for sampling purposes. Thus the

> survey evidence cannot be said to establish a secondary meaning for the term “Chick-Fri.”

It is well settled that Zatarain’s, the original plaintiff in this trademark infringement action, has the burden of proof to establish secondary meaning for its term. This it has failed to do. The district court’s finding that the term “Chick-Fri” lacks secondary meaning is affirmed.

3. Cancellation

Having concluded that the district court was correct in its determination that Zatarain’s mark “Chick-Fri” is a descriptive term lacking in secondary meaning, we turn to the issue of cancellation. The district court, invoking the courts’ power over trademark registration as provided by section 37 of the Lanham Act, 15 U.S.C. § 1119 (1976), ordered that the registration of the term “Chick-Fri” should be cancelled. The district court’s action was perfectly appropriate in light of its findings that “Chick-Fri” is a descriptive term without secondary meaning. We affirm . . . .

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5.3. Notes

5.3.1. The Abercrombie spectrum

The Abercrombie *spectrum.* The spectrum of distinctiveness is sometimes referred to as the *Abercrombie* spectrum after *Abercrombie & Fitch Co. v. Hunting World, Inc.,* 537 F.2d 4 (2d Cir. 1976), which set out the points on the spectrum in an opinion by Judge Henry Friendly. *Id.* at 9.

Questioning fanciful marks. Ever use a SWIFFER mop? The word “swiffer” is invented, but is it really fanciful? Jake Linford notes that a “nonsense word like Swiffer may lack a dictionary definition, but the component sounds in the word communicate speed and ease of use, independent of whether the word resembles other known words.” Jake Linford, *Are Trademarks Ever Fanciful?*, 105 Geo. L.J. 731, 734 (2017).˜

Does this call into question the treatment trademark law gives to fanciful marks?

5.3.2. Irresistible marks

Irresistible marks. It's easy to come up with an inherently distinctive term, isn't it? Why then do trademark holders insist on adopting descriptive marks? Judge Learned Hand mused,

> I have always been at a loss to know why so many marks are adopted which have an aura, or more, of description about them. With the whole field of possible coinage before them, it is strange that merchants insist upon adopting marks that are so nearly descriptive. Probably they wish to interject into the name of their goods some intimation of excellence, and are willing to incur the risk.

Franklin Knitting Mills, Inc. v. Fashionit Sweater Mills, Inc., 297 F. 247 (S.D.N.Y. 1923), *aff'd*, 4 F.2d 1018 (2d Cir. 1925). The temptation to advertise while branding is a strong one. Is such advertising just about claiming a feature? Or something more?

5.3.3. Context matters

Context matters. Note that a mark's classification depends on the product, so in *Abercrombie & Fitch Co. v. Hunting World, Inc.* the Second Circuit found that the mark SAFARI was generic for certain types of clothing, including a broad flat-brimmed hat with a large band, a belted bush jacket with patch pockets, and clothes with khaki coloring, but descriptive or suggestive for boots and shoes. Of course for web browsers, it is arbitrary (or perhaps suggestive), thus Apple's use of the name for its SAFARI browser.

Relatedly, in determining whether a mark is descriptive, one cannot consider the term in the abstract. As the Trademark Trial and Appeal Board has explained:

> the question of whether a mark is merely descriptive must be determined not in the abstract, that is, not by asking whether one can guess, from the mark itself, considered in a vacuum, what the goods or services are, but rather in relation to the goods or services for which registration is sought, that is, by asking whether, when the mark is seen on the goods or

> services, it immediately conveys information about their nature.

In re Patent & Trademark Services Inc., 49 U.S.P.Q.2d 1537, 1539, 1998 WL 970180 (T.T.A.B. 1998). So suppose you had a soda branded THICK. Liquid is not thick, so one might think that the mark is not descriptive, but suppose further that the soda's flavor had a very thick mouthfeel. Were that the case, a court could find that the term in context connotes flavor and not viscosity and would therefore be descriptive. *See, e.g.*, A.J. Canfield Co. v. Honickman, 808 F.2d 291 (3d Cir. 1986).

5.3.4. Anti-dissection

Anti-dissection. Sometimes would-be marks combine elements that would be ineligible for protection if used individually. The rule is to consider the marks as a whole and not their component parts. "The commercial impression of a trademark is derived from it as a whole, not from its elements separated and considered in detail. For this reason it should be considered in its entirety." *Estate of P. D. Beckwith, Inc. v. Commissioner of Patents*, 252 U.S. 538, 545–46 (1920). This is sometimes referred to as the anti-dissection rule. Thus COCA-COLA is a valid mark notwithstanding the generic element COLA.

This is not to say that having non-protectable elements in a would-be mark is irrelevant. As the Federal Circuit has explained: "In considering the mark as a whole, the Board may weigh the individual components of the mark to determine the overall impression or the descriptiveness of the mark and its various components." In re Oppedahl & Larson LLP, 373 F.3d 1171 (Fed. Cir. 2004). There, the court affirmed a ruling by the TTAB that PATENTS.COM was merely descriptive notwithstanding the addition of the .com top-level-domain name to the word patents. Sometimes the whole is just the sum of its parts. *See, e.g.*, Arizona Int'l, Ltd. v. Merrill Lynch Realty Operating Partnership, 1991 WL 407023 (D. Ariz. 1991) (rejecting ARIZONA REALTY as a generic composite of the product category of Arizona property services).

Anti-dissection principles also apply in considering whether a trademark is infringing.

5.3.5. Foreign words

Foreign words. The "doctrine of foreign equivalents" calls for words in foreign languages to be treated as if they were translated into English. Thus the French word "vin" would still be rejected as generic for a brand of wine. The TTAB has explained:

> The doctrine of foreign equivalents … extends the protection of the [Lanham] Act to those consumers in this country who speak other languages in addition to English … . At least one significant group of ordinary American purchasers is the purchaser who is knowledgeable in English as well as the pertinent foreign language.

In re Spirits International N.V., 86 U.S.P.Q.2d 1078, 1083–1085, 2008 WL 375723 (T.T.A.B. 2008). That said, the Federal Circuit has stated that the doctrine is not a rigid rule but should be applied in a contextual manner. Given the product's marketing, would a reasonable consumer familiar with both English and the foreign word make the translation? Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772, 396 F.3d 1369, 1377 (Fed. Cir. 2005). Courts also refrain from applying the doctrine to dead or obscure languages.

5.3.6. Disclaimers

Disclaimers. Because marks will often include non-protectable elements, it is common for trademark registrants to "disclaim" an effort to capture the non-protectable word. This does not preclude a rejection if the mark as a whole is descriptive. Nor does it preclude the registrant from claiming the disclaimed matter in an action based on common law use rights. *See generally* 15 U.S.C. § 1056.˜

5.3.7. Does the mark function as a mark?

Does the mark function as a mark? How a mark is used also affects whether consumers perceive it as performing a trademark function. If you look at, say, a box of cereal, you'll see that the brand name is set off in any manner of ways, including font size and style, graphic elements, and packaging position. These design choices also affect whether consumers perceive the mark as performing a trademark function. For empirical research on this point, *see* Thomas R. Lee, Eric D. DeRosia, & Glenn L. Christensen, *An Empirical and Consumer Psychology Analysis of Trademark Distinctiveness*, 41 Ariz. St. L.J. 1033, 1097-98 (2009) (varying uses testing hypothetical WONDERFUL mark for chocolate coconut macaroons).

If it is the case that trademark placement can make consumers see descriptive terms as trademarks, does that cast doubt on trademark law's skepticism of descriptive marks? Or is the effect on competition the more important concern? Or is what matters non-label uses (e.g., hearing the trademarked word in advertising, e.g., "try our wonderful cereal!")?

Courts and the PTO sometimes refuse to protect claimed marks that fail to function as marks (considering questions like placement of the mark, whether it is set off from other elements, whether the matter is informational, etc.). For an argument that this trademark use question should matter more and integrate considerations of distinctiveness, *see* Alexandra J. Roberts, *Trademark Failure to Function*, 104 Iowa L. Rev. 1977 (2019).

5.3.8. Use as a mark and scope of protection

Use as a mark and scope of protection. We will not cover trademark infringement for a while yet, but note how issues of distinctiveness and trademark use naturally raise questions about the scope of trademark rights. For example, the Trademark Office will sometimes refuse to register a mark that is merely used as a slogan on a t-shirt.

> An ornamental refusal is when the USPTO refuses registration of your mark because the sample of how you actually use the applied-for mark (the "specimen") or other information in the record shows use of your mark merely as an ornamental or decorative feature on the goods and not as a trademark to indicate the source of the goods. For example, a slogan prominently displayed on the front of a t-shirt may be considered merely ornamental use and not trademark use. That is, most purchasers of the t-shirts would not automatically think the slogan identified the source of the

> goods but would view the slogan only as a decoration on the goods.

USPTO, "'Ornamental' Refusal and How to Overcome This Refusal," https://www.uspto.gov/trademark/laws-regulations/ornamental-refusal-and-how-overcome-refusal-0. Fair enough. So suppose the t-shirt entrepreneur uses the slogan on the front of the shirt *and* the collar tag (where trademarks on clothing are often found). That seems enough for trademark protection. Suppose then that a competitor comes along who uses the same slogan on the front of the t-shirt, but has an entirely different (non-infringing) trademark inside the collar? Will an infringement claim based on the front be possible? As we will see, the answer is often yes.

5.3.9. Enough marks?

Enough marks? Trademark law assumes that the costs of protection are generally low given that there is a functionally inexhaustible supply of marks. For research suggesting this may not be so in practice, *see* Barton Beebe & Jeanne C. Fromer, *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion*, 131 Harv. L. Rev. 945, 953 (2018) ("New market entrants face significant barriers to entry in the form of the cost of searching for an unclaimed mark and in the ongoing cost of using a less effective mark.").

5.3.10. What's in a name?

What's in a name? REX Real Estate has a founding partner named Rex Glendenning. Does that make the mark descriptive? The traditional approach is that first names and surnames are treated as descriptive marks and require secondary meaning for protection. But consumers might perceive a word like "Rex" as having a royal connotation, creating the possibility that the mark is inherently distinctive. The answer in cases like this will therefore depend on the record created by the litigants. *See* Rex Real Estate I, L.P. v. Rex Real Estate Exchange, Inc., 80 F.4th 607 (5th Cir. 2023) (concluding that the district court erred by resolving the question as a matter of law); *see generally* 2 MCCARTHY § 13.2.

5.3.11. Fair use

Fair use. You may have noticed the reference in *Zatarains* to "fair use" as excusing the defendants' potential liability. Those of you who have studied copyright may be familiar with the fair use defense in copyright. Fair use means something different in trademark law (as indicated by its description in *Zatarains*). We will cover trademark fair use in greater detail later in the course.

5.4. Problems

5.4.1. Strisk computers

Your law firm has been hired to give trademark advice to Strisk Technologies, a computer manufacturer. Strisk has a new computer line that will be marketed as providing faster performance than Strisk's competitors, particularly when the computer is turned on. The marketing department suggested the following names:

Laptop
QuickStart
Computer
Computadora (Computer in Spanish)
Ordinateur (in French)
Kompyuta (in Swahili)
Ordenagailu (in Basque)
Pluto
Flizzasp
Strisk
Sprinter
Zips
A logo that looks like the silhouette of a computer
A logo that looks like the silhouette of an alligator

Which, if any, of these names could secure trademark protection? Which names would work best from a marketing perspective? You may assume that none of these options infringe any existing trademarks.

5.4.2. FICO

The Fair Isaac Corporation (FICO) developed a system of rating the credit worthiness of borrowers. FICO rates potential borrowers on a 300-850 point scale (with higher ratings indicating better credit risks). May FICO trademark "300-850" for its credit rating services? What kind of mark would it be? Is there any harm to allowing protection for this kind of mark?

5.4.3. CASH4GOLD, DOLLARS4GOLD

Some years ago, CASH4GOLD sponsored a Super Bowl ad. Soon after, DOLLARS4GOLD, in the same line of business, put up advertising asking consumers if they had seen its Super Bowl ad. How might DOLLARS4GOLD, which in fact had no Super Bowl ad, defend against a trademark infringement suit?

Credit/licensing notes

MG-TL25-D, MICHAEL GRYNBERG

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I am very grateful to Michael Grynberg for his generosity in sharing his excellent materials!

6. Secondary Meaning; Acquired Distinctiveness

{This chapter assembled by EEJ in 2026.}

6.1 Prof. Grynberg on secondary meaning

by Michael Grynberg (credit/licensing note: MG-TL25-D, *infra*)

6.1.1. Secondary meaning

Secondary meaning. There are a variety of judicial definitions of secondary meaning, but they center on the same concept, the point at which consumers identify a term as designating a product's source. *See, e.g.*, *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 118 (1938) (secondary meaning is the point at which "the primary significance of the term in the minds of the consuming public is not the product but the producer"). In a similar vein, section 2 of the Lanham Act (15 U.S.C. § 1052) provides that certain non-distinctive marks may be registered if they have "become distinctive of the applicant's goods in commerce."

Note, however, that this association with a word as designating a single source does not necessarily mean that the consumer knows precisely who that source is.

6.1.2. Proving secondary meaning

˜Courts are not entirely consistent in determining when secondary meaning exists, which is perhaps unsurprising given its status as a question of fact. In the absence of direct consumer testimony, surveys may provide something resembling direct evidence of consumer perception. {C}ourts do not require that a majority of the relevant consumer class see the word as a mark. A substantial portion is often enough.

Courts also rely on more circumstantial evidence. Some forms of acceptable circumstantial evidence include the exclusive use of the term by one party as a mark, advertising, sales and customers, market position, and evidence that a defendant intentionally copied the mark. *See, e.g.*, *Viacom Int'l v. IJR Capital Investments, L.L.C.*, 891 F.3d 178, 190 (5th Cir. 2018) (listing factors as "(1) length and manner of use of the mark or trade dress, (2) volume of sales, (3) amount and manner of advertising, (4) nature of use of the mark or trade dress in newspapers and magazines, (5) consumer-survey evidence, (6) direct consumer testimony, and (7) the defendant's intent in copying the [mark]." (internal quotation and citation omitted)); *see also* 15 U.S.C. § 1052 (providing that the Trademark Office "may accept as prima facie evidence that the mark has become distinctive, as used on or in connection with the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made."). Are these factors necessarily probative of secondary meaning? What about situations in which the descriptive term is sometimes used with an inherently distinctive mark and sometimes without?

Does it matter if a defendant copied the plaintiff's mark? Might a defendant sometimes copy a term for descriptive (as opposed to trademark) purposes? Some Second Circuit cases have suggested that the New York law of unfair competition allows evidence of the deliberate copying of a non-inherently distinctive mark to substitute for proof of secondary meaning. The viability of this "New York Rule" is in doubt. *See generally* 2 MCCARTHY § 15:20.

As for the Trademark Office, 37 C.F.R. § 2.41 provides that proof of acquired distinctiveness includes:

> (1) Ownership of prior registration(s). In appropriate cases, ownership of one or more active prior registrations on the Principal Register or under the Trademark Act of 1905 of the same mark may be accepted as prima facie evidence of distinctiveness if the goods or services are sufficiently similar to the goods or services in the application; however, further evidence may be required.
>
> (2) Five years substantially exclusive and continuous use in commerce. In appropriate cases, if a trademark or service mark is said to have become distinctive of the applicant's goods or services by reason of the applicant's substantially exclusive and continuous use of the mark in commerce for the five years before the date on which the claim of distinctiveness is made, a showing by way of verified statements in the application may be accepted as prima facie evidence of distinctiveness; however, further evidence may be required.
>
> (3) Other evidence. In appropriate cases, where the applicant claims that a mark has become distinctive in commerce of the applicant's goods or services, the applicant may, in support of registrability, submit with the application, or in response to a request for evidence or to a refusal to register, verified statements, depositions, or other appropriate evidence showing duration, extent, and nature of the use in commerce and advertising expenditures in connection therewith (identifying types of media and attaching typical advertisements), and verified statements, letters or statements from the trade or public, or both, or other appropriate evidence of distinctiveness.

6.1.3. Sliding scales

Sliding scales. Some courts vary the amount of evidence of secondary meaning required on how descriptive the term is. That is, terms closer to the suggestive/descriptive border may not require as much evidence of secondary meaning as a more obviously descriptive mark. *See, e.g.*, In re Steelbuilding.com, 415 F.3d 1293, 1300 (Fed. Cir. 2005) ("[T]he applicant's burden of showing acquired distinctiveness increases with the level of descriptiveness; a more descriptive term requires more evidence of secondary meaning."); 2 MCCARTHY § 15:33.

6.1.4. "Secondary meaning in the making"

"Secondary meaning in the making." What happens if someone uses, advertises, or otherwise invests in a descriptive mark, but fails to achieve secondary meaning before another, more powerful user, deliberately steps in with the same mark. Does the first user have a remedy? The judicial answer has largely been no.

6.2. Establishing Acquired Distinctiveness, In General

TMEP: 1212.01
General Evidentiary Matters

Whether acquired distinctiveness has been established is a question of fact. *Schlafly v. St. Louis Brewery, LLC*, 909 F.3d 420, 423 (Fed. Cir. 2018) (citing *In re La. Fish Fry Prods., Ltd.*, 797 F.3d 1332, 1335 (Fed. Cir. 2015); *Hoover Co. v. Royal Appliance Mfg. Co.*, 238 F.3d 1357, 1359 (Fed. Cir. 2001)). The record must contain facts or evidence of acquired distinctiveness.

The burden of proving that a mark has acquired distinctiveness is on the applicant. *In re La. Fish Fry Prods., Ltd.*, 797 F.3d at 1335 (citing *In re Steelbuilding.com*, 415 F.3d 1293, 1297 (Fed. Cir. 2005)); *In re Guaranteed Rate, Inc.*, 2020 USPQ2d 10869, at *2 (TTAB 2020) (citing *Yamaha Int'l Corp. v. Hoshino Gakki Co.*, 840 F.2d 1572, 1578-79 (Fed. Cir. 1988)).

The applicant may present any competent evidence to establish that a mark has acquired distinctiveness. Actual evidence of acquired distinctiveness may be submitted regardless of the length of time the mark has been used. *See Ex parte Fox River Paper Corp.*, 99 USPQ 173, 174 (Comm'r Pats. 1953).

"The amount and character of evidence required to establish acquired distinctiveness depends on the facts of each case and the nature of the mark sought to be registered." *In re Gen. Mills IP Holdings II, LLC*, 124 USPQ2d 1016, 1018 (TTAB 2017) (citing *Roux Labs., Inc. v. Clairol Inc.*, 427 F.2d 823, 829 (C.C.P.A. 1970); *In re Hehr Mfg. Co.*, 279 F.2d 526, 528 (C.C.P.A. 1960)).

Typically, more evidence is required where a mark is so highly descriptive that purchasers seeing the matter in relation to the named goods or services would be less likely to believe that it indicates source in any one party. *See Royal Crown Co. v. Coca-Cola Co.*, 892 F.3d 1358 (Fed. Cir. 2018); *In re Steelbuilding.com*, 415 F.3d at 1300 (citing *In re Bongrain Int'l (Am.) Corp.*, 894 F.2d 1316, 1318 (Fed. Cir. 1990)); *City of London Distillery, Ltd. v. Hayman Grp. Ltd.*, 2020 USPQ2d 11487, at *16 (TTAB 2020) (quoting *In re Greenliant Sys. Ltd.*, 97 USPQ2d 1078, 1085 (TTAB 2010)); *Alcatraz Media, Inc. v. Chesapeake Marine Tours Inc.*, 107 USPQ2d 1750, 1767 (TTAB 2013); *In re Seaman & Assocs., Inc.*, 1 USPQ2d 1657, 1659 (TTAB 1986); *In re Packaging Specialists, Inc.*, 221 USPQ 917, 919 (TTAB 1984); *see also Real Foods Pty. v. Frito-Lay N. Am.*, 128 USPQ2d 1370, 1378 (Fed. Cir. 2018) ("while evidence of substantially exclusive and continuous use may be sufficient to prove a prima facie case of acquired distinctiveness, this is not always the case. . . . 'Particularly for a mark that is . . . highly descriptive like [Real Foods' proposed marks], the [TTAB] was within its discretion not to accept [Real Foods'] alleged five years of substantially exclusive and continuous use as prima facie evidence of acquired distinctiveness.'") (internal citations omitted); *In re La. Fish Fry Prods.*, 116 USPQ2d at 1265 (Board has discretion not to accept an applicant's allegation of five years of substantially exclusive and continuous use as prima facie evidence of acquired distinctiveness when the proposed mark is "highly descriptive"). Research showing that third parties in applicant's field or closely related fields use the same or substantially the same wording as the mark, or very similar wording as the mark, tends to indicate the mark is at least highly descriptive. See TMEP §1202.02(b)(i) regarding the heavy evidentiary burden for acquired distinctiveness of trade dress.

If the applicant has one or more prior federal registrations under Trademark Act §2(f) for a different depiction of the same mark (e.g., stylized vs. standard character) or a portion of the proposed mark, for the same goods and/or services, the examining attorney's review of the records to assess the probative value of the prior registrations may assist in resolving whether the mark in question has acquired distinctiveness, and thereby obviate the necessity of determining the issue on appeal. *In re Thomas Nelson, Inc.*, 97 USPQ2d 1712, 1713 (TTAB 2011) .

Facts based on events that occurred subsequent to the filing date of the application may be considered. Whether acquired distinctiveness has been established is determined in view of the facts that exist at the time registration is being sought. *In re Chippendales USA, Inc.*, 622 F.3d 1346, 1354 (Fed. Cir. 2010) (quoting *In re Morton-Norwich Prods., Inc.*, 671 F.2d, 1332, 1344 (C.C.P.A. 1982)); *Gen. Foods Corp. v. MGD Partners,* 224 USPQ 479, 486 (TTAB 1984) (citing *In re Thunderbird Prods., Corp.*, 406 F.2d 1389, 1391-92, 160 USPQ 730, 732-33 (C.C.P.A. 1969); *Hartford Fire Ins. Co. v. Structured Settlements Co.*, 215 USPQ 1145, 1150 (TTAB 1982)).

In determining whether a mark has acquired distinctiveness, the evidence is considered as a whole, guided by the following factors: (1) association of the applied-for mark with a particular source by actual purchasers (typically measured by customer surveys); (2) length, degree, and exclusivity of use; (3) amount and manner of advertising; (4) amount of sales and number of customers; (5) intentional copying; and (6) unsolicited media coverage of the product embodying the mark. *Converse, Inc. v. ITC*, 909 F.3d 1110, 1120 (Fed. Cir. 2018) (the *Converse* factors); *In re Uman Diagnostics AB*, Ser. No. 88960633, 2023 TTAB LEXIS 77, at *49 (2023); *City of London Distillery, Ltd.*, 2020 USPQ2d 11487, at *16 (quoting *In re Snowizard, Inc.*, 129 USPQ2d 1001, 1005 (TTAB 2018)); *In re Guaranteed Rate, Inc.*, 2020 USPQ2d 10869, at *2-3. "[N]o single factor is determinative." *In re Steelbuilding.com*, 415 F.3d at 1300. Rather, all factors are weighed together in light of all the circumstances to determine whether the mark has acquired distinctiveness. *Id.*

6.3. Five Years' Use as Proof

TMEP: 1212.05

Five Years of Use as Proof of Distinctiveness

Section 2(f) of the Trademark Act, 15 U.S.C. §1052(f), provides that "proof of substantially exclusive and continuous use" of a designation "as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made" may be accepted as prima facie evidence that the mark has acquired distinctiveness as used in commerce with the applicant's goods or services. *See* 37 C.F.R. §2.41(a)(2).

The Trademark Act previously required that the relevant five-year period precede the filing date of the application. The Trademark Law Revision Act of 1988, Pub. L. No. 100-667, 102 Stat. 3935 (1988), revised §2(f) of the Act to provide for a prima facie showing of acquired distinctiveness based on five years' use running up to the date the claim is made. Under the revised provision, any five-year claim submitted on or after November 16, 1989, is subject to the new time period. This applies even if the application was filed prior to that date.

Section 2(f) of the Act and 37 C.F.R. §2.41(a)(2) state that reliance on a claim of five years' use to establish acquired distinctiveness "may" be acceptable in "appropriate cases." The USPTO may, at its option, require additional evidence of distinctiveness. *In re La. Fish Fry Prods., Ltd.*, 797 F.3d 1332, 1336-37, 116 USPQ2d 1262, 1265 (Fed. Cir. 2015) (noting that the statute does not require the USPTO to accept five years' use as prima facie evidence of acquired distinctiveness). Whether a claim of five years' use will be deemed sufficient to establish that the mark has acquired distinctiveness depends largely on the nature of the mark in relation to the specified goods, services, or classes.

The following are general guidelines regarding the statutorily suggested proof of five years' use as a method of establishing acquired distinctiveness.

1212.05(a) Sufficiency of Claim Vis-à-Vis Nature of the Mark

For most surnames, the statement of five years' use will be sufficient to establish acquired distinctiveness.

For marks refused under §2(e)(1) or §2(e)(2), the amount of evidence necessary to establish secondary meaning varies. "[T]he greater the degree of descriptiveness the term has, the heavier the burden to prove it has attained secondary meaning." *In re Bongrain Int'l Corp.*, 894 F.2d 1316, 1317 n.4 (Fed. Cir. 1990); *see Heritage All. v. Am. Pol'y Roundtable*, 133 F.4th 1063, 1070 (Fed. Cir. 2025) (citing *Yamaha Int'l Corp. v. Hoshino Gakki Co.*, 840 F.2d 1572, 1581 (Fed. Cir. 1988); *In re La. Fish Fry Prods.,* *Ltd.*, 797 F.3d 1332, 1336-37 (Fed. Cir. 2015)) ("Our case law . . . recognizes the Board's discretion to weigh the evidence, especially for a highly descriptive mark."); *Royal Crown Co. v. Coca-Cola Co.*, 892 F.3d 1358, 1368-69 (Fed. Cir. 2018) (quoting *In re Steelbuilding.com*, 415 F.3d 1293, 1300 (Fed. Cir. 2005). For terms with a greater degree of descriptiveness, statements of length of use alone generally will not be sufficient to establish acquired distinctiveness. *See, e.g.*, *Heritage All. v. Am. Pol'y Roundtable*, 133 F.4th at 1070 (holding the Board was within its discretion not to accept applicant's allegation of five years' use given the highly descriptive nature of the mark); *In re La. Fish Fry Prods., Ltd.*, 797 F.3d 1332, 1336-37 (Fed. Cir. 2015) (holding the Board was within its discretion not to accept applicant's allegation of five years' use given the highly descriptive nature of the mark); *Spiritline Cruises LLC v. Tour Mgmt. Servs. Inc.*, 2020 USPQ2d 48324, at *11 (TTAB 2020) (holding applicant's claim of use since 2003 not sufficient to show the mark CHARLESTON HARBOR TOURS had become distinctive because the term was highly geographically descriptive); *In re Yarnell Ice Cream, LLC*, 2019 USPQ2d 265039, at *10-11 (TTAB 2019) (holding applicant's claim of use since 2012 not sufficient to show the mark SCOOP had become distinctive for ice cream because other circumstances undercut the significance of this claim of extended use); *In re Virtual Indep. Paralegals, LLC*, 2019 USPQ2d 111512, at *11-12 (TTAB 2019) (holding applicant's claim of use for the last five years not sufficient to show the mark VIRTUAL INDEPENDENT PARALEGALS had become distinctive for various paralegal services due to the highly descriptive nature of the proposed mark); *In re Crystal Geyser Water Co.*, 85 USPQ2d 1374 (TTAB 2007) (holding applicant's evidence of acquired distinctiveness, including a claim of use since 1990, sales of more than 7,650,000,000 units of its goods, and extensive display of its mark CRYSTAL GEYSER ALPINE SPRING WATER on advertising and delivery trucks and promotional paraphernalia, insufficient to establish that the highly descriptive phrase ALPINE SPRING WATER had acquired distinctiveness for applicant's bottled spring water); *In re Kalmbach Publ'g Co.*, 14 USPQ2d 1490 (TTAB 1989) (holding applicant's sole evidence of acquired distinctiveness, a claim of use since 1975, insufficient to establish that the highly descriptive, if not generic, designation RADIO CONTROL BUYERS GUIDE had become distinctive of applicant's magazines).

For matter that is not inherently distinctive because of its nature (e.g., nondistinctive product design, overall color of a product, mere ornamentation, and sounds for goods that make the sound in their normal course of operation), evidence of five years' use is not sufficient to show acquired distinctiveness. In such a case, actual evidence that the mark is perceived as a mark for the relevant goods, services, or classes would be required to establish distinctiveness. *See generally In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985) (color pink as uniformly applied to applicant's fibrous glass residential insulation); *In re R.M. Smith, Inc.*, 734 F.2d 1482 (Fed. Cir. 1984) (configuration of pistol grip water nozzle for water nozzles); *Nextel Commc'ns, Inc. v. Motorola, Inc.,* 91 USPQ2d 1393, 1401 (TTAB 2009) (noting that "the evidence required is in proportion to the degree of nondistinctiveness of the mark at issue" in relation to a sound mark emitted by cellular telephones in their normal course of operation); *In re ic! berlin brillen GmbH*, 85 USPQ2d 2021 (TTAB 2008) (configuration of an earpiece for frames for sunglasses and spectacles comprised of three "fingers" near the hinge); *In re Black & Decker Corp.*, 81 USPQ2d 1841, 1844 (TTAB 2006) (finding applicant successfully established acquired distinctiveness for the design of a key head for key blanks and various metal door hardware, where evidence submitted in support included twenty-four years of use in commerce and significant evidence regarding industry practice, such that the evidence showed that "it is common for manufacturers of door hardware to use key head designs as source indicators."); *Edward Weck Inc. v. IM Inc.*, 17 USPQ2d 1142 (TTAB 1990) (color green for medical instruments); *In re Cabot Corp.*, 15 USPQ2d 1224 (TTAB 1990) (configuration of a pillow-pack container for ear plugs and configuration of a pillow-pack container with trade dress (white circle surrounded by blue border) for ear plugs); *In re Star Pharm., Inc.*, 225 USPQ 209 (TTAB 1985) (color combination of drug capsule and seeds therein for methyltestosterone); *In re Craigmyle*, 224 USPQ 791 (TTAB 1984) (configuration of halter square for horse halters).

1212.05(b) "Substantially Exclusive and Continuous"

The five years of use in commerce does not have to be exclusive, but must be "substantially" exclusive. 15 U.S.C. §1052(f); 37 C.F.R. §2.41(a)(2). This makes allowance for use by others that may be inconsequential or infringing, which does not necessarily invalidate the applicant's claim. *L.D. Kichler Co. v. Davoil, Inc.*, 192 F.3d 1349, 1352, 52 USPQ2d 1307, 1309 (Fed. Cir. 1999). Thus, when evaluating whether an applicant has had "substantially" exclusive use of a mark, the determination is based on "whether any use by a third party [is] 'significant' or whether it [is] merely 'inconsequential or infringing.'" *Galperti, Inc. v. Galperti S.R.L.*, 17 F.4th 1144, 1147, 2021 USPQ2d 1115, at *2 (Fed. Cir. 2021).

The existence of other applications to register the same mark, or other known uses of the mark, does not automatically eliminate the possibility of using this method of proof, but the examining attorney should inquire as to the nature of such use and be satisfied that it is not significant or does not otherwise nullify the claim of distinctiveness. *See Galperti, Inc.*, 17 F.4th at 1148, 2021 USPQ2d 1115, at *4 ("a significant amount of marketplace use of a term not as a source identifier for those users does tend to undermine an applicant's assertion that its own use has been substantially exclusive"); *Levi Strauss & Co. v. Genesco, Inc.*, 742 F.2d 1401, 1403, 222 USPQ 939, 940-41 (Fed. Cir. 1984) ("When the record shows that purchasers are confronted with more than one (let alone numerous) independent users of a term or device, an application for registration under Section 2(f) cannot be successful, for distinctiveness on which purchasers may rely is lacking under such circumstances."); *In re Jasmin Larian, LLC*, 2022 USPQ2d 290, at *40-41 (TTAB 2022) (finding "the widespread use, sale of and discussions/comments about bamboo handbag designs similar to [a]pplicant's applied-for mark" showed that "[a]pplicant's use [was] not 'substantially exclusive'"); *In re Dimarzio, Inc.*, 2021 USPQ2d 1191, at *13-25 (TTAB 2021) (finding the examining attorney's evidence of extensive third-party use of applicant's proposed color mark on the same goods showed that applicant's use was not substantially exclusive); *Spiritline Cruises LLC v. Tour Mgmt. Servs. Inc.*, 2020 USPQ2d 48324, at *11 (TTAB 2020) (finding "the substantially non-exclusive use of CHARLESTON HARBOR TOURS . . . interfere[d] with the relevant public's perception of the designation as an indicator of a single source"); *In re MK Diamond Prods., Inc.*, 2020 USPQ2d 10882, at *21 (TTAB 2020) ("[w]hile absolute exclusivity is not required for a Section 2(f) registration, . . . the widespread use of other substantially similar [designs] . . . is inconsistent with the 'substantially exclusive' use required by the statute"); *Milwaukee Elec. Tool Corp. v. Freud Am., Inc.*, 2019 USPQ2d 460354, at *25 (TTAB 2019) (finding evidence of third-party use of the proposed mark showed that registrant's use had not been "substantially exclusive either at the time of registration or thereafter"); *In re Gen. Mills IP Holdings II, LLC*, 124 USPQ2d 1016, 1024 (TTAB 2017) (finding that "the presence in the market of yellow-packaged cereals from various sources . . . would tend to detract from any public perception of the predominantly yellow background as a source-indicator pointing solely to Applicant"); *Ayoub, Inc. v. ACS Ayoub Carpet Serv.*, 118 USPQ2d 1392, 1404 (TTAB 2016) (finding that, because of widespread third-party uses of the surname Ayoub in connection with rug, carpet and flooring businesses, applicant's use of the applied-for mark, AYOUB, was not "substantially exclusive" and thus the mark had not acquired distinctiveness in connection with applicant's identified carpet and rug services); *Nextel Commc'ns, Inc. v. Motorola, Inc.*, 91 USPQ2d 1393, 1408 (TTAB 2009) (finding opposer's contemporaneous use of the mark in connection with services closely related to applicant's goods rose to the level necessary to rebut applicant's contention of substantially exclusive use); *Target Brands, Inc. v. Hughes*, 85 USPQ2d 1676, 1682-83 (TTAB 2007) (finding substantial use of mark by opposer's parent company and additional use of mark by numerous third parties "seriously undercuts if not nullifies applicant's claim of acquired distinctiveness."); *Marshall Field & Co. v. Mrs. Fields Cookies,* 11 USPQ2d 1355, 1357-58 (TTAB 1989) ("[T]he existence of numerous third party users of a mark, even if junior, might well have a material impact on the Examiner's decision to accept a party's claim of distinctiveness."); *Flowers Indus. Inc. v. Interstate Brands Corp.*, 5 USPQ2d 1580, 1588-89 (TTAB 1987) ("[L]ong and continuous use alone is insufficient to show secondary meaning where the use is not substantially exclusive."); *see also TBL Licensing, LLC v. Vidal*, 98 F.4th 500, 519-520 (4th Cir. 2024) ("Even when the record 'does not establish the exact extent,' widespread third-party use of substantially similar designs suggests the at-issue design lacks secondary meaning." (quoting *Echo Travel, Inc. v. Travel Assocs., Inc.*, 870 F.2d 1264, 1269 (7th Cir. 1989)).

The use of the mark during the five years must also be continuous, without a period of "nonuse" or suspension of trade in the goods or services in connection with which the mark is used. 15 U.S.C. §1052(f); 37 C.F.R. §2.41(a)(2).

1212.05(c) Use "as a Mark"

The substantially exclusive and continuous use must be "as a mark." 15 U.S.C. §1052(f); *see In re Craigmyle*, 224 USPQ 791, 793 (TTAB 1984) (finding registrability under §2(f) not established by sales over a long period of time where there was no evidence that the subject matter had been used as a mark); *In re Kwik Lok Corp.*, 217 USPQ 1245, 1248 (TTAB 1983) (holding declarations as to sales volume and advertising expenditures insufficient to establish acquired distinctiveness. "The significant missing element in appellant's case is evidence persuasive of the fact that the subject matter has been used *as a mark*.").

1212.05(d) Form of the Proof of Five Years' Use

If the applicant chooses to seek registration under §2(f), 15 U.S.C. §1052(f), by using the statutory suggestion of five years of use as proof of distinctiveness, the applicant should submit a claim of distinctiveness. The following is the suggested format for a claim for a trademark or service mark, for a certification mark, for a collective membership mark, and for a collective trademark or collective service mark, based on 37 C.F.R. §2.41(a)(2), (b)(2), (c)(2), and (d)(2).

For a *trademark or service mark*, the claim of distinctiveness should read as follows, if accurate:

> The mark has become distinctive of the goods/services through the applicant's substantially exclusive and continuous use of the mark in commerce that the U.S. Congress may lawfully regulate for at least the five years immediately before the date of this statement.

See 37 C.F.R. §2.41(a)(2).

For a *certification mark*, the claim of distinctiveness should read as follows, if accurate:

> The mark has become distinctive of the certified goods/services through the authorized users' substantially exclusive and continuous use of the mark in commerce that the U.S. Congress may lawfully regulate for at least the five years immediately before the date of this statement.

See 37 C.F.R. §2.41(d)(2).

For a *collective membership mark*, the claim of distinctiveness should read as follows, if accurate:

> The mark has become distinctive of indicating membership in the collective membership organization through the members' substantially exclusive and continuous use of the mark in commerce that the U.S. Congress may lawfully regulate for at least the five years immediately before the date of this statement.

See 37 C.F.R. §2.41(c)(2).

For a *collective trademark or collective service mark*, the claim of distinctiveness should read as follows, if accurate:

> The mark has become distinctive of the goods/services through the applicant's members' substantially exclusive and continuous use of the mark in commerce that the U.S. Congress may lawfully regulate for at least the five years immediately before the date of this statement.

See 37 C.F.R. §2.41(b)(2).

The claim of five years of use is required to be supported by a properly signed affidavit or declaration under 37 C.F.R. §2.20. *See* 37 C.F.R. §2.41(a)(2), (b)(2), (c)(2), (d)(2). The affidavit or declaration must be signed by a person properly authorized to sign on behalf of applicant under 37 C.F.R. §2.193(e)(1). *See* TMEP §611.03(a).

The following are guidelines regarding the form and language appropriate for a claim of five years of use:

> (1) Use of the precise statutory wording is desirable, but variations may be accepted if they do not affect the essential allegations.

(2) The wording "substantially exclusive and continuous use of the mark in commerce" is essential. *See In re Olin Corp.*, 124 USPQ2d 1327, 1337 (TTAB 2017).

(3) It must be clear from the record that the five years of use has been in commerce that may lawfully be regulated by the U.S. Congress. *See Blanchard & Co. v. Charles Gilman & Son, Inc.,* 239 F. Supp. 827, 145 USPQ 62 (D. Mass. 1965), *aff'd,* 353 F.2d 400, 147 USPQ 263 (1st Cir. 1965).

(4) The use of the mark must cover the five years immediately before the date of the statement of five years' use. Thus, wording that indicates that the use referred to is before the date of the statement is essential. Its omission can only be excused if the facts in the record clearly show that the use includes the five years before the date of the statement.

(5) The affidavit or declaration should include a statement that the mark has become distinctive or that the applicant believes that the mark has become distinctive, but absence of this statement is not fatal. *See* TMEP §1212.07 for examples of various ways in which an applicant may assert a §2(f) claim.

(6) If the claim of acquired distinctiveness applies only to a portion of the mark (a claim of §2(f) "in part"), the claim must be limited to the relevant portion of the mark. *See* TMEP §§1212.02(f)(i), 1212.02(f)(ii).

(7) The affidavit or declaration must contain a reference to distinctiveness with respect to the applicant's goods, services, or membership in the collective membership organization because the distinctiveness created by the five years' use must relate to the goods/services/collective membership organization specified in the application. If there is doubt that the distinctiveness pertains to all or any of the goods/services/classes specified in the application, the examining attorney must inquire regarding that issue.

(8) While a response clarifying a §2(f) claim does not have to be verified, a substitute statement regarding acquired distinctiveness based on five years' use must be verified. For

example, if the applicant amends a §2(f) claim as to the entire mark to a claim of §2(f) in part, or vice versa, the amended claim of distinctiveness based on five years' use must be supported by a properly signed affidavit or a declaration under 37 C.F.R. §2.20.

6.4. By Actual Evidence

TMEP: 1212.06
Establishing Distinctiveness by Actual Evidence

Under Trademark Rule 2.41(a)(3), 37 C.F.R. §2.41(a)(3), an applicant may submit affidavits, declarations under 37 C.F.R. §2.20, depositions, or other appropriate evidence showing the duration, extent, and nature of the applicant's use of a mark in commerce that may lawfully be regulated by the U.S. Congress, advertising expenditures in connection with such use, letters, or statements from the trade and/or public, or other appropriate evidence tending to show that the mark distinguishes the goods or services.

Establishing acquired distinctiveness by actual evidence was explained as follows in *In re Owens-Corning Fiberglas Corp.*:

An evidentiary showing of secondary meaning, adequate to show that a mark has acquired distinctiveness indicating the origin of the goods, includes evidence of the trademark owner's method of using the mark, supplemented by evidence of the effectiveness of such use to cause the purchasing public to identify the mark with the source of the product.

774 F.2d 1116, 1125, 227 USPQ 417, 422 (Fed. Cir. 1985). The kind and amount of evidence necessary to establish that a mark has acquired distinctiveness in relation to goods or services depends on the nature of the mark and the circumstances surrounding the use of the mark in each case. *Yamaha Int'l Corp. v. Hoshino Gakki Co.*, 840 F.2d 1572, 1581, 6 USPQ2d 1001, 1008 (Fed. Cir. 1988); *Roux Labs., Inc. v. Clairol Inc.*, 427 F.2d 823, 829, 166 USPQ 34, 39 (C.C.P.A. 1970) ; *In re Hehr Mfg. Co.*, 279 F.2d 526, 528, 126 USPQ 381, 383 (C.C.P.A. 1960) ; *In re Cap. Formation Couns., Inc.*, 219 USPQ 916, 918 (TTAB 1983) .

Evidence that only shows a mark used in conjunction with other wording may be insufficient to show that the mark has acquired distinctiveness. *See In re Mogen David Wine Corp.*, 372 F.2d 539, 542, 152 USPQ 593, 595-96 (C.C.P.A. 1967) (holding evidence of a bottle design failed to prove secondary meaning where advertising depicting the bottle design always featured applicant's word mark); *In re Franklin Cnty. Hist. Soc'y*, 104 USPQ2d 1085, 1093 (TTAB 2012) (noting none of applicant's evidence showed use of the proposed mark "CENTER OF SCIENCE AND INDUSTRY" without the acronym "COSI," while other evidence only used the acronym to refer to applicant's services).

The following sections provide examples of types of evidence that have been used, alone or in combination, to establish acquired distinctiveness. No single evidentiary factor is determinative. The value of a specific type of evidence and the amount necessary to establish acquired distinctiveness will vary according to the facts of the specific case. In addition, see TMEP §1212.01 regarding the factors considered when determining whether a mark has acquired distinctiveness.

1212.06(a) Long Use of the Mark in Commerce

Long-term use of the mark in commerce is one relevant factor to consider in determining whether a mark has acquired distinctiveness. *See*, *e.g.*, *In re La. Fish Fry Prods., Ltd.*, 797 F.3d 1332, 1336-37 (Fed. Cir. 2015) (holding evidence of long use insufficient to establish acquired distinctiveness of FISH FRY PRODUCTS where evidence involved uses of LOUISIANA FISH FRY PRODUCTS); *In re Audemars Piguet Holding SA*, Ser. No. 90045780, 2025 TTAB LEXIS 1, at *43-49, *57 n.97 (2025) (holding evidence of applicant's more than 50 years use of watch trade dress insufficient to establish its aquired distinctiveness where the evidence did not show the precise combination of the multiple design elements and applicant lacked substantial exclusivity); *In re Palacio Del Rio*, Inc., 2023 USPQ2d 630, at *5-8, *12-13 (TTAB 2023) (holding evidence of applicant's nearly 55-years use of modular building trade dress for hotel services insufficient to establish its acquired distinctivenss where the examining attorney's evidence showed the trade dress was "based on design elements that are common to hotel building designs in general"); *In re Uman Diagnostics AB*, Ser. No. 88960633, 2023 TTAB LEXIS 77, at *51-53 (2023) (holding applicant's claim of use since at least as early as November 13, 2012 insufficient to show the mark NF-LIGHT had become distinctive because the mark was highly descriptive and the record showed applicant's use had not been substantially exclusive in the relevant industry); *In re Guaranteed Rate, Inc.*, Ser. No. 87054820, 2020 TTAB LEXIS 265, at *22-23 (2020) (finding Trademark Act §2(f) claim based on applicant's use since 2000 not dispositive, even if the use was considered "substantially exclusive," due to the highly descriptive nature of applicant's mark and the nature and number of third-party descriptive uses in the record); *In re OEP Enters., Inc.*, Ser. No. 87345596, 2019 TTAB LEXIS 278, at *67-68 (2019) (finding applicant's evidence of use since 1998 of an umbrella trade dress design "supports a finding of acquired distinctiveness to some extent because there is no evidence that competitive double canopy umbrellas had a mesh design between 1998 and 2017"); *In re Hikari Sales USA, Inc.*, Ser. No. 86439012, 2019 TTAB LEXIS 73, at *58-59 (2019) (finding applicant's evidence of continuous use of ALGAE WAFERS since at least Oct. 31, 1991 and advertisment of the goods sold under the mark since at least Oct. 1992 did not convince the Board that "ordinary purchasers of fish food have come to view that term primarily as an indicator of source"); *In re Uncle Sam Chem. Co.*, Ser. No. 73392627, 1986 TTAB LEXIS 162, at *8 (1986) (holding §2(f) claim of acquired distinctiveness persuasive where applicant had submitted declaration of its president supporting sales figures and attesting to over eighteen years of substantially exclusive and continuous use).

To support a §2(f) claim, use of the mark must be use in commerce, as defined in 15 U.S.C. §1127. See TMEP §§901–901.04 regarding what constitutes use in commerce.

1212.06(b) Advertising Expenditures

Large-scale expenditures in promoting and advertising goods and services under a particular mark are significant to indicate the extent to which a mark has been used. However, proof of an expensive and successful advertising campaign is not in itself enough to prove acquired distinctiveness. *Mattel, Inc. v. Azrak-Hamway Int'l, Inc.*, 724 F.2d 357, 361 n.2 (2d Cir. 1983) (citing *Am. Footwear Corp. v. Gen. Footwear Co.*, 609 F.2d 655, 663 (2d Cir. 1979)); *see In re La. Fish Fry Prods., Ltd.*, 797 F.3d 1332 (Fed. Cir. 2015) (finding evidence of sales and advertising expenditures insufficient to establish acquired distinctiveness of FISH FRY

PRODUCTS where evidence involved uses of LOUISIANA FISH FRY PRODUCTS); *In re Boston Beer Co. L.P.*, 198 F.3d 1370 (Fed. Cir. 1999) (finding Trademark Act §2(f) claim based on annual sales under the mark of approximately eighty-five million dollars, and annual advertising expenditures in excess of ten million dollars – two million of which were spent on promotions and promotional items which included the phrase THE BEST BEER IN AMERICA – insufficient to establish distinctiveness, in view of the highly descriptive nature of the proposed mark); *TBL Licensing, LLC v. Vidal*, 98 F. 4th 500, 514 (4th Cir. 2024) ("Expenditures themselves do not, from a legal standpoint, establish secondary meaning without a showing that they translated into what counts—consumers associating the claimed design features with a single source.").

The ultimate test in determining whether a designation has acquired distinctiveness is applicant's success, rather than its efforts, in educating the public to associate the proposed mark with a single source. *In re Sausser Summers, PC*, 2021 USPQ2d 618, at *23 (TTAB 2021); *Mini Melts, Inc. v. Reckitt Benckiser LLC*, 118 USPQ2d 1464, 1480 (TTAB 2016) (citing *In re Redken Lab'ys, Inc.*, 170 USPQ 526, 529 (TTAB 1971)). The examining attorney must examine the advertising material to determine how the mark is being used, the commercial impression created by such use, and what the use would mean to purchasers. *In re Redken Lab'ys, Inc.*, 170 USPQ at 528-29 (finding §2(f) evidence insufficient to establish acquired distinctiveness of THE SCIENTIFIC APPROACH for lectures concerning hair and skin treatment, notwithstanding ten years of use, over $500,000 in promotion and sponsorship expenses, and the staging of over 300 shows per year where advertising and promotional material showed only descriptive usage of applied-for mark); *see In re Audemars Piguet Holding SA*, Ser. No. 90045780, 2025 TTAB LEXIS 1, at *40-49 (2025) (finding evidence of acquired distinctiveness deficient in part because applicant's ads did not direct consumers to "look for" the claimed features of applicant's watch trade dress but merely showed a photo of the entire watch, many depicted different or more features than the combination of features in question, and most included one or more of applicant's word marks on the watch faces); *see In re Palacio Del Rio, Inc.*, 2023 USPQ2d 630, at *12 (TTAB 2023) (finding evidence of acquired distinctiveness deficient in part because of low advertising figures in the "hundreds of thousands" when viewed against almost 55-years use of the mark, as well as a lack of "look for" advertising promoting recognition of applicant's hotel building trade dress as a service mark); *In re OEP Enters., Inc.*, 2019 USPQ2d 309323, at *25 (TTAB 2019) (finding evidence of acquired distinctiveness deficient in part because "[a]pplicant's consumer facing advertisements, like its ones to the trade, do little more than show the products, and they do not establish that consumers associate the features of the applied-for trade dress mark with [a]pplicant"); *In re Chevron Intell. Prop. Grp. LLC*, 96 USPQ2d 2026, 2031 (TTAB 2010) (finding evidence of acquired distinctiveness deficient in part because of the lack of advertisements promoting recognition of pole spanner design as a service mark); *Mag Instrument Inc. v. Brinkmann Corp.*, 96 USPQ2d 1701, 1723 (TTAB 2010) (finding absence of "look for" advertisements damaging to attempt to demonstrate acquired distinctiveness of proposed configuration mark); *Nextel Commc'ns, Inc. v. Motorola, Inc.*, 91 USPQ2d 1393, 1408 (TTAB 2009) (sustaining opposition on the ground that sound mark had not acquired distinctiveness in part because applicant failed to provide evidence corroborating that the mark was used in advertisements in such a way that it would be recognized as a source identifier for cellular telephones); *In re ic! berlin brillen GmbH*, 85 USPQ2d 2021, 2023 (TTAB 2008) (affirming refusal to register product configuration for spectacles and sunglasses, as the applicant failed to prove acquired distinctiveness chiefly because of the "absence of evidence of the advertising and/or promotion by the applicant of the earpiece design as a trademark"); *In re E.I. Kane, Inc.*, 221 USPQ 1203, 1206 (TTAB 1984) (affirming refusal to register OFFICE MOVERS, INC., for moving services, notwithstanding §2(f) claim based on, *inter alia*, evidence of substantial advertising expenditures. "There is no evidence that any of the advertising activity was directed to creating secondary meaning in applicant's highly descriptive trade name."); *In re Kwik Lok Corp.*, 217 USPQ 1245, 1247-48 (TTAB 1983) (finding evidence insufficient to establish acquired distinctiveness for configuration of bag closures made of plastic, notwithstanding applicant's statement that advertising of the closures involved several hundred thousands of dollars, where there was no evidence that the advertising had any impact on purchasers in perceiving the configuration as a mark); *cf. In re Haggar Co.*, 217 USPQ 81, 84

(TTAB 1982) (holding background design of a black swatch registrable pursuant to §2(f) for clothing where applicant had submitted, *inter alia*, evidence of "very substantial advertising and sales," the Board finding the design to be, "because of its serrated left edge, something more than a common geometric shape or design").

If the applicant prefers not to specify the extent of its expenditures in promoting and advertising goods and services under the mark because this information is confidential, the applicant may indicate the types of media through which the goods and services have been advertised (e.g., national television) and how frequently the advertisements have appeared.

1212.06(c) Affidavits or Declarations Asserting Recognition of Mark as Source Indicator

Affidavits or declarations that assert recognition of the mark as a source indicator are relevant in establishing acquired distinctiveness. However, the value of the affidavits or declarations depends on the statements made and the identity of the affiant or declarant. *See Heritage All. v. Am. Pol'y Roundtable*, 133 F.4th 1063, 1070-71 (Fed. Cir. 2025) (affirming the Board's according little weight to the three declarations because they were "all essentially identical in form," came from volunteers from opposer's organization and not random consumers, and failed to provide any explanation for the belief that the marks were distinctive); *In re Chem. Dynamics Inc.*, 839 F.2d 1569, 1571 (Fed. Cir. 1988) (finding conclusory declaration from applicant's vice-president insufficient without the factual basis for the declarant's belief that the design had become distinctive); *In re Palacio Del Rio, Inc.*, 2023 USPQ2d 630, at *11-13 (TTAB 2023) (finding declaration from applicant's vice-president of sales and revenue insufficient where conclusory statements about uniqueness of applicant's trade dress were not supported by evidence, statements about 55-years use in U.S. commerce only appeared in San Antonio, advertising figures viewed in context of length of use were not significant, and sales figures lacking industry context were not probative).

Proof of distinctiveness also requires more than proof of the existence of a relatively small number of people who associate a mark with the applicant. *See Heritage All. v. Am. Pol'y Roundtable*, 133 F.4th at 1070-71 (affirming the Board's according little weight to the three declarations from volunteers at opposer's organization rather than random consumers and where there was no record evidence of the size and nature of the customer base that would allow an inference the declarations meaningfully reflected consumer perception of the marks in the marketplace); *In re Palacio Del Rio, Inc.*, 2023 USPQ2d 630, at *7 ("the [four] customer declarations . . . [were] too few in number and [were] in many ways identical or 'cookie cutter,' diminishing their persuasiveness in these appeals;" and "have minimal probative value to the extent they purport to espouse legal conclusions on the ultimate issue of distinctiveness"); *In re The Paint Prods. Co.*, 8 USPQ2d 1863, 1866 (TTAB 1988) ("Because these affidavits were sought and collected by applicant from ten customers who have dealt with applicant for many years, the evidence is not altogether persuasive on the issue of how the average customer for paints perceives the words 'PAINT PRODUCTS CO.' in conjunction with paints and coatings."); *see also Mag Instrument Inc. v. Brinkmann Corp.*, 96 USPQ2d 1701, 1723 (TTAB 2010) (finding sixteen declarations of little persuasive value, as they were nearly identical in wording and only one of the declarants was described as an end consumer); *In re Gray Inc.*, 3 USPQ2d 1558, 1560 (TTAB 1987) (finding affidavit of applicant's counsel expressing his belief that the mark has acquired secondary meaning of "no probative value whatsoever" because, among other reasons, the statement is subject to bias); *In re Petersen Mfg. Co.*, 2 USPQ2d 2032, 2035 (TTAB 1987) (finding declarations from customers which stated that designs used by applicant indicate to the declarant that the applicant is the source of the goods, but which did not refer to or identify the designs with any specificity, not persuasive); *In re Bose Corp.*, 216 USPQ 1001, 1005 (TTAB 1983), *aff'd*, 772 F.2d 866 (Fed. Cir. 1985) (deeming retailer's statement that he has been in contact with many purchasers of loudspeaker systems of whom a substantial number would recognize the depicted design as originating with applicant competent evidence of secondary meaning); *In re Flex-O-Glass, Inc.*, 1977 TTAB LEXIS 3, at *2, *7-8 (1977) (finding nine affidavits to be persuasive evidence of distinctiveness where they had similar wording, were signed by different classes of purchasers, and explained how the purchasers believed the mark was distinctive, noting "the fact that the affidavits may be similar in format and expression is of no particular significance . . . since the affiants have sworn to the statements contained therein.”).

1212.06(d) Survey Evidence, Market Research and Consumer Reaction Studies

Survey evidence, market research, and consumer reaction studies are relevant in establishing acquired distinctiveness. *See In re Hikari Sales USA, Inc.*, 2019 USPQ2d 111514, at *14-15 (TTAB 2019) (citing *Schlafly v. St. Louis Brewery, LLC*, 909 F.3d 420, 424, & n.2 (Fed. Cir. 2018)) (“Consumer surveys can, when conducted properly, be a form of direct evidence of acquired distinctiveness.”); *Yankee Candle Co. v. Bridgewater Candle Co.*, 259 F.3d 25, 43 (1st Cir. 2001) (“Although survey evidence is not required, ‘it is a valuable method of showing secondary meaning.’” (quoting *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 42 (1st Cir. 1998))).

To establish acquired distinctiveness, the survey must show that the consuming public views the proposed mark as an indication of the source of the product or service. *See In re Hikari Sales USA, Inc.*, 2019 USPQ2d 111514, at *11-12 (finding survey did not show the nature of the association a consumer perceived between the proposed mark and applicant and the other companies identified in survey answers as there were no follow-up questions inquiring as to the reason for identifying applicant or another company that would have established what the respondents understood); *Nextel Commc’ns, Inc. v. Motorola, Inc.*, 91 USPQ2d 1393, 1402-03 (TTAB 2009) (finding survey did not provide evidence of acquired distinctiveness as it was unclear if respondents associated the sound mark with applicant’s goods or opposer’s services). Moreover, the survey should reveal that the consuming public associates the proposed mark with a *single source*, and not that the applicant is the first among many parties associated with the designation. *See* J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition* §15.42 (5th ed. June 2021) (citing *Am. Flange & Mfg. Co. v. Rieke Corp.*, 80 USPQ2d 1397, 1415 (TTAB 2006) , *withdrawn on other grounds*, 90 USPQ2d 1127 (TTAB 2009)); *see also In re Hikari Sales USA, Inc.*, 2019 USPQ2d 111514, at *11 ; *Brit. Seagull Ltd. v. Brunswick Corp.*, 28 USPQ2d 1197, 1202 (TTAB 1993) (finding survey did not provide convincing proof that respondents believed all black engines came from the same source), *aff'd*, 35 F.3d 1527 (Fed. Cir. 1994).

To have any probative value, a survey must be conducted in accordance with accepted principles of survey research. *See, e.g.*, *In re Van Valkenburgh*, 97 USPQ2d 1757, 1767 (TTAB 2011); *Zimmerman v. Nat'l Ass'n of Realtors*, 70 USPQ2d 1425, 1435-36 (TTAB 2004); *In re Wilcher Corp.*, 40 USPQ2d 1929, 1934 (TTAB 1996) (citing *Flowers Indus. Inc. v. Interstate Brands Corp.*, 5 USPQ2d 1580, 1582 n.4 (TTAB 1987)); *see also USPTO v. Booking.com B.V.*, 140 S. Ct. 2298, 2307 n.6 (2020); **TBMP §1208**; McCarthy, *supra*, §§32:158, 32:170-72. The applicant must document the procedural and statistical accuracy of this type of evidence and carefully frame the questions contained therein. *In re Van Valkenburgh*, 97 USPQ2d at 1767 (finding "no basis on which to conclude that the survey is based on scientifically valid principles" where the survey consisted of questionnaires distributed to an unknown number of people who filled them out and mailed them back to applicant's counsel); *see In re Steelbuilding.com*, 415 F.3d 1293, 1300 (Fed. Cir. 2005) (deeming applicant's Internet poll on name recognition unreliable, where the poll did not attempt to prevent visitors from voting more than once or to prevent interested parties such as friends or associates or employees of the applicant from voting multiple times, and the poll results did not indicate the number of actual participants); *In re Hotels.com, L.P.*, 87 USPQ2d 1100, 1109–10 (TTAB 2008) (finding applicant's survey entitled to no probative weight as to the public's perception of HOTELS.COM due to flaws including the order of the questions and an assumption that consumers understood the difference between a brand name and domain name), *aff'd*, 573 F.3d 1300 (Fed. Cir. 2009). Therefore, information regarding how a survey was conducted (the entire survey report, including all data and/or statistics gathered regarding participants responses), the complete questionnaire provided to participants, the criteria for selecting participants, the number of participants surveyed, all the individual responses to the questionnaire, the geographic scope of the survey, and an explanation of the survey method and/or design employed may assist the examining attorney in determining the probative weight of such evidence.

For a survey to be probative, the proper universe of participants must be surveyed. *In re Hikari Sales USA, Inc.*, 2019 USPQ2d 111514, at *12 (where identification broadly identified goods as fish food, survey universe was too narrow because it did not include people who purchased fish food for fish other than tropical fish) (citing *Omaha Steaks Int'l, Inc. v. Greater Omaha Packing Co.*, 908 F.3d 1315, 1322 (Fed. Cir. 2018) (where identification of goods broadly identified goods as meat and beef, survey universe too narrow because it eliminated from survey meat eaters who buy their meat from sources other than plaintiff); *In re FCA US LLC*, 126 USPQ2d 1214, 1226 (TTAB 2018) (survey was of limited relevance because it did not consider the entire universe of customers for automobiles, trim and structural parts but was limited to customers for vehicles capable of off-road driving); *Sheetz of Del., Inc. v. Doctor's Assocs. Inc.*, 108 USPQ2d 1341, 1363 n.41, 1371 (TTAB 2013) (finding survey universe too narrow and stating "[b]ased on the description of goods, the proper survey universe should include all people who purchase and eat sandwiches (defined to exclude only hot dogs)"; "[t]here may be an overreliance on patrons of 'fast food' establishments that skews the results because the proper universe is all consumers who purchase and eat sandwiches.")).

A survey is probative only if it deals with conditions at the time registration is being sought, as acquired distinctiveness is a time-based concept: "it exists at a specific time, in a specific place, among a specific group of people who recognize that specified matter indicates commercial origin of a specified type of product or service from one unique commercial source." *Royal Crown Co. v. Coca-Cola Co.*, 892 F.3d 1358, 1371 (Fed. Cir. 2018) (quoting 4A Callmann on Unfair Competition, Trademarks, & Monopolies §20.23 (4th ed. 2017)) (finding a more than five-year-old survey submitted to show acquired distinctiveness had little probative value); *see In re Morton-Norwich Prods.*, 671 F.2d 1332, 1344 (Fed. Cir. 1982) (questioning the probative value of a four-year-old survey submitted to show acquired distinctiveness because "trademark rights are not static" and "the right to register must be determined on the basis of the factual situation as of the time when registration is being sought"); *In re Audemars Piguet Holding SA*, Ser. No. 90045780, 2025 TTAB LEXIS 1, at *54-55 (2025) (finding that a survey more than ten-years-old had little probative value to determine current consumer perception).

For registration of trade dress marks, a survey must use the drawing of the mark for which acquired distinctiveness is at issue, not a photograph of a product, since the drawing reflects the mark being registered. *In re Audemars Piguet Holding SA*, 2025 TTAB LEXIS 1, at *54 (citing *Kohler Co. v. Honda Giken Kogyo K.K.*, Opp. No. 91200146, 2017 TTAB LEXIS 450, at *137 (2017)). A photograph could introduce other features or irrelevant matter not part of the matter sought to be registered, which "reduces the survey's probative value in proceedings concerning registrability." *Kohler Co. v. Honda Giken Kogyo K.K.*, 2017 TTAB LEXIS 450, at *137 (quoting *Miles Laby's Inc. v. Naturally Vitamin Supplements Inc.*, Opp. No. 62820, 1986 TTAB LEXIS 173, at *50-51 (1986)); *see also In re Audemars Piguet Holding SA*, 2025 TTAB LEXIS 1, at *54.

The Trademark Trial and Appeal Board has given little weight to surveys that do not include an education or pre-testing portion regarding the difference between a generic term and a trademark or such portion is insufficient to educate respondents. *See Frito-Lay N. Am., Inc. v. Princeton Vanguard, LLC*, 124 USPQ2d 1184, 1198-99 (TTAB 2017); *Sheetz of Del., Inc. v. Dr.'s Assocs. Inc.*, 108 USPQ2d 1341, 1361-62 (TTAB 2013); *see also In re Hikari Sales USA, Inc.*, 2019 USPQ2d 111514, at *11 (TTAB 2019) (citing David H.B. Bednall, *Color, Champagne, & Trademark Secondary Meaning Survs.: Devilish Detail*, 102 Trademark Rep. 967, 999 (July-Aug. 2012)); *Zimmerman*, 70 USPQ2d at 1435-36.

Evidence of acquired distinctiveness may be sufficient if it shows that a substantial portion of the consuming public associates the proposed mark with a single source. *See Perini Corp. v. Perini Constr., Inc.*, 915 F.2d 121, 125 (4th Cir. 1990) (quoting *Food Fair Stores, Inc. v. Lakeland Grocery Corp.*, 301 F.2d 156, 161 (4th Cir. 1962)); McCarthy, *supra* §§15.45, 32.190; *see also In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1127 (Fed. Cir. 1985) (noting "the results show a syndetic relationship between the color 'pink' and Owens-Corning Fiberglas in the minds of a significant part of the purchasing public"). As noted by the Court of Customs and Patent Appeals (the predecessor to the Court of Appeals for the Federal Circuit), "proof of distinctiveness requires more than proof of the existence of a relatively small number of people" who associate the proposed mark with the applicant. *Roselux Chem. Co. v. Parsons Ammonia Co.*, 299 F.2d 855, 862 (C.C.P.A. 1962) . Although all evidence must be reviewed on a case-by-case basis, generally, survey results showing less than 10% consumer recognition are insufficient to establish secondary meaning, and results over 50% are sufficient to establish secondary meaning. *See id*. (finding 10% insufficient to establish secondary meaning); *In re Owens-Corning Fiberglas Corp.*, 774 F.2d at 1127–28 (finding 50% probative in establishing secondary meaning given the totality of the evidence); McCarthy, *supra* §§15.45, 32.190. However, the probative value of a survey is significantly weakened, despite consumer recognition rates greater than 50%, if there are flaws in the way the survey is conducted. *See Stuart Spector Designs Ltd. v. Fender Musical Instruments Corp.*, 94 USPQ2d 1549, 1569-71 (TTAB 2009); *TBL Licensing LLC v. Vidal*, 98 F.4th 500, 513-514 (4th Cir. 2024).

6.5. Case: *In re Walsh* ("Performance Nutrition") (TTAB 2016)

{This section by EEJ in 2026}

6.5.1. Advance Notes

The following is useful as a teaching case because it illustrates a number of aspects of how acquired distinctiveness may be proved, and it reaches a result that, at first blush, may seem surprising.

The applicant in this case has what would seem to be some impressive evidence of secondary meaning – including use since 1996, a website and blog with thousands of visitors per month, thousands of social media followers, six brick-and-mortar stores, advertising and marketing expenses within a single year of over $100,000, and millions of dollars in sales.

But the applicant nonetheless loses as the TTAB decides the evidence is not enough to establish acquired distinctiveness. Why? It's the sliding scale: The mark in this case, PERFORMANCE NUTRITION, is extremely descriptive, causing the applicant's evidentiary burden to be enormous. Too big, in this case, to surmount.

6.5.2. Opinion

Note about editing marks: The superscript tilde ˜ denotes a deletion from the text. The superscript hashmark # denotes a deletion limited to citation matter. The superscript angle brackets indicate footnote material placed into the above-the-line text. These editing marks are intended as less-obtrusive ways of indicating edits while nonetheless memorializing the edits in a way that will maintain fidelity to the original text, be useful in an educational context, and facilitate further editing of these open-licensed materials by downstream users.

{Edit by EEJ in 2026. Footnotes and citations to record omitted without indication.}

In re Walsh General Ventures LLC

Trademark Trial and Appeal Board
March 22, 2016

This Opinion is not a Precedent of the TTAB. UNITED STATES PATENT AND TRADEMARK OFFICE. Mailed: March 22, 2016. Serial No. 85801902. Adam J. Bruno of Bay State IP, LLC, for Walsh General Ventures LLC. Lyndsey Kuykendall, Trademark Examining Attorney, Law Office 102, Mitchell Front, Managing Attorney. Before Richey, Deputy Chief Administrative Trademark Judge, Wellington, and Greenbaum, Administrative Trademark Judges.

Opinion by Wellington, Administrative Trademark Judge:

Walsh General Ventures LLC ("Applicant") seeks registration on the Principal Register of the mark PERFORMANCE NUTRITION (the word "NUTRITION" is disclaimed) for the following services:

> Retail store services, namely, in the field of nutritional supplements, sports supplements, clothing and snack foods; On-line retail store services, namely, in the field of nutritional supplements, sports supplements, clothing and snack foods; Mail order services, namely, in the field of nutritional supplements, sports supplements, clothing and snack foods in International Class 35.

<[1]Application Serial No. 85801902 was filed on December 13, 2012, based on an allegation of first use anywhere and in commerce on January 3, 1996, under Section 1(a) of the Trademark Act.>

The Trademark Examining Attorney issued a final refusal of registration under Section 2(e)(1) of the Trademark Act, 15 U.S.C. § 1052(e)(1), on the ground that Applicant's proposed mark, when used on the identified goods, is merely descriptive thereof. The Examining Attorney also rejected Applicant's alternative claim that the proposed mark has acquired distinctiveness, under Section 2(f) of the Act, 15 U.S.C. § 1052(f).

Applicant and the Examining Attorney have filed briefs.

We affirm the refusal under Section 2(e)(1) and further agree that the Applicant's showing is insufficient for purposes of establishing the proposed mark has acquired distinctiveness.

Evidentiary Objection

As a preliminary matter, we note the Examining Attorney has objected to Applicant's attachment of copies of third-party registrations with its appeal brief on basis that they are untimely. The˜ Examining Attorney's objection is overruled and we have decided to consider the copies of the registrations in our analysis of whether Applicant's applied-for mark is merely descriptive. We hasten to add, however, that their probative value has limitations. See TBMP Section 704.03.02 ("probative value [of third-party registrations] is limited ..., [but] may be entitled to some weight to show the meaning of a mark, or a portion of a mark, in the same manner as a dictionary definition") and authorities cited therein.

Mere Descriptiveness

A mark is deemed to be merely descriptive of goods or services, within the meaning of Section 2(e)(1), if it forthwith conveys an immediate idea of an ingredient, quality, characteristic, feature, function, purpose or use of the goods or services.[#] A mark need not immediately convey an idea of each and every specific feature of the applicant's goods or services in order to be considered merely descriptive; rather, it is sufficient that the mark describes one significant attribute, function or property of the goods or services.[#]

Whether a mark is merely descriptive is not determined in the abstract, but in relation to the goods or services for which registration is sought, the context in which it is being used on or in connection with the goods or services, and the possible significance that the mark would have to the average purchaser of the goods or services because of the manner of its use.[#] "The question is not whether someone presented with only the mark could guess what the goods or services are. Rather, the question is whether someone who knows what the goods or services are will understand the mark to convey information about them." *In re Tower Tech Inc.*, 64 USPQ2d 1314, 1316-17 (TTAB 2002).

The Examining Attorney argues PERFORMANCE NUTRITION is merely descriptive because it "immediately and logically refers to nutritional products that enhance one's performance." In addition to the dictionary definitions for the individual words,[6] the Examining Attorney relies on Internet evidence gathered from twenty-five different third-party websites showing "use [of] the wording PERFORMANCE NUTRITION as a category of various nutritional products that aid in one's performance." *Id.*

> [6] The definitions submitted with Office action issued on November 18, 2013 were obtained from the Collins English Dictionary website (www.collinsdictionary.com); however, the provided meanings were from the "British English" (as opposed to "American English") version of the dictionary and this version has been held on occasion to have little probative value because of differences between the versions. *See, e.g., In re Heatcon, Inc.*, 1374 n.19 (TTAB 2015); *In re Manwin/RK Collateral Trust*, 111 USPQ2d 1311, 1313 n.18 (TTAB 2014). Nevertheless, in this case and with respect to these two words, we take judicial notice of the American English version and note that the differences between the versions are insignificant. The Board may take judicial notice of dictionary definitions, *Univ. of Notre Dame du Lac v. J.C. Gourmet Food Imp. Co.*, 213 USPQ 594 (TTAB 1982), aff'd, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983), including online dictionaries that exist in printed format or have regular fixed editions. *In re Red Bull GmbH*, 78 USPQ2d 1375, 1377 (TTAB 2006). Specifically, the "American English" version defines "*Performance*" as "the act of performing; execution, accomplishment, fulfillment, etc." and "*Nutrition*" is defined as "a nourishing or being nourished; esp., the series of processes by which an organism takes in and assimilates food for promoting growth and replacing worn or injured tissues."

The Examining Attorney highlighted many excerpts from these materials in her brief; we do not repeat these but note the following as examples (**bold** emphasis added):

> Mark Wahlberg's New Line of **Performance Nutrition** Products … Mark Wahlberg teamed up with GNC to produce **a complete line of performance nutrition supplements** to help you get [sic] meet your fitness & nutrition goals.

[from website www.gymflow100.com]

Scivation is a **performance nutrition** and dietary supplement company committed to developing products of unparalleled quality using only fully efficacious amounts of active ingredients that are supported by science ... committed to providing our customers with high-quality, research supported products to enhance performance and quality of life.

[from website www.bodybuilding.com]

TRANSFORMATION UNITED STATES DEPARTMENT OF DEFENSE

It's "all go, no crash" for HooAH! The **performance nutrition bar** first developed for the military has taken its "SteadyEnergy" blend to the commercial market.

[from website www.defense.gov]

ELEMENTZ NUTRITION

Proper **nutrition** and rest will ensure athletes are meeting their **performance** goals. If the fuel in the tank is inadequate, the **performance** will also be inadequate. **Nutrition** should focus on an athlete achieving the greatest benefit from the foods they consume. ... This is why we are focusing on **performance nutrition** to get each athlete to perform at their absolute best.

[from website www.elementznutrition.com]

HEALTHY PLANET VITAMINS

Our purest whey protein, purest glutamine and purest colostrum products fuel your body with the highest **performance nutrition** and give your body what it needs to maintain and increase cell growth.

Journal of Athletic Training

National Athletic Trainers" Association Position Statement: Evaluation of Dietary Supplements for ***Performance Nutrition***

[from website www.natajournals.org]

Again, these excerpts are merely representative of the Internet evidence submitted by the Examining Attorney. Taken in their entirety, they show highly descriptive use of the wording "performance nutrition" by numerous third-parties in connection with food, including supplements, vitamins or additives, and particularly products touted as enhancing a person's physical or athletic performance. Several of the third-party websites involve the retail sale of the products thus putting them in competition with Applicant's online retail services in the field of nutritional supplements or sports supplements.

The record contradicts Applicant's argument that "consumers have to use some imagination to connect Applicant's mark to the fact that the mark is for a retail store selling vitamin, nutritional, and herbal supplements." The manner and apparent regularity with which the third-parties use "performance nutrition," to describe or advertise their goods, *e.g.*, nutritional supplements or additives, reflects an understanding that consumers do not need further explanation of the meaning of the wording. It is evident that consumers who view this wording have no trouble immediately understanding its meaning. Moreover, Applicant's argument implies that the test for descriptiveness should be whether someone can guess what Applicant's services are after viewing the mark. As indicated above, this is not the test; rather, the issue is whether PERFORMANCE NUTRITION conveys information about the involved services when the mark is viewed in the context of the services. Given the record before us, we have no doubt that consumers will immediately understand Applicant's mark as describing the very type of goods being featured through Applicant's retail store services.

Applicant also argues that "the combination of the terms used to form the PERFORMANCE NUTRITION mark creates a unitary mark with a nondescriptive meaning in relation to the goods [sic] and/or services." However, Applicant does not point to any supporting evidence or explain what new, non-descriptive meaning is conjured by the combination of the terms. In contrast, and as already discussed, the record reveals that the combination of these terms appears to have a unitary meaning that is *highly* descriptive.

Finally, Applicant's argument that the USPTO has allowed the registration of "marks that are analogous to the mark at issue," is not persuasive. As often stated, each case must be decided on its own merits and previous decisions by examining attorneys in approving other marks are without evidentiary value and are not binding on the Board. *In re Sunmarks Inc.*, 32 USPQ2d 1470 (TTAB 1994); *In re Perez*, 21 USPQ2d 1075 (TTAB 1991); and *In re J.M. Originals Inc.*, 6 USPQ2d 1393 (TTAB 1987). *Accord In re Nett Designs Inc.*, 236 F.3d 1339, 57 USPQ2d 1564, 1566 (Fed. Cir.

2001) ("Even if prior registrations had some characteristics similar to [applicant's] application, the PTO's allowance of such prior registrations does not bind the Board or this court."); and *In re Loew's Theatres, Inc.*, 769 F.2d 764, 226 USPQ 865 (Fed. Cir. 1985) ("each application for registration of a mark for particular goods must be separately evaluated"). Nevertheless, even after reviewing the registrations submitted by Applicant, we fail to see how they support Applicant's contention that the descriptiveness refusal before us is inconsistent with the Office's handling of similar marks. Of the twenty-two registered marks,[8] twelve do not contain either term PERFORMANCE or NUTRITION. The remaining registrations either are on the Supplemental Register or contain a disclaimer of the term NUTRITION or have been registered based on a Section 2(f) claim of acquired distinctiveness. Furthermore, five of the registered marks are stylized and contain a design element. While we can speculate why these registrations issued, that would serve no purpose here. Rather, we address the unique circumstances of this appeal and remain focused on Applicant's proposed mark and the services recited in the application. Suffice to say, we are not persuaded by Applicant's argument and reliance on these registrations.

8 The registered marks are: NUTRITION WAREHOUSE; SUPPLEMENT WAREHOUSE; SMOOTHIE KING; VITAMIN WORLD; NUTRITION FOR HEALTH; NZ NUTRITION ZONE (stylized with a design); NUTRITION S'MART; NUTRITION DEPOT; NUTRITION DISCOUNTERS (stylized with a design); THE VITAMIN DEPOT; VITAMINCITY; NUTRITION CENTRAL (cancelled); PRO CITY SUPPLEMENTS (stylized with a design); NSS NUTRITIONAL SPORT SUPPLEMENTS (stylized with a design)(cancelled); PREFERRED MEDICAL SUPPLEMENTS (cancelled); WHOLESALE NUTRITION, INC. (stylized with a design); NATIONAL SUPPLEMENT CENTER (cancelled); STRONG SUPPLEMENT SHOP (on Supplemental Register); SAVE ON SUPPLEMENTS (on Supplemental Register); SUPPLEMENT XPRESS (on Supplemental Register); NUTRITION RITE; and SUPPLEMENT GIANT.

In sum, the record establishes that Applicant's mark is highly descriptive of the services identified in the involved application. We see no incongruity in the combination of the terms "performance" and "nutrition." Rather, there is ample evidence showing PERFORMANCE NUTRITION will be easily and readily understood as identifying a significant feature of Applicant's services by identifying the goods being sold.

Acquired Distinctiveness in the Alternative

It is Applicant's burden to prove acquired distinctiveness by a preponderance of the evidence.[#] The amount and character of such evidence depends on the facts of each case[#], and more evidence is required where a mark is so highly descriptive that purchasers seeing the matter in relation to the goods or services would be less likely to believe that it indicates source in any one party.[#]

In determining whether the applied-for mark has acquired distinctiveness, the following factors are generally considered: (1) length and exclusivity of use of the mark in the United States by an applicant; (2) the type, expense and amount of advertising of the mark in the United States; and (3) an applicant's efforts in the United States to associate the mark with the source of the services, such as unsolicited media coverage and consumer studies.[#]

In considering the aforementioned factors, we note that there is no *per se* rule that any one certain type of evidence must be submitted; however, there must be sufficient circumstantial or direct evidence for the Board to make a finding that the mark has acquired distinctiveness. *In re Ennco Display Sys. Inc.*, 56 USPQ2d 1279, 1283 (TTAB 2000) ("Acquired distinctiveness may be shown by direct and/or circumstantial evidence. Direct evidence includes actual testimony, declarations or surveys of consumers as to their state of mind. Circumstantial evidence, on the other hand, is evidence from which consumer association might be inferred, such as years of use, extensive amount of sales and advertising, and any similar evidence showing wide exposure of the mark to consumers.")

We begin our analysis with a determination of the level of descriptiveness of the proposed mark. Here, the evidence in the record and described *supra* demonstrates that PERFORMANCE NUTRITION is highly descriptive of the involved services. As a result, "Applicant [has] the burden to show a concomitantly high level of secondary meaning." *In re Steelbuilding.com*, 415 F.3d 1293, 75 USPQ2d 1420, 1424 (Fed. Cir. 2005).

In support of its acquired distinctiveness claim, Applicant relies on its statement that it has been "exclusively and continuously" using the proposed mark in connection with its retail store since at least as early as 1996, and the declaration of its CEO and owner, Mr. Dominick Walsh, with accompanying exhibits. In his declaration, Mr. Walsh avers, *inter alia*, that Applicant's website receives "about 10,000 visitors per month and [Applicant's] blog receives about 4,000 views per month"; that Applicant's "Facebook page has been created and has 5,962 fans and services under the PERFORMANCE NUTRITION mark has an active email list of over 7,000 individuals"; that Applicant has six "brick-and-mortar stores throughout the New England area"; that Applicant's marketing efforts include "advertising on the ANS Website, email marketing, social media, and advertising in the areas that surround the brick-and-mortar stores" and its "advertising and marketing costs for January through October 2014 total $104,966.28"; that Applicant distributes a PERFORMANCE NUTRITION newsletter "that has about 2,000 copies distributed per quarter"; and that Applicant "has a high number of sales (around $4 million in 2012 and 2013 and is decidedly profitable (just under $2 million in gross profits in 2012 and 2013)". The exhibits to Mr. Walsh's declaration include: a printout from Applicant's website homepage; a copy of an advertisement for Applicant's goods and listing six locations in Rhode Island, Massachusetts and New Hampshire; copies of "Profit & Loss" reports for January through December 2013 and 2014; and a copy of "an example of advertisement" and "first page of a PERFORMANCE NUTRITION newsletter". Exhibit E is described by Mr. Walsh as a "video of testimonials from loyal customers," but appears to be an aired commercial containing statements from three individuals stating why they shop at PERFORMANCE NUTRITION. There is no additional information explaining the extent of circulation of this video message.

We do not find Applicant's evidence, taken in its entirety, to be sufficient for purposes of establishing that PERFORMANCE NUTRITION has acquired distinctiveness. Applicant's use since 1996, even when combined with evidence of recent commercial success, is not conclusive or persuasive considering the highly descriptive nature of the mark sought to be registered and evidence of numerous third parties using the same wording to describe the very same type of goods that Applicant is selling. *See In re Packaging Specialists, Inc.*, 221 USPQ 917, 920 (TTAB 1984) (evidence submitted by applicant held insufficient to establish acquired distinctiveness of PACKAGING SPECIALISTS, INC., for contract packaging services, notwithstanding, *inter alia*, continuous and substantially exclusive use for sixteen years, deemed "a substantial period but not necessarily conclusive or persuasive."). We note in particular that the evidence of third-party use not only includes use of the wording PERFORMANCE NUTRITION in a purely descriptive fashion but also includes use of this term incorporated into the name of the business. See, *e.g.*, "Prime Performance Nutrition" (page 31 of Office Action issued November 18, 2013) and "True Performance Nutrition" (Id. at p. 33). This type of evidence challenges Applicant's claim of exclusive use of the wording and, in turn, its claim of acquired distinctiveness. *See Levi Strauss & Co. v. Genesco, Inc.,* 742 F.2d 1401, 222 USPQ 939, 940-941 (Fed. Cir. 1984) ("When the record shows that purchasers are confronted with more than one (let alone numerous) independent users of a term or device, an application for registration under Section 2(f) cannot be successful, for distinctiveness on which purchasers may rely is lacking under such circumstances."). Even if Applicant was the initial user of PERFORMANCE NUTRITION or the most successful to do so, the marketplace no longer reflects substantially exclusive use by Applicant.

With regard to the sales and advertisement figures provided by Applicant, they show some success for the years 2012-2013 as well as significant marketing expenses for the most of 2014; however, we cannot make a finding that consumers understand PERFORMANCE NUTRITION to refer solely to Applicant's services based on these numbers. Although they suggest that Applicant recently undertook substantial advertising and has enjoyed some commercial success of late, the span of time is too limited and too recent to provide meaningful evidentiary support. There is no specific information regarding the amount of sales, advertising expenses, or extent of advertising for the years prior to 2012. Furthermore, Applicant's case for showing acquired distinctiveness is not helped by the lack of direct evidence, *e.g.*, consumer declarations attesting to the distinctiveness of a mark or surveys. Again, this type of direct evidence is not necessary, but it has been found to be very persuasive, and we must keep in mind that we are presented with a highly descriptive mark.

When all of the evidence of record is viewed as a whole, including evidence showing the degree of descriptiveness and use by third parties of PERFORMANCE NUTRITION, Applicant's showing falls short of demonstrating that the proposed mark has acquired distinctiveness under Section 2(f).

***Decision**:* The refusal to register Applicant's mark is affirmed on the ground that PERFORMANCE NUTRITION is descriptive as applied to Applicant's services and has not been shown to have acquired distinctiveness.

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Credit/licensing notes

MG-TL25-D, MICHAEL GRYNBERG

I am very grateful to Michael Grynberg for his generosity in sharing his excellent materials!

7. Genericness

All material in this chapter by Michael Grynberg
(credit/licensing note: MG-TL25-D, *infra*) (This material is generally taken from Chapter 3 of Prof. Grynberg's book.)

7.1. Case: *Filipino Yellow Pages v. Asian Journal Publications* ("Filipino Yellow Pages") (9th Cir. 1999)

Filipino Yellow Pages, Inc. v. Asian Journal Publications, Inc.

198 F.3d 1143 (9th Cir. 1999)

O'SCANNLAIN, Circuit Judge:

We must decide whether the publisher of a telephone directory for the Filipino-American community can establish that the term "Filipino Yellow Pages" is protectible under trademark law. [Plaintiff, FYP, published the *Filipino Yellow Pages*. Defendant, AJP, published the *Filipino Consumer Directory*.]

In June 1996, two months before it sued AJP for trademark infringement, FYP applied for registration of "Filipino Yellow Pages" with the Patent and Trademark Office ("PTO"). In December 1996, the PTO refused registration of "Filipino Yellow Pages." The PTO stated: "The proposed mark merely describes the goods and the nature and intended audience for the goods.

Accordingly, the mark cannot be registered on the Principal Register based solely on an intent to use the mark in Interstate Commerce." The PTO informed FYP that because its application "indicate[d] use of the mark for a significant time," however, FYP could amend its application to seek registration based on acquired distinctiveness. The PTO further advised FYP that its amended application would have to include the following disclaimer: "No claim is made to the exclusive right to use [the term] 'yellow pages' apart from ['Filipino Yellow Pages']." FYP subsequently amended its application for trademark registration to seek registration based on acquired distinctiveness. FYP's application for trademark registration remains pending at the current time.

On August 2, 1996, FYP filed a complaint against AJP.... FYP alleged the following causes of action: (1) trademark infringement; (2) false designation of origin and false description of sponsorship or affiliation; (3) unfair competition and misappropriation of goodwill, reputation, and business properties . . . .

AJP moved for summary judgment, arguing that the term "Filipino Yellow Pages" is generic and as such incapable of trademark protection. In support of this contention, AJP relied upon:

> 1. the presence in the dictionary and generic nature of the individual terms "Filipino" and "yellow pages";
>
> 2. [The generic use of the term "Filipino Yellow Pages" in an earlier non-compete agreement between the parties in which the owner of the plaintiff entity "agree[d] not to compete in the Filipino Directory (Filipino Yellow Pages) [market] in California...."];
>
> 3. the marketing of a second *Filipino Yellow Pages,* that of Kayumanggi Communications, to the Filipino-American community on the East Coast; and
>
> 4. generic usage by the media of the term "Filipino Yellow Pages," in a *Los Angeles Times* article on specialty yellow pages which stated as follows: "Virgil Janio of Los Angeles sells ads nationwide for his Filipino yellow pages...."

In opposing the motion for summary judgment, FYP contended that "Filipino Yellow Pages," rather than being generic, is protectible under trademark law as a descriptive mark with a secondary meaning in the minds of consumers (i.e., as specifically referring to FYP's telephone directory). . . .

[T]he district court granted AJP's motion for summary judgment. The district court held that (1) the term "Filipino Yellow Pages" is generic, and as such incapable of serving as a trademark; and (2) even if the term were descriptive, AJP would still be entitled to summary judgment because FYP had failed to produce any admissible evidence of secondary meaning. . . .

II

The first issue presented is whether the term "Filipino Yellow Pages" is generic with respect to telephone directories targeted at the Filipino-American community. . . .

A

Before proceeding to the merits, a word on the burden of persuasion is appropriate. In cases involving properly registered marks, a presumption of validity places the burden of proving genericness upon the defendant. If a supposedly valid mark is not federally registered, however, the plaintiff has the burden of proving nongenericness once the defendant asserts genericness as a defense. The case at bar involves a claimed mark that is unregistered; FYP has not yet been successful in its attempts to register "Filipino Yellow Pages" with the PTO. Thus FYP, as trademark plaintiff, bears the burden of showing that "Filipino Yellow Pages" is not generic.

B

. . . . AJP contends that "Filipino Yellow Pages" is a generic term and as such incapable of trademark protection, while FYP argues that the term is protectible as a descriptive term with secondary meaning.[3]

> [3] FYP does not claim (nor could it do so successfully) that "Filipino Yellow Pages" can qualify for trademark protection as a suggestive mark . . . . No imagination or mental leap is required to ascertain that the Filipino Yellow Pages is a telephone directory targeted at the Filipino-American community.

. . . . In determining whether a term is generic, we have often relied upon the "who-are-you/what-are-you" test: "A mark answers the buyer's questions 'Who are you?' 'Where do you come from?' 'Who vouches for you?' But the [generic] name of the product answers the question 'What are you?' " *Official*

Airline Guides, Inc. v. Goss, 6 F.3d 1385, 1391 (9th Cir.1993) (quoting 1 J. Thomas McCarthy, *Trademarks and Unfair Competition* § 12.01 (3d ed.1992)). Under this test, "[i]f the primary significance of the trademark is to describe the *type of product* rather than the *producer,* the trademark [is] a generic term and [cannot be] a valid trademark."

Here the parties do not dispute that "Filipino" and "yellow pages" are generic terms. The word "Filipino" is a clearly generic term used to refer to "a native of the Philippine islands" or "a citizen of the Republic of the Philippines." *Webster's Ninth New Collegiate Dictionary* 462 (1986). The term "yellow pages" has been found to be a generic term for "a local business telephone directory alphabetized by product or service." *AmCan Enters., Inc. v. Renzi,* 32 F.3d 233, 234 (7th Cir.1994) (Posner, J.) (citing cases, and noting that "yellow pages," which originally was not a generic term, has become generic over time); *see also Webster's Ninth New Collegiate Dictionary* 1367 (defining "yellow pages" as "the section of a telephone directory that lists businesses and professional firms alphabetically by category and that includes classified advertising") . . . .

The issue then becomes whether combining the generic terms "Filipino" and "yellow pages" to form the composite term "Filipino Yellow Pages" creates a generic or a descriptive term. AJP argues, and the district court concluded, that "Filipino Yellow Pages" is generic based on this court's analysis in *Surgicenters of America, Inc. v. Medical Dental Surgeries Co.,* 601 F.2d 1011 (9th Cir.1979). In *Surgicenters,* we held that the term "surgicenter" was generic and that the plaintiff's registered service mark had to be removed from the trademark register. In our discussion in *Surgicenters,* we summarized (but did not explicitly adopt) the analysis of the district court in that case, which reasoned that "surgicenter," created by combining the generic terms "surgery" and "center," retained the generic quality of its components. We distinguished "surgicenter" from the composite term "Startgrolay," upheld as a valid mark for poultry feed, by noting that the combination of terms in "surgicenter" did not constitute a "deviation from normal usage" or an "unusual unitary combination." Nowhere in *Surgicenters* did we hold, however, that a composite term made up of generic components is automatically generic unless the combination constitutes a "deviation from normal usage" or an "unusual unitary combination."

In reaching our conclusion of genericness in *Surgicenters,* we placed significant but not controlling weight on the dictionary definitions and generic nature of "surgery" and "center." We explained that "[w]hile not determinative, dictionary definitions are relevant and often persuasive in determining how a term is understood by the consuming public, the ultimate test of whether a trademark is generic." But we also based our genericness finding upon detailed information in some 45 exhibits that, taken collectively, suggested that the consuming public considered the composite term "surgicenter" to mean a surgical center generally speaking, as opposed to a surgical center maintained and operated by the plaintiff specifically. These exhibits included letters from potential consumers and several publications that used the term "surgicenter" in a clearly generic sense. The finding of genericness in *Surgicenters* cannot be separated from the uniquely well-developed record in that case.

In this case, the district court cited *Surgicenters* for the proposition that "a combination of two generic words is also generic, unless the combination is a 'deviation from natural usage' or an 'unusual unitary combination.' " The court then stated that "[u]nder this analysis, the term 'Filipino Yellow Pages' seems to be neither a 'deviation from natural usage,' nor an 'unusual unitary combination.' " The district court's reading of *Surgicenters* appears somewhat troubling insofar as it oversimplifies our opinion. First, it overlooks our explicit recognition that "words which could not individually become a trademark may become one when taken together." Second, it effectively makes dictionary definitions the crucial factor in assessing genericness, even though *Surgicenters* makes clear that such definitions are "not determinative" and that the "ultimate test" of genericnessness is "how a term is understood by the consuming public." Finally, it severs our *Surgicenters* analysis from its unique factual context, in which a wealth of exhibits supported a finding that the term "surgicenter" was generic even when taken as a whole (as opposed to the sum of generic parts).

Furthermore, reading the *Surgicenters* opinion for the rather broad (and somewhat reductionist) principle that "a generic term plus a generic term equals a generic term" would give rise to an unnecessary conflict between that decision and several other cases, decided both before and after *Surgicenters,* in which we have adopted a more holistic approach to evaluating composite terms.

In *United States Jaycees v. San Francisco Junior Chamber of Commerce,* 513 F.2d 1226 (9th Cir.1975) (per curiam), decided a few years before *Surgicenters,* this court rejected the rather blunt "generic plus generic equals generic" approach to evaluating composite terms. The *Jaycees* court affirmed the district court's holding that "Junior Chamber of Commerce" was a descriptive mark with secondary meaning over a dissent arguing that "Junior Chamber of Commerce" was generic. The dissent relied upon the presence of "junior" and "chamber of commerce" in the dictionary to argue that both terms were generic and that "junior" modified "chamber of commerce" in a perfectly ordinary way, thereby creating a generic term. The *Jaycees* court, in affirming over the dissent, implicitly rejected evaluating genericness of composite terms by breaking them down into their parts.

Several of our more recent cases have taken a fairly integrative approach to evaluating composite terms, rejecting the breaking down of such terms into their individual (and often generic) parts....

In *California Cooler, Inc. v. Loretto Winery, Ltd.,* 774 F.2d 1451 (9th Cir.1985), we affirmed the district court's preliminary injunction enjoining the defendant from using the name "California Special Cooler" for its wine cooler products on the ground that it was confusingly similar to the plaintiff's registered trademark, "California Cooler." The defendant in *California Cooler* argued that because the generic terms "California" and "Cooler" could not qualify as valid marks individually, their combination, "California Cooler," was similarly generic. We rejected this argument: "California Cooler's mark is a composite term, and its validity is not judged by an examination of its parts. Rather, the validity of a trademark is to be determined by *viewing the trademark as a whole.* ... Thus, the composite may become a distinguishing mark even though its components individually cannot.") . . . .

Finally, in *Committee for Idaho's High Desert, Inc. v. Yost,* 92 F.3d 814 (9th Cir.1996), we held that an environmental organization's name, "Committee for Idaho's High Desert," was not generic. Appellants challenged the validity of that tradename by arguing that it was generic based on the genericness of "Idaho's high desert" and "committee." We rejected their argument, stating that "[t]he district court was clearly correct in evaluating the genericness of the name as a whole, rather than looking to its constituent parts individually. .... The relevant question therefore is whether the *entire name* 'Committee for Idaho's High Desert' is generic."

As the foregoing discussion illustrates, several pre- and post-*Surgicenters* cases have announced what could be described as an "anti-dissection rule" for evaluating the trademark validity of composite terms. *Official Airline Guides,* *Inc.,* 6 F.3d at 1392 (noting that under this rule, "the validity and distinctiveness of a composite trademark is determined by viewing the trademark as a whole, as it appears in the marketplace"). When *Surgicenters* is examined in light of these later cases, it becomes clear that *Surgicenters* should not be read overbroadly to stand for the simple proposition that "generic plus generic equals generic." Rather, *Surgicenters* must be read in its proper context. First, it must be noted that *Surgicenters* explicitly recognizes that generic individual terms can be combined to form valid composite marks. Second, it must be recalled that we found the term "surgicenter" generic based in large part on a well-developed record of 45 exhibits showing that the term "surgicenter," considered as a whole, was generic (i.e., understood by the consuming public as referring simply to a center at which surgery was performed).

In light of the foregoing discussion, the district court here may have oversimplified matters somewhat when it stated that "[t]he Ninth Circuit has held that a combination of two generic words is also generic, unless the combination is a 'deviation from natural usage' or an 'unusual unitary combination.' " Any arguable imprecision in the district court's application of *Surgicenters* was harmless, however, because the term "Filipino Yellow Pages" would be unprotectible in any event.

In finding "Filipino Yellow Pages" generic, the district court did not rely solely upon the generic nature and presence in the dictionary of "Filipino" and "yellow pages." The district court also considered other evidence tending to suggest that "Filipino Yellow Pages," even when considered as an entire mark, is generic with respect to telephone directories. The district court took note of the following facts: (1) [FYP's owner] himself appeared to use the term "Filipino Yellow Pages" in a generic sense in the Shareholders' Buy Out Agreement with [Defendant's owner], when he "agree[d] not to compete in the Filipino Directory (Filipino Yellow Pages) in California"; (2) FYP did not bring suit to challenge the marketing of a second *Filipino Yellow Pages* to the Filipino-American community on the East Coast; and (3) a *Los Angeles Times* article, in discussing a trend toward specialized yellow pages, appeared to use the term in a generic sense; the article referred to a directory published by one Virgil Junio as "his Filipino yellow pages" instead of using the actual title of Junio's publication.

These three pieces of evidence are not as weighty as the 45 exhibits presented in *Surgicenters,* in which the record established generic use of the term “surgicenter” by *Newsweek* magazine, six medical publications, and the Department of Health, Education and Welfare. An important difference between *Surgicenters* and the instant case should be noted, however. The mark at issue in *Surgicenters* was a federally-registered mark, and thus the burden of proving genericness rested upon the party challenging the mark’s validity. The mark at issue in this case, in contrast, is not registered; thus FYP, as trademark plaintiff, must prove that “Filipino Yellow Pages” is *not* generic. It does not appear that FYP has offered evidence of nongenericness sufficient to rebut even the fairly modest evidence of genericness offered by AJP. In light of the evidence presented by AJP, it would seem that under the “who-are-you/what-are-you” test, the term “Filipino Yellow Pages” is generic. If faced with the question “What are you?”, FYP’s *Filipino Yellow Pages,* AJP’s *Filipino Consumer Directory,* and the *Filipino Directory of the U.S.A. and Canada* could all respond in the same way: “A Filipino yellow pages.” Giving FYP exclusive rights to the term “Filipino Yellow Pages” might be inappropriate because it would effectively “grant [FYP as] owner of the mark a monopoly, since a competitor could not describe his goods as what they are.” *Surgicenters,* 601 F.2d at 1017 (internal quotation marks omitted).

Even assuming that AJP’s other evidence of genericness would be insufficient to sustain a genericness finding by itself, it certainly suggests that “Filipino Yellow Pages,” if descriptive, would be the feeblest of descriptive marks—in the words of one court, “perilously close to the ‘generic’ line.” Such a weak descriptive mark could be a valid trademark only with a strong showing of strong secondary meaning. To this component of the trademark analysis we now turn.[5]

[5] We have noted in the past that “the lines of demarcation [between the four categories of marks] are not always clear” and that “courts often have difficulty in distinguishing between generic and descriptive terms.” Surgicenters, 601 F.2d at 1014, 1015. The difference between a generic mark and the weakest of descriptive marks may be almost imperceptible. In this case, we do not need to determine whether “Filipino Yellow Pages” is a generic or very weak descriptive term. For the reasons discussed infra, FYP’s failure to show secondary meaning renders the term unprotectible in either case.

[The court ruled that "[t]he district court did not err in concluding that FYP had failed to establish secondary meaning for 'Filipino Yellow Pages,'" and affirmed.]

–|–|–|–

7.2. Notes

7.2.1. Primary significance is the key

Primary significance is the key. A mark is generic if the primary significance of the term is as a product category rather than a mark. The Trademark Office asks not whether the public *uses* the term as a category identifier, but rather if the public would *understand* the term as such. *Trademark Manual of Examining Procedures* ("TMEP") § 1209.01(c)(i) ("It is not necessary to show that the relevant public *uses* the term to refer to the genus. The correct inquiry is whether the relevant public would understand the term to be generic." (citing In re 1800Mattress.com IP LLC, 586 F.3d 1359 (Fed. Cir. 2009)).

One consequence of the primary significance test is that a mark may be generic if a court determines that 60% of the relevant public views the mark as generic *even if* a substantial minority views the term as a source-identifier. In such cases, the interests of differing consumer classes may be at odds. While the term in question may lower search costs for some consumers, others may need it as an identifier of a product category. It may be that when push comes to shove the interests of one consumer class outweighs the other's, but it is worth noting that trademark law cannot avoid the choice. That said, sometimes courts will try to mediate the conflict between the two consumer classes. *See* the note on "*de facto secondary meaning*" below.

7.2.2. Non-word marks

Non-word marks. What about non-word marks? How should a court treat a picture of a product that is claimed as a trademark? According to the McCarthy treatise (§ 7:37), most courts would treat such a picture as descriptive, but, depending on the circumstances, generic treatment is also possible. Think about wine. If you browse a liquor store, you'll notice certain recurring themes on wine bottles (e.g., references to ridges, hills, moons, and valleys). The Ninth Circuit has held that the use of leaf imagery in vineyard logos is so commonplace as to be a generic practice. Kendall-Jackson Winery, Ltd. v. E. & J. Gallo Winery, 150 F.3d 1042, 1048 (9th Cir. 1998) ("Grape-leaf designs have become generic emblems for wine. Thus, they are not protectable as trademarks.").

What about product color? The question may be premature as we have not yet addressed the question of whether color can be trademarked (spoiler alert, yes). Color may also be generic, *see, e.g.*, In re: PT Medisafe Techs., 134 F.4th 1368 (Fed. Cir. 2025) (affirming TTAB determination that proposed color mark was generic), but note the potential interplay with functionality considerations—which we will discuss in greater detail in chapters to come.

For now, think about whether treating color trademarks as generic may lower consumer search costs. Consider packets for sugar substitutes. You may find that those using the chemical equivalent of sucralose are yellow even if they are not SPLENDA, the brand name of the product that first used sucralose. Does use of yellow packaging in this way benefit consumers who prefer sucralose to, say, saccharine for their artificial sweetening? Or is this an impermissible free ride on the efforts of the maker and popularizer of SPLENDA? For litigation raising, but not resolving, this point, *see, e.g.*, McNeil Nutritionals, LLC v. Heartland Sweeteners, LLC, 511 F.3d 350 (3d Cir. 2007). Similarly, a popular maker of fiberglass insulation uses the color pink for its fiberglass. What if the pink is so popular that consumers have come to associate the pink color with fiberglass insulation generally. Can you think of ways in which this association might mean that granting a trademark in the pink color could harm consumers?

7.2.3. Anti-dissection again

Anti-dissection again. Note the reappearance of the anti-dissection principle. Is it any clearer in the generic context than in the descriptive? The Trademark Office understands its marching orders as follows (from TMEP § 1209.01(c)(i) (Oct. 2018) (some citations omitted)):

When a term is a compound word, the examining attorney may establish that a term is generic by producing evidence that each of the constituent words is generic, and that the separate words retain their generic significance when joined to form a compound that has "a meaning identical to the meaning common usage would ascribe to those words as a compound." *In re Gould Paper Corp.*, 834 F.2d 1017, 1018, 5 USPQ2d 1110, 1111–1112 (Fed. Cir. 1987) (SCREENWIPE held generic as applied to premoistened antistatic cloths for cleaning computer and television screens).

However, the Court of Appeals for the Federal Circuit has expressly limited the holding in *Gould* to "compound terms formed by the union of words" where the public understands the individual terms to be generic for a genus of goods or services, and the joining of the individual terms into one compound word lends "no additional meaning to the term." *In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 57 USPQ2d 1807, 1810 (Fed. Cir. 2001) (citing *In re Am. Fertility Soc'y*, 188 F.3d 1341, 51 USPQ2d 1832, 1837 (Fed. Cir. 1999)). Where the mark is a phrase, the examining attorney cannot simply cite definitions and generic uses of the individual components of the mark, but must provide evidence of the meaning of the composite mark as a whole. In *Coleman*, however, the Board stated that *Am. Fertility Soc'y* cannot be read to suggest that an applicant can create a trademark by adding a clearly generic term to a non-source-identifying word, even in the absence of proof that others have used the composite. 93 USPQ2d 2019 at 2025.

In *Am. Fertility Soc'y*, the court held that evidence that the components "Society" and "Reproductive Medicine" were generic was not enough to establish that the composite phrase SOCIETY FOR REPRODUCTIVE MEDICINE was generic for association services in the field of reproductive medicine. The court held that the examining attorney must show: (1) the genus of services that the applicant provides; and (2) that the relevant public understands the proposed

> composite mark to primarily refer to that genus of services. 51 USPQ2d at 1836–37.

The Supreme Court took up a dissection issue in the domain name context in 2020.

7.3. Case: *USPTO v. Booking.com* ("booking.com") (U.S. 2020)

United States Patent and Trademark Office v. Booking.com B.V.

591 U.S. 549 (2020)

Justice GINSBURG delivered the opinion of the Court.

This case concerns eligibility for federal trademark registration. Respondent Booking.com, an enterprise that maintains a travel-reservation website by the same name, sought to register the mark "Booking.com." Concluding that "Booking.com" is a generic name for online hotel-reservation services, the U. S. Patent and Trademark Office (PTO) refused registration.

A generic name—the name of a class of products or services—is ineligible for federal trademark registration. The word "booking," the parties do not dispute, is generic for hotel-reservation services. "Booking.com" must also be generic, the PTO maintains, under an encompassing rule the PTO currently urges us to adopt: The combination of a generic word and ".com" is generic.

In accord with the first- and second-instance judgments in this case, we reject the PTO's sweeping rule. A term styled "generic.com" is a generic name for a class of goods or services only if the term has that meaning to consumers. Consumers, according to lower court determinations uncontested here by the PTO, do not perceive the term "Booking.com" to signify online hotel-reservation services as a class. In circumstances like those this case presents, a "generic.com" term is not generic and can be eligible for federal trademark registration. . . .

Booking.com is a digital travel company that provides hotel reservations and other services under the brand "Booking.com," which is also the domain name of its website. Booking.com filed applications to register four marks in connection with travel-related services, each with different visual features but all containing the term "Booking.com."

Both a PTO examining attorney and the PTO's Trademark Trial and Appeal Board concluded that the term "Booking.com" is generic for the services at issue and is therefore unregistrable. "Booking," the Board observed, means making travel reservations, and ".com" signifies a commercial website. The Board then ruled that "customers would understand the term BOOKING.COM primarily to refer to an online reservation service for travel, tours, and lodgings." Alternatively, the Board held that even if "Booking.com" is descriptive, not generic, it is unregistrable because it lacks secondary meaning.

Booking.com sought review in the U.S. District Court for the Eastern District of Virginia, invoking a mode of review that allows Booking.com to introduce evidence not presented to the agency. See § 1071(b). Relying in significant part on Booking.com's new evidence of consumer perception, the District Court concluded that "Booking.com"—unlike "booking"—is not generic. The "consuming public," the court found, "primarily understands that BOOKING.COM does not refer to a genus, rather it is descriptive of services involving 'booking' available at that domain name." Having determined that "Booking.com" is descriptive, the District Court additionally found that the term has acquired secondary meaning as to hotel-reservation services. For those services, the District Court therefore concluded, Booking.com's marks meet the distinctiveness requirement for registration. [The Fourth Circuit affirmed.]

Although the parties here disagree about the circumstances in which terms like "Booking.com" rank as generic, several guiding principles are common ground. First, a "generic" term names a "class" of goods or services, rather than any particular feature or exemplification of the class. Second, for a compound term, the distinctiveness inquiry trains on the term's meaning as a whole, not its parts in isolation. Third, the relevant meaning of a term is its meaning to consumers. Eligibility for registration, all agree, turns on the mark's capacity to "distinguis[h]" goods "in commerce." § 1052. Evidencing the Lanham Act's focus on consumer perception, the section governing cancellation of registration provides that "[t]he primary significance of the registered mark to the relevant public ... shall be the test for determining whether the registered mark has become the generic name of goods or services." § 1064(3).

Under these principles, whether "Booking.com" is generic turns on whether that term, taken as a whole, signifies to consumers the class of online hotel-reservation services. Thus, if "Booking.com" were generic, we might expect consumers to understand Travelocity—another such service—to be a "Booking.com." We might similarly expect that a consumer, searching for a trusted source of online hotel-reservation services, could ask a frequent traveler to name her favorite "Booking.com" provider.

Consumers do not in fact perceive the term "Booking.com" that way, the courts below determined. The PTO no longer disputes that determination. See Pet. for Cert. I; Brief for Petitioners 17–18 (contending only that a consumer-perception inquiry was unnecessary, not that the lower courts' consumer-perception determination was wrong). That should resolve this case: Because "Booking.com" is not a generic name to consumers, it is not generic.

Opposing that conclusion, the PTO urges a nearly *per se* rule that would render "Booking.com" ineligible for registration regardless of specific evidence of consumer perception. In the PTO's view, which the dissent embraces, when a generic term is combined with a generic top-level domain like ".com," the resulting combination is generic. In other words, every "generic.com" term is generic according to the PTO, absent exceptional circumstances.

The PTO's own past practice appears to reflect no such comprehensive rule. . . . We decline to adopt a rule essentially excluding registration of "generic.com" marks. . . .

The PTO urges that the exclusionary rule it advocates follows from a common-law principle, applied in *Goodyear's India Rubber Glove Mfg. Co.* v. *Goodyear Rubber Co.*, 128 U.S. 598 (1888), that a generic corporate designation added to a generic term does not confer trademark eligibility. In *Goodyear*, a decision predating the Lanham Act, this Court held that "Goodyear Rubber Company" was not "capable of exclusive appropriation." Standing alone, the term "Goodyear Rubber" could not serve as a trademark because it referred, in those days, to "well-known classes of goods produced by the process known as Goodyear's invention." "[A]ddition of the word 'Company' " supplied no protectable meaning, the Court concluded, because adding "Company" "only indicates that parties have formed an association or partnership to deal in such goods." Permitting exclusive rights in "Goodyear Rubber Company" (or "Wine Company, Cotton Company, or Grain Company"), the Court explained, would tread on the right of all persons "to deal in such articles, and to publish the fact to the world."

"Generic.com," the PTO maintains, is like "Generic Company" and is therefore ineligible for trademark protection, let alone federal registration. According to the PTO, adding ".com" to a generic term—like adding "Company"—"conveys no additional meaning that would distinguish [one provider's] services from those of other providers." The dissent endorses that proposition: "Generic.com" conveys that the generic good or service is offered online "and nothing more."

That premise is faulty. A "generic.com" term might also convey to consumers a source-identifying characteristic: an association with a particular website. As the PTO and the dissent elsewhere acknowledge, only one entity can occupy a particular Internet domain name at a time, so "[a] consumer who is familiar with that aspect of the domain-name system can infer that BOOKING.COM refers to *some* specific entity." Thus, consumers could understand a given "generic.com" term to describe the corresponding website or to identify the website's proprietor. We therefore resist the PTO's position that "generic.com" terms are capable of signifying only an entire class of online goods or services and, hence, are categorically incapable of identifying a source.

The PTO's reliance on *Goodyear* is flawed in another respect. The PTO understands *Goodyear* to hold that "Generic Company" terms "are ineligible for trademark protection *as a matter of law*"—regardless of how "consumers would understand" the term. But, as noted, whether a term is generic depends on its meaning to consumers. That bedrock principle of the Lanham Act is incompatible with an unyielding legal rule that entirely disregards consumer perception. Instead, *Goodyear* reflects a more modest principle harmonious with Congress' subsequent enactment: A compound of generic elements is generic if the combination yields no additional meaning *to consumers* capable of distinguishing the goods or services. . . .

While we reject the rule proffered by the PTO that "generic.com" terms are generic names, we do not embrace a rule automatically classifying such terms as nongeneric. Whether any given "generic.com" term is generic, we hold, depends on whether consumers in fact perceive that term as the name of a class or, instead, as a term capable of distinguishing among members of the class. . . .

The PTO, echoed by the dissent objects that protecting "generic.com" terms as trademarks would disserve trademark law's animating policies. We disagree.

The PTO's principal concern is that trademark protection for a term like "Booking.com" would hinder competitors. But the PTO does not assert that others seeking to offer online hotel-reservation services need to call their services "Booking.com." Rather, the PTO fears that trademark protection for "Booking.com" could exclude or inhibit competitors from using the term "booking" or adopting domain names like "ebooking.com" or "hotel-booking.com." The PTO's objection, therefore, is not to exclusive use of "Booking.com" as a mark, but to undue control over similar language, *i.e.*, "booking," that others should remain free to use.

That concern attends any descriptive mark. Responsive to it, trademark law hems in the scope of such marks short of denying trademark protection altogether. Notably, a competitor's use does not infringe a mark unless it is likely to confuse consumers. In assessing the likelihood of confusion, courts consider the mark's distinctiveness: "The weaker a mark, the fewer are the junior uses that will trigger a likelihood of consumer confusion." 2 [MCCARTHY], § 11:76. When a mark incorporates generic or highly descriptive components, consumers are less likely to think that other uses of the common element emanate from the mark's owner. Similarly, "[i]n a 'crowded' field of look-alike marks" (*e.g.*, hotel names including the word "grand"), consumers "may have learned to carefully pick out" one mark from another. *Id.*, § 11:85. And even where some consumer confusion exists, the doctrine known as classic fair use, protects from liability anyone who uses a descriptive term, "fairly and in good faith" and "otherwise than as a mark," merely to describe her own goods. 15 U.S.C. § 1115(b)(4).

These doctrines guard against the anticompetitive effects the PTO identifies, ensuring that registration of "Booking.com" would not yield its holder a monopoly on the term "booking." Booking.com concedes that "Booking.com" would be a "weak" mark. The mark is descriptive, Booking.com recognizes, making it "harder … to show a likelihood of confusion." Furthermore, because its mark is one of many "similarly worded marks," Booking.com accepts that close variations are unlikely to infringe. And Booking.com acknowledges that federal registration of "Booking.com" would not prevent competitors from using the word "booking" to describe their own services.

The PTO also doubts that owners of "generic.com" brands need trademark protection in addition to existing competitive advantages. Booking.com, the PTO argues, has already seized a domain name that no other website can use and is easy for consumers to find. Consumers might enter "the word 'booking' in a search engine," the PTO observes, or "proceed directly to 'booking.com' in the expectation that [online hotel-booking] services will be offered at that address." Those competitive advantages, however, do not inevitably disqualify a mark from federal registration. All descriptive marks are intuitively linked to the product or service and thus might be easy for consumers to find using a search engine or telephone directory. The Lanham Act permits registration nonetheless. And the PTO fails to explain how the exclusive connection between a domain name and its owner makes the domain name a generic term all should be free to use. That connection makes trademark protection more appropriate, not less.

Finally, even if "Booking.com" is generic, the PTO urges, unfair-competition law could prevent others from passing off their services as Booking.com's. But federal trademark registration would offer Booking.com greater protection. . . .

Justice SOTOMAYOR, concurring.

The question before the Court here is simple: whether there is a nearly *per se* rule against trademark protection for a "generic.com" term. I agree with the Court that there is no such rule . . . . I add two observations.

First, the dissent wisely observes that consumer-survey evidence "may be an unreliable indicator of genericness." Flaws in a specific survey design, or weaknesses inherent in consumer surveys generally, may limit the probative value of surveys in determining whether a particular mark is descriptive or generic in this context. But I do not read the Court's opinion to suggest that surveys are the be-all and end-all. . . .

Second, the PTO may well have properly concluded, based on such dictionary and usage evidence, that Booking.com is in fact generic for the class of services at issue here, and the District Court may have erred in concluding to the contrary. But that question is not before the Court. With these understandings, I concur in the Court's opinion.

Justice BREYER, dissenting.

What is Booking.com? To answer this question, one need only consult the term itself. Respondent provides an online booking service. The company's name informs the consumer of the basic nature of its business and nothing more. Therein lies the root of my disagreement with the majority.

Trademark law does not protect generic terms, meaning terms that do no more than name the product or service itself. This principle preserves the linguistic commons by preventing one producer from appropriating to its own exclusive use a term needed by others to describe their goods or services. Today, the Court holds that the addition of ".com" to an otherwise generic term, such as "booking," can yield a protectable trademark. Because I believe this result is inconsistent with trademark principles and sound trademark policy, I respectfully dissent. . . .

Courts have recognized that it is not always easy to distinguish generic from descriptive terms. It is particularly difficult to do so when a firm wishes to string together two or more generic terms to create a compound term. Despite the generic nature of its component parts, the term as a whole is not necessarily generic. In such cases, courts must determine whether the combination of generic terms conveys some distinctive, source-identifying meaning that each term, individually, lacks. . . .

In *Goodyear,* we held that appending the word " 'Company' " to the generic name for a class of goods does not yield a protectable compound term. . . .

. . . . It is true that the Lanham Act altered the common law in certain important respects. Most significantly, it extended trademark protection to descriptive marks that have acquired secondary meaning. But it did not disturb the basic principle that *generic* terms are ineligible for trademark protection, and nothing in the Act suggests that Congress intended to overturn *Goodyear*. We normally assume that Congress did not overturn a common-law principle absent some indication to the contrary. I can find no such indication here. . . .

More fundamentally, the *Goodyear* principle is sound as a matter of law and logic. . . . [W]here a compound term consists simply of a generic term plus a corporate designation, the whole is *necessarily* no greater than the sum of its parts. . . .

Like the corporate designations at issue in *Goodyear*, a top-level domain such as ".com" has no capacity to identify and distinguish the source of goods or services. It is merely a necessary component of any web address. When combined with the generic name of a class of goods or services, ".com" conveys only that the owner operates a website related to such items. Just as "Wine

Company" expresses the generic concept of a company that deals in wine, "wine.com" connotes only a website that does the same. The same is true of "Booking.com."...

When a website uses an inherently distinctive second-level domain, it is obvious that adding ".com" merely denotes a website associated with that term. Any reasonably well-informed consumer would understand that "post-it.com" is the website associated with Post-its. Recognizing this feature of domain names, courts generally ignore the top-level domain when analyzing likelihood of confusion.

Generic second-level domains are no different. The meaning conveyed by "Booking.com" is no more and no less than a website associated with its generic second-level domain, "booking." This will ordinarily be true of any generic term plus ".com" combination. The term as a whole is just as generic as its constituent parts. . . .

The majority believes that *Goodyear* is inapposite because of the nature of the domain name system. Because only one entity can hold the contractual rights to a particular domain name at a time, it contends, consumers may infer that a "generic.com" domain name refers to some specific entity.

That fact does not distinguish *Goodyear*. A generic term may suggest that it is associated with a specific entity. That does not render it nongeneric. For example, "Wine, Inc." implies the existence of a specific legal entity incorporated under the laws of some State. Likewise, consumers may perceive "The Wine Company" to refer to some specific company rather than a genus of companies. But the addition of the definite article "the" obviously does not transform the generic nature of that term. True, these terms do not carry the exclusivity of a domain name. But that functional exclusivity does not negate the principle animating *Goodyear*: Terms that merely convey the nature of the producer's business should remain free for all to use.

This case illustrates the difficulties inherent in the majority's fact-specific approach. The lower courts determined (as the majority highlights), that consumers do not use the term "Booking.com" to refer to the class of hotel reservation websites in ordinary speech. True, few would call Travelocity a "Booking.com." But literal use is not dispositive. Consumers do not use the term "Wine, Incs." to refer to purveyors of wine. Still, the term "Wine, Inc." is generic because it signifies only a company incorporated for that purpose. Similarly, "Booking, Inc." may not be trademarked because it signifies only a booking company. The result should be no different for "Booking.com," which signifies only a booking website.

More than that, many of the facts that the Court supposes may distinguish some "generic.com" marks as descriptive and some as generic are unlikely to vary from case to case. There will never be evidence that consumers literally refer to the relevant class of online merchants as "generic.coms." Nor are "generic.com" terms likely to appear in dictionaries. And the key fact that, in the majority's view, distinguishes this case from *Goodyear*—that only one entity can own the rights to a particular domain name at a time—is present in every "generic.com" case.

What, then, stands in the way of automatic trademark eligibility for every "generic.com" domain? Much of the time, that determination will turn primarily on survey evidence, just as it did in this case.

However, survey evidence has limited probative value in this context. Consumer surveys often test whether consumers associate a term with a single source. But it is possible for a generic term to achieve such an association—either because that producer has enjoyed a period of exclusivity in the marketplace, or because it has invested money and effort in securing the public's identification. Evidence of such an association, no matter how strong, does not negate the generic nature of the term. For that reason, some courts and the TTAB have concluded that survey evidence is generally of little value in separating generic from descriptive terms. Although this is the minority viewpoint, I nonetheless find it to be the more persuasive one.

Consider the survey evidence that respondent introduced below. Respondent's survey showed that 74.8% of participants thought that "Booking.com" is a brand name, whereas 23.8% believed it was a generic name. At the same time, 33% believed that "Washingmachine.com"—which does not correspond to any company—is a brand, and thought it was generic.

What could possibly account for that difference? "Booking.com" is not *inherently* more descriptive than "Washingmachine.com" or any other "generic.com." The survey participants who identified "Booking.com" as a brand likely did so because they had heard of it, through advertising or otherwise. If someone were to start a company called "Washingmachine.com," it could likely secure a similar level of consumer identification by investing heavily in advertising. Would that somehow transform the nature of the term itself? Surely not. This hypothetical shows that respondent's survey tested consumers' association of "Booking.com" with a particular company, not anything about the term itself. But such association does not establish that a term is nongeneric.

Under the majority's approach, a "generic.com" mark's eligibility for trademark protection turns primarily on survey data, which, as I have explained, may be an unreliable indicator of genericness. As the leading treatise writer in this field has observed, this approach "[d]iscard[s] the predictable and clear line rule of the [PTO] and the Federal Circuit" in favor of "a nebulous and unpredictable zone of generic name and top level domain combinations that somehow become protectable marks when accompanied by favorable survey results." 1 McCarthy § 7:17.50. I would heed this criticism. . . .

In addition to the doctrinal concerns discussed above, granting trademark protection to "generic.com" marks threatens serious anticompetitive consequences in the online marketplace.

The owners of short, generic domain names enjoy all the advantages of doing business under a generic name. These advantages exist irrespective of the trademark laws. Generic names are easy to remember. Because they immediately convey the nature of the business, the owner needs to expend less effort and expense educating consumers. And a generic business name may create the impression that it is the most authoritative and trustworthy source of the particular good or service. These advantages make it harder for distinctively named businesses to compete. . . .

Generic domains are also easier for consumers to find. A consumer who wants to buy wine online may perform a keyword search and be directed to "wine.com." Or he may simply type "wine.com" into his browser's address bar, expecting to find a website selling wine. The owner of a generic domain name enjoys these benefits not because of the quality of her products or the goodwill of her business, but because she was fortunate (or savvy) enough to be the first to appropriate a particularly valuable piece of online real estate.

Granting trademark protection to "generic.com" marks confers additional competitive benefits on their owners by allowing them to exclude others from using *similar* domain names. Federal registration would allow respondent to threaten trademark lawsuits against competitors using domains such as "Bookings.com," "eBooking.com," "Booker.com," or "Bookit.com." Respondent says that it would not do so. But other firms may prove less restrained.

Indeed, why would a firm want to register its domain name as a trademark unless it wished to extend its area of exclusivity beyond the domain name itself? The domain name system, after all, already ensures that competitors cannot appropriate a business's actual domain name . . . .

Under the majority's reasoning, many businesses could obtain a trademark by adding ".com" to the generic name of their product (*e.g.*, pizza.com, flowers.com, and so forth). As the internet grows larger, as more and more firms use it to sell their products, the risk of anticompetitive consequences grows. Those consequences can nudge the economy in an anticompetitive direction. At the extreme, that direction points towards one firm per product, the opposite of the competitive multifirm marketplace that our basic economic laws seek to achieve.

Not to worry, the Court responds, infringement doctrines such as likelihood of confusion and fair use will restrict the scope of protection afforded to "generic.com" marks. This response will be cold comfort to competitors of "generic.com" brands. Owners of such marks may seek to extend the boundaries of their marks through litigation, and may, at times succeed. See, *e.g.*, *Advertise.com v. AOL, LLC*, 2010 WL 11507594 (CD Cal.) (owner of "Advertising.com" obtained preliminary injunction against competitor's use of "Advertise.com"), vacated in part, 616 F.3d 974 (CA9 2010). Even if ultimately unsuccessful, the threat of costly litigation will no doubt chill others from using variants on the registered mark and privilege established firms over new entrants to the market. . . .

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7.4. Notes

7.4.1. Administrative asymmetries

Administrative asymmetries. Note that registration creates a presumption that a mark is not generic. But one may obtain that presumption *without* proving that the mark is not generic. In the *Booking.com* litigation, the Fourth Circuit joined the Federal Circuit in holding that PTO bears the burden of establishing that a mark is generic if it wishes to refuse registration on those grounds (rather than requiring an applicant to establish that the mark is not generic). *Booking.com*, 915 F.3d at

179-80. Is that a sensible policy? What incentives does it create for would-be trademark holders?

Note further that the survey evidence supporting trademark protection for Booking.com was submitted after the PTO proceedings. Absent an opposition, would we ever expect a counter-survey to be available? Given the concentrated benefits of a trademark registration and the diffuse costs, will this mean an increased number of low-quality marks?

7.4.2. Doctrinal pressure

Doctrinal pressure. In *Booking.com* the Court assumes—and Justice Breyer contests—that other trademark doctrines will prevent the holder of a generic.com mark from asserting it too broadly. But given the relative weakness of a mark like Booking.com, is it worth the risk? Note also, as Justice Breyer does, that "the threat of costly litigation will no doubt chill others from using variants on the registered mark and privilege established firms over new entrants to the market." This is a recurring issue in trademark law that we will see again.

7.4.3. Purchaser motivation

Purchaser motivation. 15 U.S.C. § 1127 explains that in determining whether a mark has become abandoned as a result of becoming generic "purchaser motivation" is not a factor. The qualification stems from Ninth Circuit precedent that suggested that a mark could be generic if consumers did not care about the source of the product. Anti-Monopoly, Inc. v. General Mills Fun Group, 611 F.2d 296, 305-06 (9th Cir. 1979). Traditional trademark doctrine only requires that a mark identify a single source even if the precise identity of that source is unknown. Congress added the purchaser motivation language to the statute to nullify the Ninth Circuit's suggestion to the contrary.

7.4.4. "De facto secondary meaning"

"De facto secondary meaning." If a mark is generic, it is generic, and competitors are free to use the term in question even if consumers also see the mark as designating product source. That said, courts sometimes issue orders to ensure that competitors clearly label their products to avoid

potential confusion with the generic term's creator. For example, the Supreme Court held that the term "shredded wheat" was generic, but declared that it was nonetheless necessary for junior users to use their own distinctive mark on their shredded wheat products. Kellogg Co. v. National Biscuit Co., 305 U.S. 111, 118-19 (1938) ("The showing which [the plaintiff] has made does not entitle it to the exclusive use of the term shredded wheat but merely entitles it to require that the defendant use reasonable care to inform the public of the source of its product.").

Similarly, *Blinded Veterans Ass'n v. Blinded American Veterans Foundation*, 872 F.2d 1035 (D.C. Cir. 1989), in an opinion by then-Judge (later Justice) Ginsburg, concluded that the term "blinded veterans" was generic, but that a passing off action remained possible:

> [T]he subsequent competitor cannot be prevented from using the generic term to denote itself or its product, but it may be enjoined from passing itself or its product off as the first organization or its product. Thus, a court may require the competitor to take whatever steps are necessary to distinguish itself or its product from the first organization or its product. In the paradigm case, *Kellogg Co. v. National Biscuit Co*., 305 U.S. 111 (1938), for example, the Supreme Court held that the term "shredded wheat" is generic; the National Biscuit Company therefore was not entitled to exclusive use of the term. Because National Biscuit had been the only manufacturer of shredded wheat for many years, however, the public had come to associate the product and the term "shredded wheat" with that company. The Court therefore stated that the Kellogg Company, which also produced a shredded wheat cereal, could be required to "use reasonable care to inform the public of the source of its product." *Id*. at 119; *see also, e.g*., . . . *Metric & Multistandard Components Corp. v. Metric's, Inc*., 635 F.2d 710, 714 (8th Cir.1980) (finding "metric" generic designation of metric industrial supplies, but nevertheless concluding that section 43(a) of Lanham Act had been violated because mark had become so associated with plaintiff that defendant's use of it created likelihood of confusion); *King-Seeley Thermos*

> *Co. v. Aladdin Indus., Inc*., 321 F.2d 577, 581 (2d Cir.1963) (finding "thermos" generic denotation of vacuum-insulated container, but affirming requirement that defendant distinguish its product from plaintiff's by preceding "thermos" with "Aladdin's," by using only the lower case "t", and by never using the words "original" or "genuine" in describing its product); *DuPont Cellophane Co. v. Waxed Prods. Co*., 85 F.2d 75, 80, 82 (2d Cir.) (finding "cellophane" generic denotation of cellulose transparent wrappings, but requiring defendant to identify itself as source of product in certain instances to avoid confusion with plaintiff's product); *G. & C. Merriam Co. v. Saalfield*, 198 F. 369, 373-76 (6th Cir.1912) (requiring defendant to accompany generic term "Webster's Dictionary" with sufficient explanation to avoid giving false impression that his book was plaintiff's) . . . .
>
> Under the approach set forth in these cases, a court will not act to remedy or prevent "confusion generated by a mere similarity of names." If a consumer confuses two manufacturers' shredded wheat cereal, for example, because both products share the same name and the consumer has a general appetite for crunchy, pillow-shaped wheat biscuits, there is no cause for judicial action. . . . If, however, the consumer associates "shredded wheat" with a particular manufacturer, perhaps because that manufacturer enjoyed a de facto (or de jure) monopoly for many years, there is a risk that the consumer may erroneously assume that any product entitled "shredded wheat" comes from that manufacturer. A second manufacturer may increase the risk of confusion by, for example, using a similar label, similar packaging, misleading advertisements, or simply by failing to state the product's source. Only when there is a likelihood that the newcomer might thus pass its product off as the original manufacturer's may a court require the newcomer to distinguish its product or to notify consumers explicitly that its product does not come from the original manufacturer.

Id. at 1043-45 (footnotes and some citations omitted).

7.4.5. Which category?

Which category? As you can tell from the cases, much depends on how the product class is defined. The broader the category, the less likely the mark is to be seen as generic. Consider COKE ZERO. Is ZERO generic for zero-calorie sodas? Or is the product category soda in general? *See, e.g.*, Royal Crown Company, Inc. v. The Coca-Cola Company, 892 F.3d 1358, 1368 (Fed. Cir. 2018) ("[I]f the public understands ZERO when used in combination with a designated beverage name to refer to a sub-group or type of beverage that carries specific characteristics, that would be enough to render the term generic.").

7.4.6. When do we assess generic status?

When do we assess generic status? This question matters for surveys of consumer perception. Candidate dates include, the entry of the term into the marketplace; the entry of the defendant into the marketplace; and the current date. *See, e.g.*, Classic Foods Intern. Corp. v. Kettle Foods, Inc., 468 F. Supp. 2d 1181, 1188 n.10 (C.D. Cal. 2007) ("The crucial date for the determination of genericness in this case is 1999, the date [the junior user] first entered the market with the disputed mark."). A survey taken for litigation may be probative of the status of a mark at one of the earlier dates.

7.4.7. No adjective/noun shortcuts

No adjective/noun shortcuts. Consider the following from a case considering whether "WAREHOUSE SHOES" is generic:

> At first glance, it appears that "warehouse" is functioning as an adjective in Mil-Mar's "Warehouse Shoes," which makes it seem more descriptive. An easy "noun versus adjective" test to signify a mark as either generic or descriptive, respectively, does not, however, adequately characterize the law of this circuit, nor would such a simplistic approach adequately embody fundamental principles of trademark law. The fact that "light" and "lite" were being used as adjectives to describe beer did not defeat our conclusion that "light beer" and "lite beer" were generic terms that could not garner trademark protection. . . . "Warehouse Shoes" and "Shoe Warehouse"

> both signify a particular type, category, or genus of retail stores: large stores that sell shoes in high volume at discount prices.

Mil-Mar Shoe Co. v. Shonac Corp., 75 F.3d 1153, 1160 (7th Cir. 1996) (footnote omitted). *Mil-Mar* also noted that secondary dictionary definitions may be evidence of genericness. *Id.* at 1158-159 ("However, no principle of trademark law mandates that only the primary definition of a word can qualify as generic. In fact, we have previously found that "light" and its phonetic equivalent "lite" are generic when used to describe a type of beer, even though the most common adjectival meaning of "light" has to do with weight.") (citation omitted).

7.4.8. Regional generic status and trademark registration

Regional generic status and trademark registration. As we will discuss, one of the benefits of registering a trademark is nationwide priority (for example, a registered mark that at the time of registration is used only in the northeast United States will have priority over later-adopter in the southwest even if the later-adopter is first to use the term in the southwest region). Registration is impossible, however, if the term in question is generic in one part of the country. If only "common law," regional rights are at issue, however, it is possible for a mark to be generic in one part of the country and not another.

7.4.9. Highly descriptive marks

Highly descriptive marks. The line between generic and descriptive marks is often unclear, *see, e.g.*, MCCARTHY § 12:20 (describing circuit splits as to whether particular marks are generic or descriptive) and depends in part on contested market definitions. Precedent from the Federal Circuit also indicates that some marks, though not generic, may be so highly descriptive as to preclude trademark status. *In re Boston Beer Co. Ltd. Partnership*, 198 F.3d 1370 (Fed. Cir. 1999) (affirming rejected registration of "The Best Beer in America," noting that "a phrase or slogan can be so highly laudatory and descriptive as to be incapable of acquiring distinctiveness as a trademark"). There is precedent to the contrary, and Professor McCarthy notes that it is more accurate to say that highly descriptive marks simply require greater evidence of secondary meaning. MCCARTHY § 12:22 ("This means that it is very difficult, but not totally impossible, for a highly descriptive designation or self-laudatory slogan to acquire a secondary meaning. Only in a rare case could such highly descriptive designations amass sufficient consumer identification with a single source to achieve trademark status." (footnote omitted)).

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7.4.10. Genericide

Genericide. Some generic marks are not "born generic" but lose their source identifying function over time. Examples include ASPIRIN and CELLOPHANE. Are any current famous marks fated to lose protection?

7.5. Case: *Elliott v. Google* ("googling") (9th Cir. 2017)

Elliott v. Google, Inc.

860 F.3d 1151 (9th Cir. 2017)

TALLMAN, Circuit Judge:

[Elliott and another party attempted to acquire various domain names that included the word "google." Google, Inc. objected based on its trademark rights in the term. In response, Elliott filed an action petitioning for cancellation of the GOOGLE trademark, arguing that the word "'google' is primarily understood as 'a generic term universally used to describe the act[ ] of internet searching.'" The district court ruled in Google's favor.]

. . . . Genericide occurs when the public appropriates a trademark and uses it as a generic name for particular types of goods or services irrespective of its source. For example, ASPIRIN, CELLOPHANE, and ESCALATOR were once protectable as arbitrary or fanciful marks because they were primarily understood as identifying the source of certain goods. But the public appropriated those marks and now primarily understands aspirin, cellophane, and escalator as generic names for those same goods. . . .

. . . . The mere fact that the public sometimes uses a trademark as the name for a unique product does not immediately render the mark generic. *See* 15 U.S.C. § 1064(3). Instead, a trademark only becomes generic when the "primary significance of the registered mark to the relevant public" is as the name for a particular type of good or service irrespective of its source. . . .

On appeal, Elliott claims that he has presented sufficient evidence to create a triable issue of fact as to whether the GOOGLE trademark is generic, and that the district court erred when it granted summary judgment for Google. First, he argues that the district court erred because it misapplied the primary significance test and failed to recognize the importance of verb use. Specifically, he argues that the district court erroneously framed the inquiry as whether the primary significance of the word "google" to the relevant public is as a generic name for internet search engines, or as a mark identifying the Google search engine in particular. Instead, Elliott argues that the court should have framed the inquiry as whether the relevant public primarily uses the word "google" as a verb.

We conclude that Elliott's proposed inquiry is fundamentally flawed for two reasons. First, Elliott fails to recognize that a claim of genericide must always relate to a particular type of good or service. Second, he erroneously assumes that verb use automatically constitutes generic use. For similar reasons, we conclude that the district court did not err in its formulation of the relevant inquiry under the primary significance test.

First, we take this opportunity to clarify that a claim of genericide or genericness must be made with regard to a particular type of good or service. . . . Elliott claims that the word "google" has become a generic name for "the act" of searching the internet, and argues that the district court erred when it focused on internet search engines. We reject Elliott's criticism and conclude that the district court properly recognized the necessary and inherent link between a claim of genericide and a particular type of good or service.

This requirement is clear from the text of the Lanham Act, which allows a party to apply for cancellation of a trademark when it "becomes the generic name for the *goods or services* ... for which it is registered." 15 U.S.C. § 1064(3) (emphasis added). The Lanham Act further provides that "[i]f the registered mark becomes the generic name for less than all of the *goods or services* for which it is registered, a petition to cancel the registration for only those *goods or services* may be filed." *Id.* (emphasis added). Finally, the Lanham Act specifies that the relevant question under the primary significance test is "whether the registered mark has become the generic name of [certain] *goods or services*." *Id.*

(emphasis added). In this way, the Lanham Act plainly requires that a claim of genericide relate to a particular type of good or service.

We also note that such a requirement is necessary to maintain the viability of arbitrary marks as a protectable trademark category. By definition, an arbitrary mark is an existing word that is used to identify the source of a good with which the word otherwise has no logical connection. If there were no requirement that a claim of genericide relate to a particular type of good, then a mark like IVORY, which is "arbitrary as applied to soap," could be cancelled outright because it is "generic when used to describe a product made from the tusks of elephants." *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 n.6 (2d Cir. 1976). This is not how trademark law operates: Trademark law recognizes that a term may be unprotectable with regard to one type of good, and protectable with regard to another type of good. In this way, the very existence of arbitrary marks as a valid trademark category supports our conclusion that a claim of genericide must relate to a particular type of good or service.

Second, Elliott's alternative inquiry fails because verb use does not automatically constitute generic use. Elliott claims that a word can only be used in a trademark sense when it is used as an adjective. He supports this claim by comparing the definitions of adjectives and trademarks, noting that both adjectives and trademarks serve descriptive functions.

Once again, Elliott's semantic argument contradicts fundamental principles underlying the protectability of trademarks. When Congress amended the Lanham Act to specify that the primary significance test applies to claims of genericide, it specifically acknowledged that a speaker might use a trademark as the name for a product, i.e., as a noun, and yet use the mark with a particular source in mind, i.e., as a trademark. It further explained that:

> A trademark can serve a dual function—that of [naming] a product while at the same time indicating its source. Admittedly, if a product is unique, it is more likely that the trademark adopted and used to identify that product will be used as if it were the identifying name of that product. But this is not conclusive of whether the mark is generic.

S. Rep. No. 98–627, at 5 (1984). In this way, Congress has instructed us that a speaker might use a trademark as a noun and still use the term in a source-identifying trademark sense.

Moreover, we have already implicitly rejected Elliott's theory that only adjective use constitutes trademark use. In *Coca–Cola Co. v. Overland, Inc.*, 692 F.2d 1250 (9th Cir. 1982), the Coca–Cola Company sued a local restaurant for trademark infringement because its servers regularly and surreptitiously replaced customer orders for "a coke" with a non-Coca-Cola beverage. The restaurant defended on the basis of genericide, arguing that the COKE trademark had become a generic name for all cola beverages. To support its claim, the restaurant presented employee affidavits stating that the employees believed that customers who ordered "a coke" were using the term in a generic sense. We rejected these affidavits because they were not based on personal knowledge. More significant to the issue at hand, we also noted that the mere fact that customers ordered "a coke," i.e., used the mark as a noun, failed to show "what ... customers [were] thinking," or whether they had a particular source in mind.

If Elliott were correct that a trademark can only perform its source-identifying function when it is used as an adjective, then we would not have cited a need for evidence regarding the customers' inner thought processes. Instead, the fact that the customers used the trademark as a noun and asked for "a coke" would prove that they had no particular source in mind. In this way, we have implicitly rejected Elliott's theory that a trademark can only serve a source-identifying function when it is used as an adjective.

For these reasons, the district court correctly rejected Elliott's theory that verb use automatically constitutes generic use.[3] Moreover, the district court aptly coined the terms "discriminate verb" and "indiscriminate verb" in order to evaluate Elliott's proffered examples of verb use and determine whether they were also examples of generic use. Although novel, these terms properly frame the relevant inquiry as whether a speaker has a particular source in mind. We have already acknowledged that a customer might use the noun "coke" in an indiscriminate sense, with no particular cola beverage in mind; or in a discriminate sense, with a Coca–Cola beverage in mind. In the same way, we now recognize that an internet user might use the verb "google" in an indiscriminate sense, with no particular search engine in mind; or in a discriminate sense, with the Google search engine in mind.

[3] We acknowledge that if a trademark is used as an adjective, it will typically be easier to prove that the trademark is performing a source-identifying function. If a speaker asks for "a Kleenex tissue," it is quite clear that the speaker has a particular brand in

> mind. But we will not assume that a speaker has no brand in mind simply because he or she uses the trademark as a noun and asks for "a Kleenex." Instead, the party bearing the burden of proof must offer evidence to support a finding of generic use. See McCarthy § 12:8 ("The fact that buyers or users often call for or order a product by a [trademark] term does not necessarily prove that that term is being used as a 'generic name.' ").

Because a claim of genericide must relate to a particular type of good or service and because verb use does not necessarily constitute generic use, the district court did not err when it refused to frame its inquiry as whether the relevant public primarily uses the word "google" as a verb. Moreover, the district court correctly framed its inquiry as whether the primary significance of the word "google" to the relevant public is as a generic name for internet search engines or as a mark identifying the Google search engine in particular. We therefore evaluate Elliott's claim of genericide and the sufficiency of his proffered evidence under the proper inquiry. . . .

At summary judgment, the district court assumed that a majority of the public uses the verb "google" to refer to the act of "searching on the internet without regard to [the] search engine used." In other words, it assumed that a majority of the public uses the verb "google" in a generic and indiscriminate sense. The district court then concluded that this fact, on its own, cannot support a jury finding of genericide under the primary significance test. We agree.

[A] claim of genericide must relate to a particular type of good. Even if we assume that the public uses the verb "google" in a generic and indiscriminate sense, this tells us nothing about how the public primarily understands the word itself, irrespective of its grammatical function, with regard to internet search engines. [The court concluded that Elliott's survey evidence "only supports the favorable but insufficient inference already drawn by the district court—that a majority of the public uses the verb "google" in a generic sense. Standing in isolation, this fact is insufficient to support a jury finding of genericide." Although such use is not irrelevant, "evidence that a mark is used in a generic sense in one particular setting cannot support a finding of genericide when it is unaccompanied by evidence regarding the primary significance of the mark as a whole."]

We next consider Elliott's examples of alleged generic use by the media and by consumers. Documented examples of generic use might support a claim of genericide if they reveal a prevailing public consensus regarding the primary significance of a registered trademark. However, if the parties offer competing examples of both generic and trademark use, this source of evidence is typically insufficient to prove genericide.

Initially, we note that Elliott's admissible examples are only examples of verb use. To repeat, verb use does not automatically constitute generic use. For instance, Elliott purports to offer an example of generic use by T–Pain, a popular rap music artist. But we will not assume that T–Pain is using the word "google" in a generic sense simply because he tells listeners to "google [his] name." T–Pain, *Bottlez*, *on* rEVOLVEr (RCA Records 2011). Without further evidence regarding T–Pain's inner thought process, we cannot tell whether he is using "google" in a discriminate or indiscriminate sense. In this way, many of Elliott's admissible examples do not even support the favorable inference that a majority of the relevant public uses the verb "google" in a generic sense. . . .

We agree that Elliott has failed to present sufficient evidence to support a jury finding that the relevant public primarily understands the word "google" as a generic name for internet search engines and not as a mark identifying the Google search engine in particular. We therefore affirm the district court's grant of summary judgment.

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7.6 Problems

7.6.1. Chocolate cake, part 1

The whiskey producer Bison Outline wowed the spirits world by introducing a bourbon blended with a proprietary chocolate flavoring, which it markets as CHOCOLATE CAKE whiskey. *Whiskey Journal & Spirit News* gave it a rave review, saying "it's like biting into the best chocolate cake you ever had." Making the product even more appealing is the fact that the flavoring mimics the taste of cake without the ingredients. The fact that Bison Copy's flavorings are non-caloric is part of the product's appeal.

Success breeds imitation, and before long Cardbeg distillers has entered the market with its own cake-flavored offering, CARDBEG's CHOCOLATE CAKE. Bison Outline wants to sue. What kind of mark does it have? You may assume that consumer surveys would indicate that a plurality of respondents would see the term CHOCOLATE CAKE on whiskey as referring to Bison Outline's product.

7.6.2. Chocolate cake, part 2

Is there any advice you could have given to Bison Outline *before* it entered the market that would increase the chance that its mark would be deemed protectable?

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MG-TL25-D, MICHAEL GRYNBERG

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I am very grateful to Michael Grynberg for his generosity in sharing his excellent materials!

8. Establishing Rights Through Use

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8.1. Problem: Firefly Tablets

Strisk Technologies markets a tablet computer under the UNIVERSITY mark. Because the tablet had a particularly bright light that indicated when its Wi-Fi function was activated, its users started calling it the "firefly" tablet. Strisk now wants to claim a trademark in FIREFLY. Before it can act, however, Boomer Computer (a competitor) filed an intent-to-use application for the FIREFLY mark under section 1(b) of the Lanham Act (reprinted below). Another competitor, Sooner Computer also would like to market a "firefly" tablet. It has yet to make any sales, but it has begun a "buzz" marketing campaign built around ads in which people sit down to coffee and are joined by an animated illuminated firefly that buzzes around the room leaving a train of light. As the screen fades out, the coffee drinkers exchange meaningful glances, smile, and whisper intensely, "Firefly!" As the screen fades to black, the title appears, "Changing Everything . . . coming soon."

The reading should let you figure out the basis of claims of priority for the three companies. As a matter of trademark *policy* (not doctrine) who do you think *should* (not will) prevail and be awarded the registration?

8.2. Statutory Provisions

This chapter is about the acquisition of trademark rights. As you will see, American trademark rights are largely based on use. One needs to use a trademark in order to secure rights in the mark. Use also usually establishes one's *priority* in a trademark. If I am the first to use EAGLE as a mark for widgets, that will usually mean that I will have rights to the mark that are superior to one using the same mark on widgets *after* I commence use. As § 1(b) of the Lanham Act makes clear, however, there is a potential exception if someone else previously filed an "intent-to-use" application for the mark and then perfected that application with a use in commerce within the time frame set forth by the statute. Stated another way, the ITU allows one to establish a place in line, but there still needs to be a use for trademark rights to exist.

This leads to interesting questions about what is a valid "use," which are explored below, but let's first review the relevant statutory provisions.

8.2.1. Lanham Act § 45

Lanham Act § 45 (15 U.S.C. § 1127)

The term "use in commerce" means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this Act, a mark shall be deemed to be in use in commerce—

(1) on goods when—

> (A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and
>
> (B) the goods are sold or transported in commerce, and

(2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.

8.2.2. Lanham Act § 1

Lanham Act § 1 (15 U.S.C. § 1051)

(a)(1) The owner of a trademark used in commerce may request registration of its trademark on the principal register hereby established by paying the prescribed fee and filing in the Patent and Trademark Office an application and a verified statement, in such form as may be prescribed by the Director, and such number of specimens or facsimiles of the mark as used as may be required by the Director.

(2) The application shall include . . . the date of the applicant's first use of the mark, the date of the applicant's first use of the mark in commerce, the goods in connection with which the mark is used, and a drawing of the mark . . . .

(b)(1) A person who has a bona fide intention, under circumstances showing the good faith of such person, to use a trademark in commerce may request registration of its trademark on the principal register hereby established by paying the prescribed fee and filing in the Patent and Trademark Office an application and a verified statement, in such form as may be prescribed by the Director. . . .

(d) Verified statement that trademark is used in commerce.

(1)Within six months after the date on which the notice of allowance with respect to a mark is issued under section 13(b)(2) [15 USC 1063(b)(2)] to an applicant under subsection (b) of this section, the applicant shall file in the Patent and Trademark Office, together with such number of specimens or facsimiles of the mark as used in commerce as may be required by the Director and payment of the prescribed fee, a verified statement that the mark is in use in commerce and specifying the date of the applicant's first use of the mark in commerce and those goods or services specified in the notice of allowance on or in connection with which the mark is used in commerce. Subject to examination and acceptance of the statement of use, the mark shall be registered in the Patent and Trademark Office, a certificate of registration shall be issued for those goods or services recited in the statement of use for which the mark is entitled to registration, and notice of registration shall be published in the Official Gazette of the Patent and Trademark Office. Such examination may include an examination of the factors set forth in subsections (a) through (e) of section 2 [15 USC 1052]. The notice of registration shall specify the goods or services for which the mark is registered.

(2)The Director shall extend, for one additional 6-month period, the time for filing the statement of use under paragraph (1), upon written request of the applicant before the expiration of the 6-month period provided in paragraph (1). In addition to an extension under the preceding sentence, the Director may, upon a showing of good cause by the applicant, further extend the time for filing the statement of use under paragraph (1) for periods aggregating not more than 24 months, pursuant to written request of the applicant made before the expiration of the last extension granted under this paragraph. Any request for an extension under this paragraph shall be accompanied by a verified statement that the applicant has a continued bona fide intention to use the mark in commerce and specifying those goods or services identified in the notice of allowance on or in connection with which the applicant has a continued bona fide intention to use the mark in commerce. Any request for an extension under this paragraph shall be accompanied by payment of the prescribed fee. The Director shall issue regulations setting forth guidelines for determining what constitutes good cause for purposes of this paragraph. . . .

8.2.3. Lanham Act § 7(c)

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

Application to register mark considered constructive use. Contingent on the registration of a mark on the principal register provided by this Act, 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 44(d) [15 USC 1126(d)] to register the mark which is pending or has resulted in registration of the mark.

8.3. Case: *FN Herstal v. Clyde Armory* (SCAR) (11th Cir. 2016)

FN Herstal SA v. Clyde Armory Inc.

838 F.3d 1071 (11th Cir. 2016)

COOGLER:

This trademark infringement action arises out of the parties' use of the marks "SCAR" and "SCAR–Stock" in the firearms industry. . . .

I. BACKGROUND

A. Facts

1. FN's SCAR Mark

In January 2004, the United States Special Operations Command ("USSOCOM") issued a solicitation requesting bids from firearms manufacturers to design and manufacture a new fully automatic assault-rifle system for various units of the United States military, including Navy SEALs, Army Rangers, and Green Berets. The solicitation and other documents referred to the rifle as the "Special Operations Forces Combat Assault Rifle," abbreviated with the acronym SCAR. However, the U.S. military did not use SCAR as a trademark or otherwise claim any rights in the name SCAR. The solicitation generated significant publicity and media coverage in the firearms community, as it was the first open competition for a new military rifle since the M16 trials held in the 1960s.

FN is a firearms and weapons manufacturer headquartered in Belgium. In 2004, FN and other firearm manufacturers, including Colt Defense LLC and Cobb Manufacturing, Inc., submitted prototypes in response to USSOCOM's solicitation. While not required to do so, FN chose to label its submission with the SCAR mark, placing the mark above the firearm's trigger. FN branded its rifles as such to draw on the double entendre from the military's use of the term and the everyday meaning of "scar" as a mark left by the healing of injured tissue. For instance, FN's brochures and other promotional materials drew on the ordinary meaning of "scar" through slogans like "BATTLE SCARS."

On November 5, 2004, FN won the competition, and USSOCOM awarded it a ten-year contract, placing a large initial order for SCAR firearms totaling over $634,000. From that point forward, FN regularly shipped SCAR-branded rifles to the U.S. military for use by special forces. By November 2007, FN had sold over $11 million in SCAR rifles and accessories to the military pursuant to the USSOCOM contract.

The media, law enforcement, and civilian firearms consumers closely followed the USSOCOM competition and FN's development of the SCAR rifle. In the years 2004 to 2006, journalists regularly sought to examine FN's SCAR rifles, and at least one article per month covered FN's development and distribution of the SCAR rifle in publications such as *Small Arms Review*, *National Defense*, *Army Times*, and *Guns and Ammo*. As the district court found, an expectation exists in the firearms market that guns developed for the military will subsequently be offered to law enforcement and civilians. As a result, FN received many inquiries concerning when FN's SCAR rifles would be available for general consumption.

On February 22, 2005, FN began promoting its SCAR rifle to law enforcement and civilians, though it did not yet have a semi-automatic version of the weapon available for purchase by civilian consumers. Indeed, FN dedicated one-fourth of its advertising budget to promote the SCAR rifle to the firearms market. Throughout 2005 and 2006, FN showcased its military SCAR rifle at hundreds of trade shows, including one of the largest firearms shows in the world, the Shooting, Hunting, and Outdoor Trade Show ("SHOT Show"), as well as National Rifle Association shows, the National Defense Industrial Association Small Arms forum, the Association of the United States Army show, International Chiefs of Police shows, the National Sheriff Show, the Mock Prison Riot, the SWAT Round Up, the Police and Security Expo, and others. At these shows, FN routinely told attendees that it intended to introduce a semi-automatic version within two years. FN also distributed hats, T-shirts, key chains, brochures, flyers, and other promotional materials with the SCAR mark. Public interest in the rifle was high; for example, at the February 2006 SHOT Show held in Las Vegas, Nevada, hundreds of people lined up at FN's booth to see FN's SCAR rifle, and FN had to dedicate three employees to answering attendees' nonstop questions about its weapon. According to Bucky Mills, the Senior Director of Law Enforcement Sales and Training at FN, FN's SCAR rifle was "big news" and was "the number one talked about firearm at the whole SHOT Show in 2006."

The fact that ninety percent of SHOT Show attendees are not affiliated with the U.S. military but are instead comprised of law enforcement personnel, distributors and retailers of firearms, and civilian consumers, speaks to the excitement among civilians about the prospect that FN would be introducing a semi-automatic SCAR rifle. In March 2006, FN issued a press release entitled, "The Making of the 21st Century Assault Rifle: SCAR SOF Combat Assault Rifle," which detailed the ongoing development of its SCAR rifle for USSOCOM. The press release also announced that the semi-automatic version of the SCAR "[would] potentially be available in the next two years."

FN was not able to release the civilian version of the SCAR rifle until November 2008 because, according to the testimony of Frank Spaniel ("Spaniel"), the Assistant Vice President of Research and Development at FN, it took several years to test the prototypes in various environments, make modifications that would prevent a civilian from converting it into a fully automatic weapon, and ensure that its factories could produce increasing quantities of the weapons while maintaining quality. FN also had to seek government approval from the Bureau of Alcohol, Tobacco, Firearms and Explosives (the "ATF") to sell the semi-automatic SCAR to the wider commercial market, which took months. Finally, FN was contractually obligated to fill military orders before satisfying civilian demand for the weapon. However, the pent-up demand from 2004 to 2008 resulted in FN selling over $100 million worth of SCAR firearms after receiving ATF approval.

To enforce its rights in the SCAR mark, FN filed three trademark applications with the United States Patent and Trademark Office ("USPTO"). The first was for the use of SCAR on firearms and related items, which at the point of the district court proceedings was still pending before the USPTO. The second was for SCAR (and Design) for use in connection with firearms and related items, which indicated a date of first use of November 1, 2008. The USPTO registered the SCAR and Design mark in June 2010. The third was for SCAR for use in connection with games, toy replicas of weapons, and other related items, which was registered by the USPTO in February 2012.

2. Clyde Armory's SCAR–Stock Mark

Clyde Armory is a firearms retailer located in Georgia owned by Andrew Clyde ("Clyde"). Clyde has been in the firearms business since 1991. He has long been familiar with FN, having sold FN products since 2002. He was also an FN distributor from approximately 2006 to 2011.

In 2005, Clyde contacted Sage International, Ltd. ("Sage") President John Klein ("Klein") about manufacturing a replacement stock for certain rifles made by Sturm Ruger & Co., including the Mini–14, Mini–30, and AC–556. At the February 2006 SHOT Show, the same show in which long lines of attendees waited to see FN's SCAR rifle, the two met and planned the specific configuration for this replacement stock.

In April 2006, Clyde Armory selected the name SCAR–Stock or SCAR–CQB–Stock in connection with its replacement stocks. Clyde Armory claims that its use of the term SCAR is an acronym for "Sage Clyde Armory Rifle" stock. However, Klein had no recollection of this. At the time Clyde Armory adopted the SCAR–Stock mark, Clyde knew about the USSOCOM solicitation to create a combat rifle system. Clyde further knew that the rifle was abbreviated as the SCAR, and that USSOCOM had awarded FN the development contract to produce it, as he had seen an article in *Small Arms Review* announcing that FN won the bid to create the SCAR for USSOCOM.

Joshua Smith ("Smith"), Clyde Armory's former Chief Operations Officer, testified that FN's SCAR rifle was well known in the firearms world. He stated that when Clyde disclosed his plan to use SCAR–Stock in association with its stocks, Smith expressed concern that the SCAR "name was already taken ... [b]y FN." Smith testified that Clyde Armory's intent was to "take advantage of marketing of the SCAR being a popular name already" and to "take advantage of the SCAR product name being on the market." Although Clyde testified that such a discussion never occurred, and although Smith left Clyde Armory in 2009 under bad circumstances, the district court found Smith's testimony credible in light of Clyde's admitted knowledge about FN's SCAR rifles.

Throughout the spring and summer of 2006, Clyde Armory worked with Sage to finalize its replacement stock system, and it shipped its first SCAR–Stock product to a consumer on September 18, 2006. The stocks were engraved with the mark SCAR–CQB–Stock in the same font, color, and size as the SCAR mark on FN's rifles, using a laser just as FN used. Clyde Armory began promoting SCAR–Stock stocks through its website www.clydearmory.com, online advertising, print ads, and trade show displays. In early 2007, it began using the domain name www.scarstock.com, which channels Internet traffic to www.clydearmory.com. Through April 2015, Clyde Armory had sold 913 SCAR–Stock units, for a total gross revenue of approximately $450,000.

B. Procedural History

. . . .

[FN brought infringement and related claims against Clyde Armory. Clyde Armory defended by claiming priority of its use of the SCAR–Stock mark. After a bench trial, the district court held that FN had priority to the SCAR mark and ruled in FN's favor on the merits. Clyde Armory appealed on a number of issues, including the question of priority.]

II. DISCUSSION

. . .

1. The District Court's Finding that FN Used the SCAR Mark in Commerce before Clyde Armory Used the SCAR–Stock Mark

A trademark on goods is used in commerce when "it is placed in any manner on the goods or their containers or the displays associated therewith [and] the goods are sold or transported in commerce." 15 U.S.C. § 1127. "Rights in a trademark are determined by the date of the mark's first use in commerce. The party who first uses a mark in commerce is said to have priority over other users." *Hana Fin., Inc. v. Hana Bank*, ––– U.S. ––––, 135 S.Ct. 907, 909 (2015). We review the district court's factual findings underlying its priority determination for clear error. . . .

This Court uses a two-part test to determine whether a party has demonstrated prior use of a mark in commerce:

> [E]vidence showing, first, adoption, and, second, use in a way sufficiently public to identify or distinguish the marked goods in an appropriate segment of the public mind as those of the adopter of the mark, is competent to establish ownership, even without evidence of actual sales.

Planetary Motion[*, Inc. v. Techsplosion, Inc.*,], 261 F.3d [1188,] 1195 [(11th Cir. 2001)] (quoting *New Eng. Duplicating Co. v. Mendes*, 190 F.2d 415, 418 (1st Cir. 1951)) (footnotes omitted). The typical evidence of use in commerce is the sale of goods bearing the mark. However, in the absence of actual sales, advertising, publicity, and solicitation can sufficiently meet the public identification prong of the test. The district court and the parties use the term "analogous use" to describe these promotional efforts, which is derived from other courts' analysis of this issue. *See, e.g.*, *Am. Express Co. v. Goetz*, 515 F.3d 156, 161 (2d Cir. 2008) ("[T]he analogous use doctrine, where it applies, eases the technical requirements for trademarks and services marks in favor of a competing claimant who asserts priority on the basis of earlier analogous use of the mark."); *T.A.B. Sys. v. Pactel Teletrac*, 77 F.3d 1372, 1375 (Fed. Cir. 1996) (analogous use refers to pre-sale promotional efforts such as "advertising brochures, catalogs, newspaper ads, and articles in newspapers and trade publications"). However, "activities claimed to constitute analogous use must have substantial impact on the purchasing public." *T.A.B. Sys.*, 77 F.3d at 1376. "At the very least analogous use must be use that is open and notorious [or] of such a nature and extent that the mark has become popularized in the public mind so that the relevant segment of the public identifies the marked goods with the mark's adopter." *Goetz*, 515 F.3d at 161–62 (internal quotation marks and citations omitted). The promotional activities must also occur within a commercially reasonable period of time prior to actual use of the mark to be considered analogous use of the mark. *See id*. at 162.

Considerable evidence supports the district court's factual finding that FN used the SCAR mark in commerce prior to Clyde Armory's first sale of a replacement stock bearing the SCAR–Stock mark September 2006. On November 5, 2004, USSOCOM entered into a ten-year contract with FN and ordered SCAR brand rifles in an amount totaling over $634,000. Thereafter, FN continuously sold and transported firearms bearing its SCAR mark from Belgium to USSOCOM in the United States for use by military special forces. By November 5, 2007, FN had sold over $11 million worth of SCAR firearms and accessories to the military pursuant to the USSOCOM contract. All the while, FN received extensive media attention, which credited FN with winning the USSOCOM bid and tracked the development of FN's SCAR weapon system for the military. Clyde Armory asserts that FN's sales solely to one governmental entity should not constitute "use in commerce," but these facts support the district court's conclusion that FN's sales to the military were nonetheless "sufficiently public to identify or distinguish the marked goods in an appropriate segment of the public mind as those of [FN,] the adopter of the mark." *Planetary Motion*, 261 F.3d at 1195.

Nor does the fact that FN did not have a semi-automatic SCAR weapon available for law enforcement and civilian purchase until late 2008 change our analysis because, in addition to military sales, FN established prior use through analogous use: that is, extensive pre-sale advertising and promotional activities for its semi-automatic SCAR rifle dating back to 2005. Almost immediately after it began shipping and selling to USSOCOM, FN started marketing SCAR brand rifles to law enforcement and civilians, dedicating one-fourth of its advertising budget to showcase its SCAR rifles at hundreds of trade shows and events in 2005 and 2006, including the February 2006 SHOT Show where its SCAR rifle was "the number one talked about firearm," further promoting the SCAR rifles with accompanying hats, T-shirts, keychains, brochures, and other promotional materials all bearing the SCAR mark, and issuing a press release in March 2006 detailing its intent to develop the semi-automatic version within two years. Although actual sales were not made until late 2008, these "open and notorious" promotional activities in 2005 and 2006 sufficiently created an association in the relevant portion of the public's mind so that they identified the SCAR rifles with FN.

We also note that although Clyde Armory states that it is relevant that FN listed a first use date of November 1, 2008, on one of its trademark applications, its USPTO applications and registrations are not relevant to the foregoing analysis. Neither federal nor Georgia law requires that a party assert a trademark registration before bringing Lanham Act or state law claims. FN thus appropriately relied on its common law rights in the SCAR mark derived through actual use dating back to 2004. Nor is Clyde Armory's suggestion well-taken that because USSOCOM invented the term SCAR, FN could not develop trademark rights. A leading treatise on trademarks states, "Unlike patent law, rights in trademarks are not gained through discovery or invention of the mark, but only through actual usage." J. Thomas McCarthy, 2 McCarthy on Trademarks & Unfair Competition § 16:11 (4th ed. 2015); *see Blue Bell, Inc. v. Farah Mfg. Co.*, 508 F.2d 1260, 1265 (5th Cir. 1975) ("conception of the mark" does not establish trademark rights at common law).

In sum, FN's sales of SCAR rifles to USSOCOM alone are sufficient to establish FN's priority of use as early as 2004. In addition to this use, FN's marketing efforts establish priority in 2005 and 2006 because they constitute "use analogous to trademark use" and were followed by sales to law enforcement and civilians within a commercially reasonable period of time.

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8.4. Notes

8.4.1. Intent-to-use registrations

Intent-to-use registrations. Section 1(b) refers to "Intent to Use" (ITU) registrations. Prior to the amendment of the Lanham Act in 1988 to allow such registrations, the United States had a wholly use-based registration system. It was impossible to register one's mark until that mark was actually used in commerce. One consequence was that those who wanted to claim a trademark, but were not ready for full-scale commercial activities, had an incentive to engage in "token" uses—transactions that only existed to claim trademark rights. Note that the statute now excludes such uses from the kind of use that secures priority in a mark.

What are the advantages and drawbacks of a pure first-to-use registration system? Of a first-to-register? Is the ITU system the best of both worlds? Or not?

For a discussion of what constitutes a *bona fide* intent to use, *see* Kelly Services, Inc. v. Creative Harbor, LLC, 846 F.3d 857, 865 (6th Cir. 2017). In that case, the court held that where genuine intent is established for some, but not all, goods and services in the application, the remedy is to limit the application, rather than voiding it in its entirety. *Id.* at 875.

8.4.2. How much use?

How much use? Decisions vary on just how much use creates trademark rights. *Compare* Lucent Information Management, Inc. v. Lucent Technologies, Inc., 186 F.3d 311 (3d Cir. 1999) (single sale insufficient to confer priority), *with* Blue Bell, Inc. v. Farah Mfg. Co., 508 F.2d 1260, 1265 (5th Cir. 1975) ("[E]ven a single use in trade may sustain trademark rights if followed by continuous commercial utilization.").

Courts often employ a contextual analysis "to determine whether the market penetration of a trademark in an area is sufficient to warrant protection." *Lucent*, 186 F.3d at 317 (considering "(1) the volume of sales of the trademarked product; (2) the growth trends (both positive and negative) in the area; (3) the number of persons actually purchasing the product in relation to the potential number of customers; and (4) the amount of product advertising in the area") (quoting Natural Footwear Ltd. v. Hart, Schaffner & Marx, 760 F.2d 1383, 1398-99 (3d Cir. 1985) (citations omitted)); *see also* TMEP § 901.02 ("[S]ome factors to consider when determining compliance with the statutory requirement for a 'bona fide use of a mark in the ordinary course of trade' are: (1) the amount of use; (2) the nature or quality of the transaction; and (3) what is typical use within a particular industry.").

Can a product distribution without sales establish priority? If your gut tells you no, what would that do to the business model of companies that initially rely on the distribution of free product as a means of brand building? *See, e.g.*, Planetary Motion, Inc. v. Techsplosion, Inc., 261 F.3d 1188 (11th Cir. 2001) (free distribution of trademarked software created priority in the mark).

8.4.3. "Bona fide" uses, or why discovery is your friend

"Bona fide" uses, or why discovery is your friend. For a use to be bona fide, it cannot be made simply to secure trademark rights. *Social Techs. LLC v. Apple, Inc.*, 4 F.4th 811 (9th Cir. 2021), illustrates this principle in action. The litigation concerned rights to the MEMOJI mark. Apple had purchased rights to the mark from another user of the term. Apple then faced litigation from Social Tech, which claimed to be the first user of the mark. The court disagreed, and explained why Social Tech's claimed uses were not bona fide.

> [E]mails exchanged with [Social Tech's] software developer make clear that its use of the MEMOJI mark was merely to reserve its rights for a lawsuit against Apple. . . . "The lawsuit is coming together nicely. ... *[W]e are just waiting for the trademark registration to file the lawsuit and get PAID," "[w]e are lining up all of our information, in preparation for a nice lawsuit against Apple, Inc! We are looking REALLY good. Get your Lamborghini picked out!"* and *"[i]t's better if we split up the updates, so it looks like we have more of them for the lawsuit."* The significance of this correspondence is obvious. The timing of these emails, during the three weeks the

> application was almost entirely developed and immediately following the application's launch, and the content of these emails, leave no doubt as to Social Tech's intention in developing its Memoji application. The correspondence compels the conclusion that Social Tech's intention to develop and release its Memoji application was not a bona fide engagement of the mark in commerce, but merely an attempt to reserve its MEMOJI trademark and provide a basis for its lawsuit against Apple.

Soc. Techs. LLC v. Apple Inc., 4 F.4th 811, 820–21 (9th Cir. 2021).

8.4.4. "Analogous" use

"Analogous" use. Section 2(d) of the Lanham Act (15 U.S.C. § 1052(d)) bars registration if the mark in question "so resembles a mark registered in the Patent and Trademark Office, *or a mark or trade name previously used* in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion." In practice, the Trademark Office will bar registrations when the opposer's prior use in question is merely "analogous" to a trademark use. Stated another way, even a non-trademark use may be enough to prevent a third-party registration. Herbko Intern., Inc. v. Kappa Books, Inc., 308 F.3d 1156 (Fed. Cir. 2002) ("Before a prior use becomes an analogous use sufficient to create proprietary rights, the petitioner must show prior use sufficient to create an association in the minds of the purchasing public between the mark and the petitioner's goods. A showing of analogous use does not require direct proof of an association in the public mind. Nevertheless, the activities claimed to create such an association must reasonably be expected to have a substantial impact on the purchasing public before a later user acquires proprietary rights in a mark." (citations omitted)); T.A.B. Systems v. Pactel Teletrac, 77 F.3d 1372, 1375 (Fed. Cir. 1996) ("It is well settled that one may ground one's opposition to an application on the prior use of a term in a manner analogous to service mark or trademark use. Such an 'analogous use' opposition can succeed, however, only where the analogous use is of such a nature and extent as to create public identification of the target term with the opposer's product or service." (citations omitted)).

Note that analogous use capable of giving priority is still not the same as use that supports registration. As the TTAB explained:

> Use analogous to trademark use … is non-technical use of a trademark in connection with the promotion or sale of a product under circumstances which do not provide a basis for an application to register, usually because the statutory requirement for use on or in connection with the sale of goods in commerce has not been met. *Although never considered an appropriate basis for an application to register*, such use has consistently been held sufficient use to establish priority rights as against subsequent users of the same or similar marks.

Shalom Children's Wear Inc. v. In-Wear A/S, 26 U.S.P.Q.2d 1516, 1519 (T.T.A.B. 1993) (emphasis added).

8.4.5. Abandonment

Abandonment. The question of what kind of use is necessary to obtain mark rights carries with it the issue of how much use is needed to maintain them. Failure to use a mark may lead to the loss of rights due to abandonment. Trademark abandonment is the subject of a later chapter.

8.4.6. Which market?

Which market? Suppose priority is established in one market, will it lead to priority in similar, but not identical, markets? In other words, suppose a company establishes the EAGLE mark for fast-food hamburgers in 2000. In 2005 another company begins using EAGLE for fast-food burritos. In 2007, may the hamburger company enter the burrito market and claim priority to the EAGLE mark? Perhaps. Its success will depend on the facts. According to McCarthy, "[w]hat is or is not a 'natural expansion' in fact is determined by the perception of customers at the time of the junior user's first use of mark A on product line Z." MCCARTHY § 24:20. This means that sometimes it will be the junior user who has priority to the market in question. *Id.* (collecting examples of senior and junior users prevailing). Delay on the part of the senior user will affect outcomes here as well.

8.4.7. *Excelled Sheepskin & Leather Coat Corp. v. Oregon Brewing Co.*

Excelled Sheepskin & Leather Coat Corp. v. Oregon Brewing Co., 897 F.3d 413 (2d Cir. 2018), raised this issue for merchandising markets. The case adjudicated mark priority between a clothes maker (Excelled) and a brewing company (OBC). OBC sold beer under the ROGUE mark, and used the mark on promotional merchandise, including clothing. Did the promotional uses give it priority in the clothing market generally? Reversing the district court, the Second Circuit said yes.

> . . . . Excelled contends and the district court found that OBC's rights to the ROGUE mark were inferior to those of Excelled "with respect to sales in department and clothing stores," and that any trademark rights that OBC might have with respect to use of ROGUE on clothing are limited to "sales as complements to and in promotion of its beer business." The court explained that the first use of a mark does not give the user exclusive rights over the mark "as to all goods or services and across all markets." Prior to 2000 (the date of Excelled's first PTO application), there was no evidence of OBC sales of ROGUE clothing unrelated to the promotion of its beer, and the evidence showed OBC did not begin selling ROGUE clothing in department or clothing-only stores until 2011.
>
> We disagree with the district court's conclusion. Common law trademark rights derive from "initial appropriation and use [ ] accompanied by an intention to continue exploiting the mark commercially." *La Societe Anonyme des Parfums le Galion v. Jean Patou, Inc.*, 495 F.2d at 1271. . . . The district court found that OBC deliberately and continuously sold ROGUE-branded clothing throughout the United States since 1989. Even if those uses were intended primarily to support OBC's ROGUE trademark for beer, they were nonetheless bona fide continuous nationwide sales in significant quantities and were sufficient to establish a protectable priority in use of the mark for the sale of such

goods. While it is correct, as the district court reasoned, that first use of a mark does not give the owner exclusive rights over the mark "as to all goods or services and across all markets," it does not follow that the owner's rights are limited to the types of stores in which the owner has previously exploited the mark. The law does not limit the owner's trademark rights to the types of stores in which it has sold, leaving the mark up for grabs in any other type of store. The fact that, prior to 2011, OBC did not sell in department stores and clothing-only stores does not mean that a new user was free to usurp OBC's priority in such stores.

To be sure, the senior user of a mark does not preserve its priority as to expansion into other unrelated goods or services. *See, e.g.*, *Patsy's Brand, Inc. v. I.O.B. Realty, Inc.*, 317 F.3d 209, 216-17 (2d Cir. 2003) (leaving open whether "the sauce market [was] sufficiently related to the restaurant market such that the proprietor of a mark for a restaurant can prevent another's use of a similar mark in the sauce market"). But expanding into new product lines in which someone else has priority is different from beginning to sell the goods on which one has nationwide priority in a new category of stores (where a junior user is making infringing sales under the senior user's mark). This dispute does not involve OBC newly undertaking to use ROGUE on goods for which Excelled had established priority. OBC maintained its senior common law rights against Excelled's intervening junior use of the mark for the same items of ROGUE-branded clothing that OBC has sold continuously since 1989. . . .

. . . . OBC was the senior user of ROGUE on several categories of apparel nationwide and established a protectible priority in the mark's use for such goods. The fact that it had not sold in department or clothing-only stores did not mean that Excelled, as a junior user, was free to usurp OBC's mark in those stores. As a result, Excelled cannot show that it holds a protectible priority in the mark for the same categories of

> apparel and, thus, as a matter of law cannot prevail on its trademark infringement claims.

8.4.8. Whose use?

Whose use? If a new product comes on the market, and multiple sellers distribute it to the public, it is clear enough that the use of the mark gives rights to the maker of the product. But what if the manufacturer and the distributor are in an exclusive relationship? Of course parties can bargain over the matter beforehand, but what if they don't? A common approach is a test proposed by Professor McCarthy:

> where initial ownership between a manufacturer and its exclusive distributor is at issue and no contract exists, the manufacturer is the presumptive trademark owner unless the distributor rebuts that presumption using a multi-factor balancing test designed to examine the distribution agreement in effect between the parties. The six factors that should be considered are: (1) "[w]hich party invented or created the mark"; (2) "[w]hich party first affixed the mark to goods sold"; (3) "[w]hich party's name appeared on packaging and promotional materials in conjunction with the mark"; (4) "[w]hich party exercised control over the nature and quality of goods on which the mark appeared"; (5) "[t]o which party did customers look as standing behind the goods, e.g., which party received complaints for defects and made appropriate replacement or refund"; and (6) "[w]hich party paid for advertising and promotion of the trademarked product." [Doeblers' Pa. Hybrids, Inc. v.] Doebler, 442 F.3d [812,] 826 [(3d Cir. 2006)] (quoting 2 McCarthy on Trademarks § 16:48).
>
> The presumption and rebuttal factors of the McCarthy test place a thumb on the ownership scale in favor of the manufacturer, but invite courts to consider various indicia of ownership designed to elicit the roles and responsibilities of the parties and the expectations of consumers in order to gauge whether, in a given case, the distributor and not the

> manufacturer operated as the rightful owner of the contested mark. Thus, unlike the first use test, this approach allows courts to undertake a thorough, individualized analysis of each case that accounts for the unique attributes of the manufacturer-distributor relationship.

Covertech Fabricating, Inc. v. TVM Bldg. Prod., Inc., 855 F.3d 163, 171 (3d Cir. 2017).

8.4.9. Purchasing priority

Purchasing priority. As the MEMOJI litigation discussed above indicates, the valid assignment of rights may enable the acquisition of priority to a mark. RXD Media, LLC v. IP Application Dev. LLC, 986 F.3d 361, 370 (4th Cir. 2021) ("When Fujitsu assigned to Apple its rights to the 'ipad' mark in March 2010, that assignment included Fujitsu's 'first use' date of January 2002 and its 'priority use' date of March 2003. Apple acquired Fujitsu's then-pending trademark application, which had been filed on March 7, 2003." (footnote omitted)).

8.4.10. Fictional use

Fictional use. What about fictional trademarks? Should they confer priority on the originator in the real world? Should the makers of *the Simpsons* be able to control the mark for the fictional in-universe DUFF beer? *See* Viacom Int'l v. IJR Capital Investments, L.L.C., 891 F.3d 178 (5th Cir. 2018) (permitting Viacom to claim a trademark in the KRUSTY KRAB because it is "integral" to *SpongeBob Square Pants*).

8.4.11. Lawful commerce

Lawful commerce. The recent trend in the states of legalizing marijuana creates some interesting trademark issues. Marijuana remains illegal under federal law, and federal trademark law limits protection to marks that identify and distinguish *legal* goods and services. *See, e.g.*, CreAgri, Inc. v. USANA Health Scis., Inc., 474 F.3d 626, 630 (9th Cir. 2007) ("[O]nly *lawful* use in commerce can give rise to trademark priority." (emphasis in original)). In the changing regulatory environment surrounding cannabis, some, but not all, preparations derived from the hemp plant are legal. *See,* *e.g.*, AK Futures LLC v. Boyd Street Distro, LLC, 35 F.4th 682 (9th Cir. 2022) (ruling trademark claimant's hemp-derived product legal under federal law and thus eligible for trademark protection).

8.4.12. Tacking

Tacking. What happens when a mark changes its image over time?˜ When marks change, there is a risk of losing priority if the mark evolves into something that is already on the market. In such cases, there is room for the owner of the evolving mark to nonetheless claim priority by tacking use of the modified mark onto use of the original. The key question is whether the mark maintains continuity in overall commercial impression. For many large shifts in a mark, e.g. a sports team that changes its logo, there is no issue because the markholder is careful to adopt a new mark that it is the first to use. Complications arise when priority *is* an issue. Consider the following facts:

> 1900: A bank begins using AMERICAN SECURITY as a mark
>
> 1935: Another bank begins use of the name AMERICAN SECURITY BANK
>
> 1973: The first bank begins using AMERICAN SECURITY BANK

Should the first bank be allowed to obtain registration for AMERICAN SECURITY BANK?

8.5. Case: *Hana Financial, Inc. v. Hana Bank* (Hana tacking) (U.S. 2015)

{Editing note: This case was further edited by EEJ in 2026. A superscript tilde ˜ indicates a deletion. Curly brackets indicate an insertion, which may include an accompanying deletion.}

Hana Financial, Inc. v. Hana Bank

574 U.S. 418 (2015)

Justice SOTOMAYOR delivered the opinion of the Court.

Rights in a trademark are determined by the date of the mark's first use in commerce. The party who first uses a mark in commerce is said to have priority over other users. Recognizing that trademark users ought to be permitted to make certain modifications to their marks over time without losing priority, lower courts have provided that, in limited circumstances, a party may clothe a new mark with the priority position of an older mark. This doctrine is called "tacking," and lower courts have found tacking to be available when the original and revised marks are "legal equivalents" in that they create the same, continuing commercial impression. The question presented here is whether a judge or a jury should determine whether tacking is available in a given case. Because the tacking inquiry operates from the perspective of an ordinary purchaser or consumer, we hold that a jury should make this determination.

I

Petitioner, Hana Financial, and respondent Hana Bank, a subsidiary of respondent Hana Financial Group, both provide financial services to individuals in the United States. Hana Bank (hereinafter respondent) was established in 1971 as a Korean entity called Korea Investment Finance Corporation. In 1991, that entity changed its name to "Hana Bank" and began using this name in Korea. In 1994, it established a service called Hana Overseas Korean Club to provide financial services to Korean expatriates, and specifically advertised that service in the United States. Those advertisements used the name "Hana Overseas Korean Club" in both English and Korean, and included the name "Hana Bank" in Korean and respondent's "dancing man" logo. In 2000, respondent changed the name of the Hana Overseas Korean Club to "Hana World Center." In 2002, respondent began operating a bank in the United States under the name "Hana Bank." This enterprise amounted to respondent's first physical presence in the United States.

Petitioner was established in 1994 as a California corporation called Hana Financial. It began using that name and an associated trademark in commerce in 1995. In 1996, it obtained a federal trademark registration for a pyramid logo with the name "Hana Financial" for use in connection with financial services.

In 2007, petitioner sued respondent, alleging infringement of its "Hana Financial" mark. As relevant here, respondent denied infringement by invoking the tacking doctrine and claiming that it had priority. The District Court initially granted summary judgment to respondent on the infringement claim, but the Court of Appeals for the Ninth Circuit reversed, holding that there were genuine issues of material fact as to priority. On remand, the infringement claim was tried before a jury. The District Court adopted in substantial part the jury instruction proposed by petitioner, and, without objection from petitioner, instructed the jury as follows:

> "A party may claim priority in a mark based on the first use date of a similar but technically distinct mark where the previously used mark is the legal equivalent of the mark in question or indistinguishable therefrom such that consumers consider both as the same mark. This is called 'tacking.' The marks must create the same, continuing commercial impression, and the later mark should not materially differ from or alter the character of the mark attempted to be tacked."

The jury returned a verdict in favor of respondent, and the District Court denied petitioner's motion for judgment as a matter of law.

The Court of Appeals for the Ninth Circuit affirmed. The court explained that, although tacking applies only in "exceptionally narrow circumstances," it " 'requires a highly fact-sensitive inquiry' " that is "reserved for the jury". The court acknowledged, however, that whether tacking should be decided by juries or judges "is the subject of a circuit split."˜

{P}etitioner worries that the predictability required for a functioning trademark system will be absent if tacking questions are assigned to juries. But˜ the same could be said about the tort, contract, and criminal justice systems: In all of these areas, juries answer often-dispositive factual questions or make dispositive applications of legal standards to facts. The fact that another jury, hearing the same case, might reach a different conclusion may make the system "unpredictable," but it has never stopped us from employing juries in these analogous contexts. Petitioner has offered no reason why trademark tacking ought to be treated differently. Moreover, decisionmaking in fact-intensive disputes necessarily requires judgment calls. Regardless of whether those judgment calls are made by juries or judges, they necessarily involve some degree of uncertainty, particularly when they have to do with how reasonable persons would behave.˜

{T}acking is a question for the jury.˜

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8.6. Surrogate Uses

Section 5 of the Lanham Act (15 U.S.C. § 1055) provides:

> Where a registered mark or a mark sought to be registered is or may be used legitimately by related companies, such use shall inure to the benefit of the registrant or applicant for registration, and such use shall not affect the validity of such mark or of its registration, provided such mark is not used in such manner as to deceive the public. If first use of a mark by a person is controlled by the registrant or applicant for registration of the mark with respect to the nature and quality of the goods or services, such first use shall inure to the benefit of the registrant or applicant, as the case may be.

This section enables franchising relationships. So, for example, suppose the Eagle Corporation enters the fast food business under the trademark EAGLE Salads. Suppose further that Eagle operates solely as a franchisor; it does not own any individual EAGLE establishments, preferring instead to license the name. Eagle Corp. may still claim priority to EAGLE Salads based on the use of the mark by its franchisees.

What happens when the public is the first to use a term to refer to a seller—what Graeme Dinwoodie and Mark Janis have termed a "surrogate public use"*? Should the public use give priority to the referred-to seller?

* Graeme B. Dinwoodie & Mark D. Janis, *Use, Intent to Use, and Registration in the United States*, *in* TRADE MARK USE 313, 317 (Jeremy Phillips & Ilanah Simon eds., 2005)

8.7. Case: *Illinois High School Ass'n v. GTE Vantage* (March Madness) (7th Cir. 1996)

Illinois High School Ass'n v. GTE Vantage Inc.

99 F.3d 244 (7th Cir. 1996)

POSNER, Chief Judge.

This is an appeal from the denial of a preliminary injunction sought by the Illinois High School Association to protect its trademark "March

Madness" against infringement by GTE Vantage Inc. Vantage holds a license for the mark from the National Collegiate Athletic Association. The appeal presents a novel issue of trademark law.

Since the early 1940s, the Illinois High School Association, sponsor of the Illinois high school basketball tournament—the premier high school basketball tournament in the United States, we are told—has used the trademark "March Madness" to designate the tournament, held every year in March and sometimes broadcast nationally. IHSA has licensed the use of the trademark on merchandise associated with the tournament. Another basketball tournament—NCAA's "Final Four" championship—is also played in March, spilling over into the early part of April. In 1982, when CBS began televising the "Final Four" championship games, broadcaster Brent Musburger used the term "March Madness" to designate them. The term caught on and is now widely used by the media and the public to denote this basketball tournament as well as IHSA's.

In 1993 or 1994, NCAA began licensing the use of the term "March Madness" to producers of goods and services related to its tournament. Earlier this year one of the licensees, Vantage, began using "March Madness" to promote a CD-ROM game that it calls "NCAA Championship Basketball." The term "March Madness" appears in a circle on the box in which the game is to be sold and in some of the game's computer graphics. Vantage's use of the term precipitated this suit, which seeks injunctive relief for unfair competition under section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).

IHSA argues that the use by NCAA licensees of the term "March Madness" is likely to confuse consumers. A few will think that Vantage's game is sponsored by IHSA or otherwise connected with the Illinois high school basketball tournament, but more will think that the IHSA tournament is sponsored by NCAA or that the trademark "March Madness" affixed to merchandise licensed by IHSA actually refers to the NCAA tournament. The latter effect—what the cases call "reverse confusion," where a powerful junior user of the trademark (NCAA dwarfs IHSA) swamps the senior's use of it with advertising and other publicity that extinguishes consumer demand for the senior user's product is likely to impair IHSA's ability to make money by licensing its trademark on merchandise and other incidentals.

The issue of likelihood of confusion does not arise, however, until it is determined that the plaintiff has a trademark that the law will protect; and the district judge thought that IHSA does not, so far as the use of the term "March Madness" in connection with the NCAA tournament is concerned. It has been many years since the media first appropriated the term to describe the NCAA tournament (if "appropriation" is the right word—it may be a case of independent discovery). Most people know what they know about college basketball from the media. If the media call the NCAA tournament "March Madness," that is what the public will call it, or know it as.

IHSA argues that it is unfair to make its rights depend on the whims of the media. Because a court could not, without violating the free-speech clause of the First Amendment, have enjoined (or used other legal remedies to prevent or deter) the media from calling the NCAA tournament "March Madness," IHSA was helpless to prevent its trademark from being transformed into the name of another product. Its property right should not, it argues, depend on events over which it has no control.

It is true that IHSA could not have sued Musburger or CBS for referring to "March Madness" in a news program (including a program of sports news), or even in advertising if the term were used merely for identification. But it could have sued them (with what success we need not speculate—a suit at this late date would surely be barred by laches) for using its trademark to promote CBS's broadcast of the NCAA championship. And it could have supplicated them not to spoil its trademark by using it to name something else. A serious trademark holder is assiduous in endeavoring to convince dictionary editors, magazine and newspaper editors, journalists and columnists, judges, and other lexicographically influential persons to avoid using his trademark to denote anything other than the trademarked good or service. These efforts sometimes succeed. IHSA was not assiduous. But that is a detail—is in fact irrelevant, for no defense of laches has been pleaded by Vantage or, so far as the record suggests, would succeed.

What matters is that a trademark is not nearly so secure an entitlement as a property right. It is mainly just a designation of source, 15 U.S.C. §§ 1114(1), 1125(a), and dies when it ceases to designate, for whatever reason other than the culpable conduct of the defendant. Were NCAA responsible for blotting out the exclusive association of "March Madness" with the Illinois high school basketball tournament, IHSA might have a remedy on a theory of reverse confusion, though probably not an injunctive remedy since that would promote confusion among consumers, most of whom now identify the term with the NCAA tournament. But IHSA blames CBS, which is not a defendant, rather than NCAA, much less Vantage, for the blotting out.

. . . . When a trademark becomes generic, such as “aspirin” or “thermos,” and so loses trademark protection, because the public, perhaps egged on by the omnipresent media, decides to use the trademark to designate not the particular manufacturer’s brand but the entire product comprising all the competing brands, the trademark is dead no matter how vigorously the holder has tried to prevent this usage. . . .

IHSA acknowledges this point but seeks to deflect it by pointing out that “March Madness” has not become generic. It is not the name of basketball tournaments, or any other set of events, that occur in March. It is the name of two basketball tournaments, IHSA’s and the NCAA’s. (It has also been used to promote special discount sales of cars, Jennifer Cobb, “March Madness Not Confined to Hoops,” *Tulsa World,* March 22, 1995, p. 2, but these uses are too remote to bear significantly on this case.) We cannot see what difference that makes. There is no magic in labels. Let “March Madness” be called not a quasi-generic term, or a term on its way to becoming generic, but a dual-use term. Whatever you call it, it’s a name that the public has affixed to something other than, as well as, the Illinois high school basketball tournament. A trademark owner is not allowed to withdraw from the public domain a name that the public is using to denote someone else’s good or service, leaving that someone and his customers speechless. No case so holds, other than the cases involving generic names, but no case holds the contrary, either. It is an issue of first impression, and we think that for the sake of protecting effective communication it should be resolved against trademark protection, thus assimilating dual-use or multiple-use terms to generic terms. . . .

We do not opine on the scope of the trademark rights that either IHSA or NCAA has, beyond ruling that IHSA’s rights do not extend to the NCAA tournament and to merchandise such as Vantage’s game that is sold in connection with that tournament.

AFFIRMED WITH REMAND.

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Credit/licensing notes

MG-TL25-D, MICHAEL GRYNBERG

I am very grateful to Michael Grynberg for his generosity in sharing his excellent materials!

9. Ownership and Priority

{This chapter by EEJ.}

9.1. Case: *Burger King v. Hoots* (7th Cir. 1968)

{Edit by EEJ in 2026. Footnotes eliminated without indication. Some footnote material has been worked into the above-the-line text with superscript angle brackets < >. Case names italicized. Ellipses restyled.}

Burger King of Fla., Inc. v. Hoots

United States Court of Appeals for the Seventh Circuit
403 F.2d 904 (7th Cir. 1968)

BURGER KING OF FLORIDA, INC., and Burger King Restaurants, Inc., Plaintiffs-Appellees, v. Gene HOOTS and Betty Hoots, d/b/a Burger King, Defendants-Appellants. November 25, 1968. No. 16706. Before: Kiley, Cummings and Kerner, Circuit Judges. Opinion by KILEY.

KILEY, Circuit Judge.

Defendants' appeal presents a conflict between plaintiffs' right to use the trade mark "Burger King," which plaintiffs have registered under the Federal Trade Mark Act <also known as the Lanham Act>, and defendants' right to use the same trade mark which defendants have registered under the Illinois Trade Mark Act. The district court resolved the conflict in favor of plaintiffs in this case of first impression in this Circuit. We affirm the judgment restraining the defendants from using the name "Burger King" in any part of Illinois except in their Mattoon, Illinois, market, and restraining plaintiffs from using their trade mark in the market area of Mattoon, Illinois. <The district court defined the

Mattoon market area as a circle having a radius of twenty miles and a center located at the defendants' place of business in Mattoon, Illinois.[>]

Defendants do not challenge the district court's findings of fact and have not included testimony of witnesses at the trial in the record on appeal.

Plaintiff Burger King of Florida, Inc. opened the first "Burger King" restaurant in Jacksonville, Florida, in 1953. By 1955, fifteen of these restaurants were in operation in Florida, Georgia and Tennessee; in 1956 the number operating in Alabama, Kentucky and Virginia was twenty-nine; by 1957, in these states, thirty-eight restaurants were in operation.

In July, 1961, plaintiffs opened their first Illinois "Burger King" restaurant in Skokie, and at that time had notice of the defendants' prior registration of the same mark under the Illinois Trade Mark Act. Thereafter, on October 3, 1961, plaintiffs' certificate of federal registration of the mark was issued. Subsequently, plaintiffs opened a restaurant in Champaign, Illinois, and at the time of the trial in November, 1967, were operating more than fifty "Burger King" restaurants in the state of Illinois.

In 1957 the defendants, who had been operating an ice cream business in Mattoon, Illinois, opened a "Burger King" restaurant there. In July, 1959, they registered that name under Illinois law as their trade mark, without notice of plaintiffs' prior use of the same mark. On September 26, 1962, the defendants, with constructive knowledge of plaintiffs' federal trade mark, opened a second similar restaurant, in Charleston, Illinois.

Both parties have used the trade mark prominently, and in 1962 they exchanged charges of infringement in Illinois. After plaintiffs opened a restaurant in Champaign, Illinois, defendants sued in the state court to restrain plaintiffs' use of the mark in Illinois. Plaintiffs then brought the federal suit, now before us, and the defendants counter-claimed for an injunction, charging plaintiffs with infringement of their Illinois trade mark.

The district court concluded, from the unchallenged findings, that plaintiffs' federal registration is prima facie evidence of the validity of the registration and ownership of the mark; that plaintiffs have both a common-law and a federal right in the mark superior to defendants' in the area of natural expansion of plaintiffs' enterprise which "logically included" all of Illinois, except where defendants had actually adopted and used the mark, innocently, i.e., without notice and in good faith; and that the defendants had adopted and continuously used the mark in the Mattoon area innocently and were entitled to protection in that market.

We hold that the district court properly decided that plaintiffs' federal registration of the trade mark "Burger King" gave them the exclusive right to use the mark in Illinois except in the Mattoon market area in Illinois where the defendants, without knowledge of plaintiffs' prior use, actually used the mark before plaintiffs' federal registration. The defendants did not acquire the exclusive right they would have acquired by their Illinois registration had they actually used the mark throughout Illinois prior to the plaintiffs' federal registration.

We think our holding is clear from the terms of the Federal Trade Mark Act. Under 15 U.S.C. § 1065 of the Act, plaintiffs, owners of the federally registered trade mark "Burger King," have the "incontestable" right to use the mark in commerce, except to the extent that such use infringes what valid right the defendants have acquired by their continuous use of the same mark prior to plaintiffs' federal registration.

Under 15 U.S.C. § 1115(b), the federal certificate of registration is "conclusive evidence" of plaintiffs' "exclusive right" to use the mark. This Section, however, also provides a defense to an exclusive right to use a trade mark: If a trade mark was adopted without knowledge of the federal registrant's prior use, and has been continuously used, then such use "shall" constitute a defense to infringement, provided that this defense applies only for the area in which such continuous prior use is proved. Since the defendants have established that they had adopted the mark "Burger King" without knowledge of plaintiffs' prior use and that they had continuously used the mark from a date prior to plaintiffs' federal registration of the mark, they are entitled to protection in the area which that use appropriated to them.

Plaintiffs agree that the defendants as prior good faith users are to be protected in the area that they had appropriated. Thus, the question narrows to what area in Illinois the defendants have appropriated by virtue of their Illinois registration.

At common law, defendants were entitled to protection in the Mattoon market area because of the innocent use of the mark prior to plaintiffs' federal registration. They argue that the Illinois Trade Mark Act was designed to give more protection than they already had at common law, and that various provisions of the Illinois Act indicate an intention to afford Illinois registrants exclusive rights to use trade marks throughout the state, regardless of whether they actually used the marks throughout the state or not. However, the Act itself does not express any such intention. And no case has been cited to us, nor has our research disclosed any case in the Illinois courts deciding whether a registrant is entitled to statewide protection even if he has used the mark only in a small geographical area.

Two decisions of this court, however, shed light on the defendants' argument. In *Philco Corp. v. Phillips Mfg. Co.,* 133 F.2d 663, 148 A.L.R. 125 (7th Cir. 1943), this court, through Judge Kerner, discussed the 1905 and 1920 Trade Mark Acts, and decided that Congress had the constitutional power to legislate on "merits of trade mark questions," supra at 670 of 133 F.2d. It then stated that the policy of the Acts, to provide protection of federally registered marks used in interstate commerce, "may not be defeated or obstructed by State law" and that if state law conflicts with the policy it "must yield to the superior federal law." The court held that Philco's federal-registration rendered all questions of use and protection in interstate commerce questions of federal law, not state law. And in *John Morrell & Co. v. Reliable Packing Co.*, 295 F.2d 314 (7th Cir. 1961), Judge Duffy states, at 317, "However, the Illinois registration carries no presumption of validity" – thus attributing greater value to a federal registration because of its "incontestability" feature, which is prima facie evidence of exclusivity in interstate commerce. See also *Hot Shoppes, Inc. v. Hot Shoppe, Inc.*, 203 F. Supp. 777, 781-782. (M.D.N.C.1962).

The competing federal and state statutes confirm the correctness of this court's statements. Under 15 U.S.C. § 1115(b) of the Lanham Act, the federal certificate can be "conclusive evidence" of registrant's "exclusive right." And 15 U.S.C. § 1127 of the Act provides that "The intent of this chapter is … to protect registered marks used in such commerce from interference by State … legislation." The Illinois Act, however, provides only that a certificate of registration "shall be admissible … evidence as competent and sufficient proof of the registration … ." Ill.Rev.Stat. Ch. 140, § 11 (1967).

Moreover, we think that whether or not Illinois intended to enlarge the common law with respect to a right of exclusivity in that state, the Illinois Act does not enlarge its right in the area where the federal mark has priority. See Hot Shoppes, supra, 782. Congress expanded the common law, however, by granting an exclusive right in commerce to federal registrants in areas where there has been no offsetting use of the mark. Congress intended the Lanham Act to afford nation-wide protection to federally-registered marks, and that once the certificate has issued, no person can acquire any additional rights superior to those obtained by the federal registrant. See *John R. Thompson Co. v. Holloway*, 366 F.2d 108 (5th Cir. 1966); *Dawn Donut Co. v. Hart's Food Stores*, Inc., 267 F.2d 358 (2d Cir. 1959).

Cases cited by the defendants in support of their claim to exclusive right in Illinois do not help them. *ABC Stores v. T. S. Richey & Co.*, 280 S.W. 177, (Tex.Com.App.1926) is a pre-Lanham Act case involving a Texas trade mark dispute between Texas corporations involving intrastate commerce. *Hotel Sherman, Inc. v. Harlow et al.*, 186 F. Supp. 618 (S.D.Cal.1960), concerning the mark "Pump Room" did not, apparently, involve a dispute between federal and state registrants. However, we note that the court there in a mode similar to the district court judgment before us allocated territory to each of the parties. And in *Nielsen v. American Oil Co.*, 203 F. Supp. 473 (D.Utah 1962), the district court held that American Oil Co. by virtue of its prior use of its mark "within the State of Utah and Cache County" was entitled under Utah law to the exclusive intrastate use of the mark. However, the opinion also states that as early as 1932 defendant used its mark in sales at Bonneville Salt Flats, and starting in 1953 made annually a few interstate sales in Utah, and beginning in 1960 used the mark throughout Utah.

We conclude that if we were to accept the defendants' argument we would be fostering, in clear opposition to the express terms of the Lanham Act, an interference with plaintiffs' exclusive right in interstate commerce to use its federal mark.

The undisputed continuous market for the defendants' "Burger King" products was confined to a twenty mile radius of Mattoon. There is no evidence before us of any intention or hope for their use of their Illinois mark beyond that market. Yet they seek to exclude plaintiffs from expanding the scope of their national exclusive right, and from operating fifty enterprises already begun in Illinois. This result would clearly burden interstate commerce.

The defendants argue also that unless they are given the right to exclusive use throughout Illinois, many persons from all parts of Illinois in our current mobile society will come in contact with the defendants' business and will become confused as to whether they are getting the defendants' product, as they intended.

We are not persuaded by this argument. Defendants have not shown that the Illinois public is likely to confuse the products furnished by plaintiffs and by defendants. *John R. Thompson Co. v. Holloway*, 366 F.2d 108 (5th Cir. 1966), and cases cited therein. We are asked to infer that confusion will exist from the mere fact that both trade marks co-exist in the state of Illinois. However, the district court found that the defendants' market area was limited to within twenty miles of their place of business. The court's decision restricted the use of the mark by plaintiffs and defendants to sufficiently distinct and geographically separate markets so that public confusion would be reduced to a minimum. The mere fact that some people will travel from one market area to the other does not, of itself, establish that confusion will result. Since the defendants have failed to establish on the record any likelihood of confusion or any actual confusion, they are not entitled to an inference that confusion will result.

For the reasons given, the judgment of the district court is affirmed.

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9.2. Case: *Bell v. Streetwise Records* (New Edition) (D. Mass. 1986)

{This case abridgement/edit by Eric E. Johnson. The superscript tilde (˜) indicates an ellipsis. Footnotes and citations liberally reformatted, reworked, or removed without notation. See credit/licensing note: EEJ-SM22-X, *infra.}*

Prof Johnson's note: This is a trademark ownership case. It explores the question of priority, but then goes on to the more difficult question of who owns a trademark when people who were working together under one mark part ways. The answer springs from trademark's purpose and role in the marketplace.

Bell v. Streetwise Records, Ltd.

U.S. District Court for the District of Massachusetts
640 F.Supp. 575 (D. Mass. 1986)

ZOBEL, District Judge.

Plaintiffs Bell, Bivins, Brown, DeVoe and Tresvant, members of a singing group, are known to teenagers across the nation and around the world by the name "New Edition." Together with their present recording company, MCA Records, Inc. ("MCA"), they seek to establish their exclusive right to appear, perform and record under that mark. Defendants and counterclaimants (hereinafter "defendants"), Boston International Music, Inc. ("BIM"), and Streetwise Records, Ltd. ("Streetwise") produced, recorded and marketed the first New Edition long-playing album, "Candy Girl," as well as the singles from that album. Defendants claim that they employed the five individual plaintiffs to serve as a public front for a "concept" which they developed, and to promote musical recordings embodying that "concept." Because the mark New Edition allegedly identifies those recordings, and not the group members, defendants assert that they are its rightful owners. Each side has asked that this court enjoin the other from using the mark.

The amended complaint charges defendants with violations of § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), of the Massachusetts antidilution statute, Mass. Gen. Laws ch. 110B, § 12, of the Massachusetts nonstatutory law of unfair competition, and of Mass. Gen. Laws ch. 93A, § 11, which prohibits unfair or deceptive acts or practices. Defendants' counterclaims mirror the claims of plaintiffs.

A week-long evidentiary hearing was held in December 1985. A few months earlier, after learning that plaintiffs intended to release new records under the New Edition mark, defendants requested an "interim" injunction which this court denied. In affirming, the Court of Appeals clarified its earlier opinion, stating, "the district court should take a fresh look at the ownership issue in light of all the evidence."

FINDINGS OF FACT AND RULINGS OF LAW

Background

The five plaintiffs, calling themselves New Edition, form one of the hottest song-and-dance acts on the entertainment scene today. They have released four albums, numerous singles and several videos. They have performed throughout this country, filling major concert halls. They have toured Britain and Germany, and have plans for an upcoming trip to Japan. They have appeared on television shows, at charity events, and — the crowning sign of success — they have even been featured in a COKE commercial.

The group got its start in 1981 when four of the five current members[4] performed in a talent show at Roscoe's Lounge, in Boston. They were each about thirteen years old at the time and they called themselves New Edition.[5] Travis Gresham, who knew Bell and Tresvant from the marching band he directed, saw the show and thought they had potential. Within a week or two he became their manager and Brook Payne, who had collaborated with Bell, Bivins and Brown on an earlier endeavor, became their choreographer.

> [FN4:] Ronald DeVoe joined the group several months later.
>
> [FN5:] The name was first used in 1978 when Bell, Bivins, Brown and two others formed a group under the direction of Mr. Brook Payne. Payne thought up the name. They performed for a couple of months and disbanded.

Greshman booked a series of performances for the group. Their sixth engagement, on November 15, 1981, was the "Hollywood Talent Night" at the Strand Theatre, where the group performed a medley of songs made famous by the Jackson Five. First prize and plaintiffs' goal for the night was a recording contract with Maurice Starr, president of defendant BIM, who originated and organized the event. New Edition came in second but Starr, who had an agenda of his own, decided to work with them anyway.

Maurice Starr, who partly from his "Hollywood Talent Nights" had become something of a local celebrity, had been in the music business for a long time.[7] Starr — originally Larry Johnson — performed with his five brothers in a rock band in the early seventies. Modelled after the Jackson Five, whom they sought to emulate, Starr and his brothers called themselves the Johnson Six. They achieved moderate success but broke up in the mid-seventies when they became too mature for the image.

> [FN7:] It is not disputed here that Starr is a man of extensive and varied talents. Producer, engineer, songwriter, Starr testified that he plays "every instrument there is." He even created a literary version of the "concept" — a play called *Harmony* — about five kids trying to make it in the entertainment world.

It was around this time that Starr began developing the "concept," which, in its final form, he dubbed "black bubble gum music of the eighties." The concept is essentially the Jackson Five updated by the addition of modern elements like synthesizers (electronic instrumentation) and rap (speaking parts). As early as 1972 Starr began to search for the right kids to act out his concept. In November 1981, when he first encountered Bell, Bivins, Brown and Tresvant, he was still looking.

Although he decided to work with them, Starr believed plaintiffs were short on talent. They had no training to speak of; none could read or write music. Nevertheless, he used the four boys to create a demonstration tape of a song he had composed earlier, entitled Candy Girl. Starr played all the instruments, sang background vocals and did the arranging and mixing. He had to teach the thirteen-year-old group members everything, and while it is disputed whether lead singer Ralph Tresvant had to record his part bar-by-bar or note-by-note, it is clear Starr ran the show in the sound studio.[8]

> [FN8:] The Court of Appeals observed that it might be significant if plaintiffs could show "they had dreamed of becoming nationally known." *Bell v. Streetwise Records, Ltd.,* 761 F.2d 67, 71 (1st Cir.1985). Accordingly, defendants presented evidence showing not only that plaintiffs lacked musical knowledge (thus supporting Starr's claim that he controlled the recordings), but also that plaintiffs' commitment to music was weak. They even elicited testimony that Brown preferred "hanging out" to rehearsing and that Michael Bivins — apparently the shortest member of the band — wanted to be a basketball player when he was "growing up." Aside from the observation that Mr. Bivins appears still to be growing up, defendants cannot seriously be suggesting that his claim to the mark is affected by his having entertained more than one dream as a child. The totality of the evidence shows that plaintiffs wanted to become rock stars.

The tape was completed in the winter of 1982, and Starr expended considerable effort attempting to sell it to a recording company. He finally connected with Streetwise in the following fall. In the meantime, under the supervision of Gresham and Payne, plaintiffs continued to rehearse their dance routines and to perform locally. Starr played little if any role in these activities.

During this period Starr and the group members had three disagreements, all stemming from Starr's desire to make the group more like the Jackson Five. First, Starr insisted they acquire a fifth member. The boys resisted, but Starr prevailed. Plaintiffs selected Ronnie DeVoe, a nephew of Brook Payne, whom Starr approved. Second, he wanted the group to grow "afros." They refused. Third, and perhaps most significant, he wanted the newly expanded group to change its name to the MaJic Five [sic];[9] the upper case "J," not suprisingly, to evoke "Jackson." Plaintiffs were adamantly opposed and remained New Edition.

> [FN9:] The term "magic," or "majic," has special significance in the music industry. It means charisma, appeal, that essential quality without which no group succeeds. It is the thing "a consumer is in love with," one witness testified.

In November and December of 1982, Streetwise entered into separate recording contracts with each of the five plaintiffs, who were at the time approximately age fourteen. Each contract granted to Streetwise the exclusive right to use the name. Each, except Tresvant's, confirmed that the name "The New Edition" was wholly owned by BIM.[10]

> [FN10:] Defendants have conceded that plaintiffs' disaffirmance of these contracts, because of their minority at the time of signing, is, for purposes of this proceeding, legally valid. Their claim to ownership of the mark is therefore based exclusively on the law of trademarks and unfair competition.
>
> A great deal of testimony was offered at the December 1985 hearing concerning the circumstances of the signings. That evidence is irrelevant to this case as I now view the issues before me. Any unconscionability on the part of defendants, even if proven, would have no bearing on their ownership of the mark had they acquired it by means not contractual.

Streetwise released the "Candy Girl" single in February 1983. The long-playing album—containing ten songs selected, produced, and for the most part written by Starr — came out the following June. Streetwise launched an unusually extensive and elaborate promotional campaign, placing advertisements in print and on radio, and producing three videos. After the single was released, plaintiffs — high school students at the time — performed every weekend night, in Massachusetts and beyond. At first they "lip-synched" to a recorded track; later they sang to a live band. For a period of time Starr accompanied them on these tours, announcing the group, playing instruments (four simultaneously, he testified), and performing background vocals. The records and the group were smash hits.

Sometime in the summer of 1983 plaintiffs began to perform without Starr. In August, they fired Gresham and Payne. That same month they performed in Britain and Germany. In September they acquired new management and in November they disaffirmed their contracts with Streetwise. After defendants revealed plans to issue New Edition records featuring five different young singers, and after they sought federal registration of the New Edition mark, plaintiffs commenced this lawsuit.

One postscript completes the evidentiary picture before the court. In January of 1984, Jheryl Busby, a senior vice president at MCA, was dragged by his fourteen-year-old son to see a performance of New Edition. None too impressed, he left to meet a friend at a nearby hotel. Young girls had swarmed the place. When he asked his friend what was going on he was told, "that group, New Edition, is staying here and those little girls have been looking for them all night." Busby signed the group.

Discussion

A party seeking preliminary injunctive relief must satisfy four requirements: (1) that there is a likelihood of success on the merits; (2) that absent relief it will suffer irreparable harm; (3) that the harm it will suffer if an injunction is not granted out-weighs the harm defendant will suffer if restrained; and (4) that injunctive relief is consistent with the public interest.

Although neither side concedes any of these prerequisites, the primary focus was on the first — the likelihood of success on the merits.

In order to prevail on the merits, plaintiffs or defendants must establish that the mark is valid and protectable, that they own the mark, and that use of the mark by the opposing party is likely to confuse the public. *See, e.g., Estate of Presley v. Russen,* 513 F.Supp. 1339, 1362 (D.N.J.1981).

Both sides concede that New Edition is a distinctive mark, protectable under state and federal law; it is accordingly unnecessary to pass on that issue. They also concede, and the opinion of the Court of Appeals assumes, that use of the mark by both plaintiffs and defendants will lead to public confusion. Thus this court must decide the sole remaining issue: who owns the mark.

I.

It is settled law that ownership of a mark is established by priority of appropriation. Priority is established not by conception but by bona fide usage. The claimant "must demonstrate that his use of the mark has been deliberate and continuous, not sporadic, casual or transitory." *La Societe Anonyme des Parfums LeGalion v. Jean Patou, Inc.,* 495 F.2d 1265, 1272 (2d Cir.1974) (eighty-nine sales over a twenty year period, at a total profit of $100, were insufficient to "constitute [the] good faith commercial exploitation" necessary to establish bona fide usage). While it is not required that a product be an instant success the moment it hits the market, its usage must be consistent with a "present plan of commercial exploitation." *Id.* at 1273. Finally, while the Lanham Act is invoked only through use in interstate commerce, common law rights can be acquired through interstate *or* intrastate usage.

With these principles in mind, I make the following findings of fact. First, on the basis of testimony by Mr. Busby and by defendants' expert, Thomas Silverman, I find that there is only one relevant market at issue here: the entertainment market. Second, I find that as of the release of "Candy Girl" in February 1983—the first use in commerce — plaintiffs, calling themselves New Edition, had publicly performed in the local entertainment market on at least twenty occasions. Those performances (for which they frequently received compensation; albeit in nominal amounts), the promotional efforts by Travis Gresham on their behalf, their regular rehearsals with Gresham and Payne, their attempt to win a recording contract, and their hard work with Maurice Starr to further their career, all evidence a "present plan of commercial exploitation."

I accordingly conclude that plaintiffs have acquired legal rights to the mark New Edition through their prior use in intrastate commerce. Even if defendants' use had been the first in interstate commerce, they used the name simultaneously in Massachusetts, where plaintiffs had already appropriated it. And while it is well recognized that a junior user may occasionally acquire superior rights to a mark it used in good faith and in a different market, that was obviously not the case here. On this basis alone, plaintiffs own the mark.

II.

Even assuming there was no prior appropriation by the plaintiffs, however, they nonetheless own the mark under the controlling standard of law. Defendants correctly state that in the case of joint endeavors, where prior ownership by one of several claimants cannot be established, the legal task is to determine which party "controls or determines the nature and quality of the goods which have been marketed under the mark in question." *See In re Polar Music International AB,* 714 F.2d 1567 (Fed. Cir. 1983). The difficulty in performing that task in this case, however, is in deciding what the "goods" are. The parties have given the court little guidance in how to go about making that determination. Rather, each side baldly asserts the result that leads most logically to a decision in its favor. Defendants claim the goods are the recordings; plaintiffs claim they are the entertainment services of Bell, Bivins, Brown, DeVoe and Tresvant.

The role of "public association" in determining ownership has been much disputed in this case. Defendants have argued, and the Court of Appeals has confirmed, that the "finding that the public associate[s] the name NEW EDITION with the plaintiffs [does not compel] the conclusion that the name belong[s] to the plaintiffs." *Bell, supra,* 761 F.2d at 76. *See, e.g., Wallpaper Mfgrs. Ltd. v. Crown Wallcovering Corp.,* 680 F.2d 755, 762 (C.C.P.A.1982) ("Trademark rights are neither acquired or lost on the basis of comparative popularity....") But defendants are wrong when they say that public association plays no part in determining ownership. It is crucial in establishing just what the mark has come to identify, i.e., what the "goods" are.

In order to determine ownership in a case of this kind, a court must first identify that quality or characteristic for which the group is known by the public. It then may proceed to the second step of the ownership inquiry, namely, who controls that quality or characteristic.[17]

> [FN17:] Language in the opinion of the Court of Appeals has led the parties to occasionally frame the "control" issue in terms of "who employed whom." *See also Rick v. Buchansky,* 609 F.Supp. 1522 (S.D.N.Y.), *appeal dismissed,* 770 F.2d 157 (2d Cir.1985). I find that the evidence does not support the contention that either defendants or plaintiffs were employers or employees. Furthermore, the correct legal question in this context is not who controlled whom, but who controlled the distinctive feature which the mark identifies.
>
> In any event, it is not surprising — nor is it of great legal moment — that if you put an experienced adult in a room with inexperienced children, he will be telling them what to do and not the reverse.

As a preliminary matter, I find that the norm in the music industry is that an artist or group generally owns its own name. This case does not fit into one of the clearer exceptions to this rule. The name New Edition has not been assigned, transferred, or sold. Nor is New Edition a "concept group," whose name belongs to the person or entity that conceived both concept and name.[18]

> [FN18:] Defendants' expert Thomas Silverman testified at length about "concept groups." They are formed mainly by independent record companies who, perceiving an unfilled "niche" in the entertainment market, hire a group to promote their "concept," or marketing idea. The record company owns the name and controls the product.
>
> Examples Silverman gave of "concept groups" include "Menudo," "The Monkees," and "Planet Patrol." "Menudo" is a band whose members are retired when they reach age 14; public auditions are held to fill the ranks. "Planet Patrol" was Silverman's own creation. He invented the name and issued a record under it before he had even hired the group which it later identified.
>
> I find that New Edition was never a concept group. Unlike the groups Silverman described, plaintiffs selected their name and performed under it before meeting Maurice Starr. They may have walked straight into Starr's concept but, as he conceded at the hearing, they seem to have had the same idea he had.

With respect to defendants, although Maurice Starr's contribution to the "Candy Girl" records was substantial, I find that all the functions he performed were consistent with the duties of a producer. He was credited and compensated separately for each role. Similarly, while Streetwise's promotional work was unusually extensive, and though it proceeded at considerable risk, marketing — or "educating your label," as one witness put it — is a normal function of a recording company.

With respect to the plaintiffs themselves, as noted elsewhere in this opinion, they existed and performed as New Edition long before defendants released "Candy Girl." They had already used songs of the Jackson Five. Their membership has been essentially constant; they were not, as defendants contend, replaceable actors in a play written by Maurice Starr. (*Compare Rick v. Buchansky, supra,* where the four-person "Vito and the Salutations" had had twenty-two different members, including ten different "Vitos," to its one manager, Rick — who was found to own the name.) They were individual persons that the public came to know as such. While defendants would have us believe this is only the result of their successful promoting, I find that it was personality, not marketing, that led to the public's intimacy with plaintiffs.

The "magic" that sold New Edition, and which "New Edition" has come to signify, is these five young men.

Based on the totality of the evidence, I conclude that the quality which the mark New Edition identified was first and foremost the five plaintiffs with their distinctive personalities and style as performers. The "goods" therefore are the entertainment services they provide. They and no one else controlled the quality of those services. They own the mark.

CONCLUSION

I accordingly conclude that plaintiffs have demonstrated a likelihood of success on the merits, and that defendants have failed to do so. I am also persuaded by the testimony of Jheryl Busby, that failure to enjoin defendants would irreparably injure plaintiffs by weakening the mark — far in excess of the minor injury this injunction will cause defendants. Finally, as the Court of Appeals has made plain, the public interest will best be served by an exclusive award of the name.

For all these reasons, plaintiffs' motion requesting a preliminary injunction is allowed. Defendants' motion is denied.˜

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Credit/licensing notes

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10. Deceptiveness, Geography, Names, and Offensive Word Marks

All material in this chapter by Michael Grynberg
(credit/licensing note: MG-TL25-D, *infra*), with the exception of § 10.5.2, where the case's syllabus has been substituted for Prof. Grynberg's edit of the case. (This material is generally taken from Chapter 12 of Prof. Grynberg's book, though the "GI Note 1 (international sphere)" section on geographical indications is taken from Chapter 3.)

10.1. Deceptive, Deceptively Misdescriptive, and Descriptive marks (§§ 2(a) and 2(e)(1)).

10.1.1. Note

As you know, descriptive marks are only protected upon a showing of secondary meaning. The same is true in the registration context (§ 2(e)(1) + § 2(f)). Deceptively misdescriptive marks also may be registered if secondary meaning is established. Deceptive marks, by contrast, may never be registered (§ 2(a)). What's the difference?

10.1.2. Case: *In re Budge* (Lovee Lamb) (Fed. Cir. 1988)

In re Budge Mfg. Co., Inc.

857 F.2d 773 (Fed. Cir. 1988)

NIES, Circuit Judge.

Budge Manufacturing Co., Inc., appeals from the final decision of the United States Trademark Trial and Appeal Board refusing registration of LOVEE LAMB for "automotive seat covers," application Serial No. 507,974 filed November 9, 1984. The basis for rejection is that the term LAMB is deceptive matter within the meaning of section 2(a) of the Lanham Act, 15 U.S.C. § 1052(a) (1982), as applied to Budge's goods which are made wholly from synthetic fibers. We affirm.

Opinion

Section 2(a) of the Lanham Act bars registration of a mark which: "Consists of or comprises ... deceptive ... matter...." As stated in *In re Automatic Radio Mfg. Co.,* 404 F.2d 1391, 1396, 160 USPQ 233, 236 (CCPA 1969): "The proscription [of section 2(a)] is not against misdescriptive terms unless they are also deceptive." Thus, that a mark or part of a mark may be inapt or misdescriptive as applied to an applicant's goods does not make it "deceptive." *Id.* (AUTOMATIC RADIO not a deceptive mark for air conditioners, ignition systems, and antennas). Recognizing that premise, the Trademark Trial and Appeal Board has sought to articulate a standard by which "deceptive matter" under section 2(a) can be judged. In this case, the board applied the three-part test which was stated in *In re Shapely, Inc.,* 231 USPQ 72, 73 (TTAB 1986): (1) whether the term is misdescriptive as applied to the goods, (2) if so, whether anyone would be likely to believe the misrepresentation, and (3) whether the misrepresentation would materially affect a potential purchaser's decision to buy the goods. . . .

. . . . Where the issue relates to deceptive misdescriptiveness within the meaning of 2(a), we are in general agreement with the standard set out by the board in *Shapely,* with the following amplification in part drawn from *Simmons:*

> (1) Is the term misdescriptive of the character, quality, function, composition or use of the goods?

> (2) If so, are prospective purchasers likely to believe that the misdescription actually describes the goods?
>
> (3) If so, is the misdescription likely to affect the decision to purchase?

In *ex parte* prosecution, the burden is initially on the Patent and Trademark Office (PTO) to put forth sufficient evidence that the mark for which registration is sought meets the above criteria of unregistrability. Mindful that the PTO has limited facilities for acquiring evidence—it cannot, for example, be expected to conduct a survey of the marketplace or obtain consumer affidavits[2]—we conclude that the evidence of record here is sufficient to establish a *prima facie* case of deceptiveness. That evidence shows with respect to the three-pronged test:

> [2] *See, e.g., In re Loew's Theatres, Inc.*, 769 F.2d 764, 768, 226 USPQ 865, 868 (Fed.Cir.1985) ("The practicalities of the limited resources available to the PTO are routinely taken into account in reviewing its administrative action.").

(1) Budge admits that its seat covers are not made from lamb or sheep products. Thus, the term LAMB is misdescriptive of its goods.

(2) Seat covers for various vehicles can be and are made from natural lambskin and sheepskin. Applicant itself makes automobile seat covers of natural sheepskin. Lambskin is defined, *inter alia,* as fine-grade sheep skin. *See Webster's Third New International Dictionary* 639 (unabr. 1976). The board's factual inference is reasonable that purchasers are likely to believe automobile seat covers denominated by the term LAMB or SHEEP are actually made from natural sheep or lamb skins.

(3) Evidence of record shows that natural sheepskin and lambskin is more expensive than simulated skins and that natural and synthetic skins have different characteristics. Thus, the misrepresentation is likely to affect the decision to purchase.

Faced with this *prima facie* case against registration, Budge had the burden to come forward with countering evidence to overcome the rejection. It wholly failed to do so.

Budge argues that its use of LAMB as part of its mark is not misdescriptive when considered in connection with the text in its advertising, which states that the cover is of "simulated sheepskin."[3] Some, but not all, of Budge's specimen labels also have this text. This evidence is unpersuasive. In *R.*

Neumann & Co. v. Overseas Shipments, Inc., 326 F.2d 786, 51 CCPA 946, 140 USPQ 276 (1964), a similar argument was made that the mark DURA-HYDE on shoes was not deceptive as an indication of leather because of tags affixed to the shoes proclaiming the legend "Outwears leather." In discounting the evidence, the court stated: "The legends constitute advertisement material separate and apart from any trademark significance." To the same effect is *In re Bonide Chemical Co.,* 46 F.2d 705, 18 CCPA 909, 8 USPQ 297 (1931). There the court held, with respect to a clarifying statement made in advertising circulars, which the applicant urged negated the deceptive nature of the mark, "This argument is beside the issue. It is the word of the mark, not the statement of an advertising circular which appellant seeks to register...."

> [3] During board proceedings, Budge offered an amendment to change the goods in its application to read "simulated sheepskin automotive seat covers." Either way the goods are specified, our opinion remains the same.

Thus, we conclude that the board properly discounted Budge's advertising and labeling which indicate the actual fabric content. Misdescriptiveness of a term may be negated by its meaning in the context of the whole mark inasmuch as the combination is seen together and makes a unitary impression. *A.F. Gallun & Sons Corp. v. Aristocrat Leather Prods., Inc.,* 135 USPQ 459, 460 (TTAB 1962) (COPY CALF not misdescriptive, but rather suggests *imitation* of calf skin). The same is not true with respect to explanatory statements in advertising or on labels which purchasers may or may not note and which may or may not always be provided. The statutory provision bars registration of *a mark* comprising deceptive matter. Congress has said that the advantages of registration may not be extended to a mark which deceives the public. Thus, the mark standing alone must pass muster, for that is what the applicant seeks to register, not extraneous explanatory statements.

Budge next argues that no reasonable purchaser would expect to purchase lambskin automobile seat covers because none made of lambskin are on the market. Only sheepskin automobile seat covers are being made, per Budge. Not only was no evidence submitted on the point Budge seeks to make, only statements of Budge's attorney, but also the argument is without substance. The board properly equated sheepskin and lambskin based on the dictionary definition which indicates that the terms may be used interchangeably. In addition, while Budge would discount the evidence presented that bicycle and airline seat coverings are made of lambskin, we conclude that it does support the board's finding that there is nothing incongruous about automobile seat covers being made from lambskin. We also agree with the board's conclusion that any differences between sheepskin and lambskin would not be readily apparent to potential purchasers of automobile seat covers. The board's finding here that purchasers are likely to believe the misrepresentation is not clearly erroneous.

To overturn the board's finding that misdescribing synthetic fabric as "lamb" would affect a purchaser's decision to purchase the item, Budge merely reiterates its argument that its advertising negates the possibility of misdescriptiveness. We find that argument no more persuasive in this context than previously and, in any event, wholly unresponsive to this issue.

Finally, we note the evidence of Budge's extensive sales since 1974 under the mark. However, it is too well established for argument that a mark which includes deceptive matter is barred from registration and cannot acquire distinctiveness.

Conclusion

None of the facts found by the board have been shown to be clearly erroneous nor has the board erred as a matter of law. Accordingly, we affirm the board's decision that Budge's mark LOVEE LAMB for automobile seat covers made from synthetic fibers is deceptive within the meaning of 15 U.S.C. § 1052(a) and is, thus, barred from registration.

AFFIRMED.

NICHOLS, Senior Circuit Judge, concurring.

I agree that the TTAB decision should be affirmed, and with most of what the court well says. There is one matter, however, as to which I do not wholly agree, much as I respect the court's expertise in this field.

We have an unfortunate tendency to believe we must always utter the last word and lay down the ultimate law on all the subjects confided to us. Here we have a TTAB decision with which we find nothing wrong, and two previous TTAB decisions dealing with the same general subject. That is, all three are concerned with the Lanham Act provision barring from registration, trademarks which are "deceptive," and in all three the alleged deception was words making it appear that material actually of synthetic fibers was natural. The task consisted of applying one word in a statute to the few words or single word of a trademark, in light of the actual composition as acknowledged by the applicant. Lawyers are ostensibly, and I hope often actually, trained to construe statutes and other written words according to the intent of those who utter them and the understanding of those who read them. The task in the three cases was one for lawyers, and the three opinions afford internal evidence that the TTAB suffers no shortage of those who know how to do it well. They do not need us to tell them how to do it. If we do so, we clamp down a rigid formula for them to conform to, with a prospect of their being harried by lawyers for alleged nonconformity to the formula forever thereafter, with the simple ultimate issue forgotten.

No one can tell what future cases will bring or whether our formula will aid the solution of future cases, or hinder it. *In re Simmons, Inc.,* one of our three cases, well illustrates my point. The mark: "White Sable" for paint brush bristles, is construed in light of the fact that the animal, sable, is extremely dark and that is so well known that "sable" as an adjective, serves as a synonym for black, as in "sable plumage." As the white sable is a fictitious animal, the mark "white sable" cannot deceptively represent that the hairs in the brush came from a real animal. Who could prescribe beforehand how to deal with such a case? To deal with it after it arose, by an unhampered board, was no trick at all.

In the case before us, the board asked itself: "is anyone likely to believe the product is made of lamb or sheepskin?" The question might, perhaps ideally, be "is any reasonable person * * * " because unreasonable persons are likely to believe anything. It is clearly what the board meant. This court transforms that question in its formula to this:

If so, are prospective purchasers likely to believe that the misdescription actually describes the goods?

Thus "anyone," a single individual, is transmuted into a class of persons. I readily can picture the fun future counsel will have with this. They can demand that the board, with its limited investigative facilities as we acknowledge, first define who are the prospective purchasers, old, young, Ph.D's, illiterates, etc.? Then, what are their tastes, their intellectual quirks, their degree of gullibility?

A simple issue, mostly or wholly of law, is transmuted into a wide-ranging factual inquiry. Is the board to indulge in guesswork and speculation as to this supposititious class, and its *mores?* We reprehended this approach in a recent "likelihood of confusion" case, *Amalgamated v. Amalgamated,* 842 F.2d

1270, 6 USPQ2d 1305 (Fed.Cir.1988); (*cf. B.V.D. Licensing Corp. v. Body Action Design, Inc.,* 846 F.2d 727, 6 USPQ2d 1719 (Fed.Cir.1988)). Is it to conduct a sweeping inquest, the process known outside the Beltway as "making a federal case out of it." Far better, it seems to me, is not to fix anything when nothing is broke.

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10.2. Geography

10.2.1. Geographic exclusions

10.2.1.1. Statute and interpretation

15 U.S.C. §1052
{Lanham Act § 2}

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it–

(a) Consists of or comprises … deceptive … matter;… or a geographical indication which, when used on or in connection with wines or spirits, identifies a place other than the origin of the goods and is first used on or in connection with wines or spirits by the applicant on or after [January 1, 1996].

…

(e) Consists of a mark which … (2) when used on or in connection with the goods of the applicant is primarily geographically descriptive of them, except as indications of regional origin may be registrable under section 1054 of this title, (3) when used on or in connection with the goods of the applicant is primarily geographically deceptively misdescriptive of them.…

10.2.1.2. Regarding geographically descriptive and geographically deceptively misdescriptive marks

A mark that is geographically descriptive is registrable with secondary meaning, while a mark that is "geographically deceptively misdescriptive" cannot be registered. The Federal Circuit has interpreted section 2(e)(3) (primarily geographically deceptively misdescriptive marks) to have a materiality component.*

* The court's requiring materiality here rests on a misreading of the statute, but don't get me started. For a brief explanation of the issue, see Michael Grynberg, More Than IP: Trademark Among the Consumer Information Laws, 55 Wm. & Mary L. Rev. 1429, 1449 (2014).

Thus TMEP § 1210.01(a) provides:

> To establish a prima facie case for refusal to register a mark as primarily geographically descriptive, the examining attorney must show that:
>
> (1) the primary significance of the mark is a generally known geographic location (see TMEP §§1210.02–1210.02(b)(iv));
>
> (2) the goods or services originate in the place identified in the mark (see TMEP §1210.03); and
>
> (3) purchasers would be likely to believe that the goods or services originate in the geographic place identified in the mark (see TMEP §§1210.04–1210.04(d)). Note: If the mark is remote or obscure, the public is unlikely to make a goods/place or services/place association (see TMEP §1210.04(c)).

The test for whether a mark that is geographically deceptively misdescriptive adds the element of materiality, asking whether "the misrepresentation is a material factor in a significant portion of the relevant consumer's decision to buy the goods or use the services." *Id.* § 1210.01(b).

10.2.2. Geographical Indications

10.2.2.1. GI Note 1 (international sphere)

Geographical Indications. Geographical indications of origin (GIs) indicate that a product has come from a particular area and (typically) has been made in a particular way. They are somewhat controversial. Should an American producer of sparkling wine be able to label it CHAMPAGNE? Or call a bottle of Pinot Noir a BURGUNDY? Or produce PROSCIUTTO DI PARMA? To turn the question around, should a European producer be permitted to sell NAPA VALLEY wine or IDAHO potatoes? Because this sort of trademark issue implicates regional interests, GIs are often the subject of international trademark negotiations.

Should GIs receive special protection? On the one hand, regional producers have an interest in developing, and then controlling, the reputation for products from a given area. On the other hand, those names may become generic in the minds of the consuming public, creating a potential barrier to entry for producers outside the region in question. Suppose the term "parmesan cheese" were off limits to domestic producers. Similarly, what better way to communicate that your wine is made in the Champagne style than to call it Champagne, even if you are not located in the Champagne region of France?

The World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) contains several provisions on GIs. Article 22 requires signatories to provide means to prevent the false suggestions of geographic origin, and Article 23 calls for similar protections for GIs concerning wines and spirits to apply even when the public is not misled as to the beverage's true origin. Article 24 cuts back on the breadth of Article 23 by allowing use of such terms in those nations in which they have become generic.

Some of the Lanham Act's accommodations to GIs include certification marks and certain registration exclusions. But what do you make of the underlying policy question? When push comes to shove, would you give the wine-makers of Champagne exclusive rights to CHAMPAGNE? Why or why not? Would it change your answer if—for reasons of soil and climate—sparkling wine from Champagne, France tastes differently than sparkling wine made elsewhere? What if taste tests reveal that consumers prefer the taste of "authentic" champagne? What if that preference disappears if the taste tests are blind?

10.2.2.2. GI Note 2 (Lanham Act)

Geographical Indications. The limited exclusions of section 2 provide little hint of the importance of geographical indications of origin ("GIs")˘. As noted {above}, the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPs") requires (in Article 22) that signatories provide means to prevent the false suggestions of geographic origin with further protections (in Article 23) for GIs for wines and spirits. The latter protections are to be in force independent of confusion as to origin, though the terms may be used where generic.

The Lanham Act's accommodations to GIs include the registration exclusions in section 2 as well as the existence of certification marks. Section 2(a) specifically refers to GIs for wines and spirits. TMEP §1210.08(a) also provides:

> To establish a prima facie case for refusal to register a mark under the "wines and spirits" provision of §2(a), the following is required:
>
> (1) The primary significance of the relevant term or design is geographic, e.g., a place name, abbreviation, nickname, or symbol; or an outline or map of a geographic area (see TMEP §§1210.02(a)–1210.02(b)(iv));
>
> (2) Purchasers would be likely to think that the goods originate in the geographic place identified in the mark, i.e., purchasers would make a goods/place association (see TMEP §§1210.04–1210.04(d));
>
> (3) The goods do not originate in the place identified in the mark (see TMEP §1210.03);
>
> (4) A purchaser's erroneous belief as to the geographic origin of the goods would materially affect the purchaser's decision to buy the goods (see TMEP §§1210.05(c)–1210.05(c)(ii)); and
>
> (5) The mark was first used in commerce by the applicant on or after January 1, 1996.

10.3. Other exclusions

10.3.1. False connections with persons, institutions, beliefs, and national symbols

False Connections with persons, institutions, beliefs, or national symbols (Section 2(a)).

> To establish that a proposed mark falsely suggests a connection with a person or an institution, it must be shown that:

> 1 the mark is the same as, or a close approximation of, the name or identity previously used by another person or institution;
>
> 2 the mark would be recognized as such, in that it points uniquely and unmistakably to that person or institution;
>
> 3 the person or institution named by the mark is not connected with the activities performed by the applicant under the mark; and
>
> 4 the fame or reputation of the person or institution is such that, when the mark is used with the applicant's goods or services, a connection with the person or institution would be presumed.

TMEP § 1203.03(c)(i).

10.3.2. Flags and coats of arms

Consisting of or simulating a flag or coat of arms. As for a section 2(b) refusal based on consisting of or simulating "the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation," the Manual explains, "[w]hether a mark comprises a simulation must be determined from a visual comparison of the proposed mark vis-à-vis replicas of the flag, coat of arms, or other insignia in question. The focus is on the general recollection of the flag or insignia by purchasers, without a careful analysis and side-by-side comparison." *Id.* § 1204 (citations and quotations omitted). Merely being suggestive of the symbol, however, is not enough. *Id.* This opens the door to more registerable use than you might think. The Manual explains that § 2(b) refusals are inappropriate if the flag is used to form another shape, is obscured in large part by other design elements, is not in a flag shape, has a different color scheme than the flag normally does, or has a significant feature altered or excised.

10.3.3. Surname marks

Surname marks. Section 2(e)(4) blocks the registration of marks that are primarily "merely" surnames (absent secondary meaning). Recall the reasons that the common law also imposed a secondary meaning requirement in thinking about the question of what should qualify.

A problem in administering section 2(e)(4), and the common law exclusion of unregistered surname marks without secondary meaning, is of course the overlap between names and everyday words. "King" is a common surname, but it is also a word with many other meanings, including a head of state, a chess piece, and, more connotatively, one who is preeminent in one's field. How then to draw the line? Pointing to TTAB precedent, the TMEP test is as follows:

> (1) whether the surname is rare (see TMEP §1211.01(a)(v));
>
> (2) whether the term is the surname of anyone connected with the applicant (see TMEP §1211.02(b)(iv));
>
> (3) whether the term has any recognized meaning other than as a surname (see TMEP §§1211.01(a)–1211.01(a)(vii));
>
> (4) whether it has the "structure and pronunciation" of a surname (see TMEP §1211.01(a)(vi)); and
>
> (5) whether the stylization of lettering is distinctive enough to create a separate commercial impression (see TMEP §1211.01(b)(ii)).

TMEP § 1211.01.

If you were a trademark examiner, would you accept the claimed mark BYRNE? What if the applicant pointed to the dictionary meaning of "burn"? See, e.g., *In re Pickett Hotel Co.*, 229 USPQ 760 (TTAB 1986) (concluding that PICKETT SUITE HOTEL is primarily merely a surname despite claim that would-be mark is the phonetic equivalent of the word "picket").

10.3.4. Living individuals

A mark "identifying a particular living individual"(§ 2(c)). In 1989 Debbie Sauer applied to register BO BALL for "an oblong shaped ball made of white leather with red stitching at the seams." In essence the ball looked like a cross between a baseball and a football. Does "BO" identify a particular living person? It might help if you knew that at the time, Bo Jackson was famous for playing both professional football and baseball, and he starred in a number of commercials for the apparel maker Nike that played up his intersport abilities. Is that grounds for a § 2(c) rejection? After all, the name BO BALL is not the same as BO JACKSON BALL. Would you reject the registration? The TTAB did. In re Sauer, 27 U.S.P.Q.2d 1073 (TTAB 1993). What about the applicant's argument that "'Bo' is also the given name of several other widely recognized celebrities, such as Bo Diaz, Bo Belinsky, Bo Bo Osborne and Bo Schembechler, and that therefore "Bo" would not necessarily be understood to refer to Bo Jackson"? In answering the question, it's only fair to assume that you've heard of any of those four (I confess to only recognizing one). How would you have defended the TTAB's judgment on appeal? Do any other provisions of section 2 support the TTAB's ruling?

10.3.5. Likely to cause confusion or dilution

2(d) rejections. Section 2(d) provides for rejection of marks that are likely to cause confusion with previously used marks, and the end of section 2 provides for oppositions based on likely dilution of famous marks. While the substance of these doctrines are for later, note the difficulty faced by the trademark office in many cases. Thanks to the filing of intent-to-use applications, it will be evaluating many marks, and their potential to cause confusion with other marks, *before* they go on the market, limiting the available evidence.

10.4. Problems

10.4.1. Cafeteria

Our client operates a restaurant called CAFETERIA. It is a sit-down restaurant that offers a high-end dining experience. It has achieved secondary meaning in its area of operation. May it obtain a registration?

10.4.2. Swiss Army Knife

The Swiss Army Knife is a popular multi-use knife. The trademark SWISS ARMY KNIFE is held by Wenger S.A. and Victorinox A.G., which has actually provided knives to the Swiss armed forces. Suppose those companies are purchased by interests hostile to the Swiss government. The Swiss government hires you to bring a cancellation proceeding against the

SWISS ARMY KNIFE mark. Assume that the quality of the knives is unchanged and that the registration is less than five years old (so any basis for challenge is eligible). What are likely avenues for attack? Will they succeed?

10.4.3. Deep Six

John Smith is a (fictional) baseball player born with an extra finger on his throwing hand. He becomes a star pitcher. Along the way, he picks up the nickname "Deep Six," and his fans frequently chant the phrase during his starts. Smith's team has just made the World Series. You represent All-Star clothing, which wants to trademark "Deep Six" for use on T-shirts. Any advice on seeking registration?

10.5. Exclusions and the First Amendment

10.5.1. Discussion

Section 2(a) contains exclusions for "scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute." The disparagement provision was the basis for efforts to cancel the former trademark of the Washington NFL team. The TTAB ordered cancellation, and its ruling was upheld by a federal district court. *See Blackhorse v. Pro-Football, Inc.*, 111 U.S.P.Q.2d 1080 (Trademark Tr. & App. Bd. June 18, 2014), 2014 WL 2757516; *Pro-Football, Inc. v. Blackhorse*, 112 F. Supp. 3d 439 (E.D. Va. 2015). As that ruling was being appealed, the Federal Circuit *struck down* the section 2(a) disparagement bar altogether. *In re Tam*, 808 F.3d 1321 (Fed. Cir. 2015) (en banc). The Supreme Court granted cert and affirmed in *Matal v. Tam*, 582 U.S. 218 (2017), concluding that the bar represents viewpoint discrimination that is unconstitutional under the First Amendment. Soon after, the Supreme Court faced the question of the constitutionality of the bar to registering immoral or scandalous matter.

10.5.2. Case summary: *Iancu v. Brunetti* (FUCT) (U.S. 2019)

{This section by EEJ, replacing Prof. Grynberg's case abridgement.}

Iancu v. Brunetti

Supreme Court of the United States
2019

Iancu, Under Secretary of Commerce for Intellectual Property and Director, Patent and Trademark Office v. Brunetti. Certiorari to the Federal Circuit. No. 18–302. Argued April 15, 2019—Decided June 24, 2019.

Kagan, J., delivered the opinion of the Court, in which Thomas, Ginsburg, Alito, Gorsuch and Kavanaugh, JJ., joined. Alito, J., filed a concurring opinion. Roberts, C. J., and Breyer, J., filed opinions concurring in part and dissenting in part. Sotomayor, J., filed an opinion concurring in part and dissenting in part, in which Breyer, J., joined.

From the SYLLABUS:

Respondent Erik Brunetti sought federal registration of the trademark FUCT. The Patent and Trademark Office (PTO) denied his application under a provision of the Lanham Act that prohibits registration of trademarks that "[c]onsist[ ] of or comprise[ ] immoral[ ] or scandalous matter," 15 U. S. C. §1052(a). Brunetti brought a First Amendment challenge to the "immoral or scandalous" bar in the Federal Circuit, which invalidated the provision.

Held: The Lanham Act's prohibition on registration of "immoral[ ] or scandalous" trademarks violates the First Amendment.

In *Matal v. Tam*, 582 U. S. ___, this Court declared unconstitutional the Lanham Act's ban on registering marks that "disparage" any "person[ ], living or dead." §1052(a). A divided Court agreed on two propositions. First, if a trademark registration bar is viewpoint based, it is unconstitutional. And second, the disparagement bar was viewpoint based.

The "immoral or scandalous" bar similarly discriminates on the basis of viewpoint and so collides with this Court's First Amendment doctrine. Expressive material is "immoral" when it is "inconsistent with rectitude, purity, or good morals"; "wicked"; or "vicious." So the Lanham Act permits registration of marks that champion society's sense of rectitude and morality, but not marks that denigrate those concepts. And material is "scandalous" when it "giv[es] offense to the conscience or moral feelings"; "excite[s] reprobation"; or "call[s] out condemnation." So the Lanham Act allows registration of marks when their messages accord with, but not when their messages defy, society's sense of decency or propriety. The statute, on its face, distinguishes between two opposed sets of ideas: those aligned with conventional moral standards and those hostile to them; those inducing societal nods of approval and those provoking offense and condemnation. This facial viewpoint bias in the law results in viewpoint-discriminatory application. The PTO has refused to register marks communicating "immoral" or "scandalous" views about (among other things) drug use, religion, and terrorism. But all the while, it has approved registration of marks expressing more accepted views on the same topics.

The Government says the statute is susceptible of a limiting construction that would remove its viewpoint bias. The Government's idea is to narrow the statutory bar to "marks that are offensive [or] shocking[ ] because of their mode of expression, independent of any views that they may express," which would mostly restrict the PTO to refusing marks that are lewd, sexually explicit, or profane. But this Court cannot accept the Government's proposal, because the statute says something markedly different. The "immoral or scandalous" bar does not draw the line at lewd, sexually explicit, or profane marks. Nor does it refer only to marks whose "mode of expression," independent of viewpoint, is particularly offensive. To cut the statute off where the Government urges is not to interpret the statute Congress enacted, but to fashion a new one. And once the "immoral or scandalous" bar is interpreted fairly, it must be invalidated.

Affirmed.

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10.5.3. Notes and Questions

10.5.3.1. Are disparaging and scandalous marks good marks?

Are disparaging and scandalous marks good marks? How well do scandalous marks perform the trademark function? Suppose someone tries to register a racial epithet after *Tam* and *Brunetti*. Is the PTO really without a recourse to refuse the registration?

In my view, the bars could have been justified on the basis that they were excluding marks that failed to perform the trademark function effectively.

> The [disparagement] bar reflects a policy that promotes effective trademarks by favoring, to a large, albeit imperfect,

> extent, signifiers that are initially irrelevant to the market context in which they will be deployed. Such marks are better able to serve as receptacles of source-identifying meaning and, in turn, to be a shorthand for other information about the product or service in question. By contrast, trademark law disfavors and often excludes would-be marks that bring market-relevant information to the table. . . .
>
> Although they do not necessarily bring the same kind of market-relevant information as, say, a generic term, disparaging marks share the characteristic of being infused with non-source meaning. Unlike arbitrary or fanciful marks, disparaging marks fail the irrelevance test because they embody meanings that interfere with their ability to perform a source-identifying function. In context, they are not the empty vessels that trademark law idealizes because consumers perceive a disparaging message. Just as APPLE lacks trademark significance when applied to the fruit instead of computers, and penguin-shaped cocktail shakers denote a product more than its source, slurs leave less room for trademark meanings than do the comparatively neutral terms that trademark law traditionally favors.

Michael Grynberg, *A Trademark Defense of the Disparagement Bar*, 126 Yale L.J. Forum 178, 184, 187-88 (2016).

10.5.3.2. Failure to function

Failure to function. One possible way of managing the consequences of *Tam* and *Brunetti* is greater use of the "failure to function" principle—previously mentioned in the notes in chapter 2—which requires that would-be trademarks actually "function" as marks before they can receive protection. As discussed there, the doctrine has been most associated with *how* a mark is used, and the PTO uses it to police the submission of specimens in registration applications. *See* TMEP § 904.07(b); § 1202.03. Under these rules, examining attorneys should "consider the size, location, and dominance of the proposed mark, as applied to the goods, to determine whether ornamental matter serves a trademark function." TMEP § 1202.03(a).

Failure to function is increasingly being used to turn away marks based on their *semantic* meaning. *See* Note, Lucas Daniel Cuatrecasas, *Failure to Function and Trademark Law's Outermost Bound*, 96 N.Y.U. L. REV. 1312, 1328 (2021) ("[A] mark's semantic meaning and inherent nature have become essential to today's failure-to-function cases."); *id.* at 1326 (charting refusals). The TMEP already directs examining attorneys to reject "merely informational matter," TMEP § 1202.04 ("Merely informational matter fails to function as a mark to indicate source and thus is not registrable."), and this provision has been used to block attempted registrations that appear to be efforts to capitalize on slogans, memes, and other phrases prominent in popular culture. For example, this provision was used to turn away an attempt to register the phrase, "I can't breathe," which is associated with protests against police brutality. *See, e.g.*, U.S. Patent & Trademark Office, Office Action (Official Letter) About Applicant's Trademark Application (Mar. 4, 2015), http://tsdr.uspto.gov /documentviewer?caseId=sn86479784&docId=OOA20150304094857 .

The principle may be able to fill some of the gap left by *Tam* and *Brunetti*. In 2021, the TTAB used failure-to-function analysis to reject an attempt to register a variant of the most offensive slur in the English language. *See* In re Snowflake Enters., No. 87496454, (T.T.A.B. June 24, 2021) (non-precedential).

What will the Federal Circuit say? The case law is developing. See *In re: GO & Associates, LLC.*, 90 F.4th 1354, 1357 (Fed. Cir. 2024) ("[W]e conclude that the Board's determination that 'EVERYBODY VS RACISM' does not function as a source identifier for GO's products (i.e., tote bags and apparel) or services (i.e., promoting awareness of the need for racial reconciliation) was supported by substantial evidence."); *In re Vox Populi Registry Ltd.*, 25 F.4th 1348, 1351 (Fed. Cir. 2022) (affirming refusal to register .SUCKS and noting that "though our court has had limited occasion to address the issue, the source identifier requirement is broader than just whether a proposed mark is generic or descriptive").

Are other registration bars in danger?

Are other registration bars in danger? Tam and *Brunetti* naturally raised the question whether other registration bars may be at risk. In 2022, the Federal Circuit held that applying the section 2(c) bar—which prohibits registration of matter that "[c]onsists of or comprises a name, portrait, or signature identifying a particular living individual" without consent—to refuse to register the mark TRUMP TOO SMALL violates the First Amendment. In re Elster, 26 F.4th 1328 (Fed. Cir. 2022).

The Supreme Court reversed in *Vidal v. Elster*, 602 U.S. 286 (2024). *Vidal* treats section 2(c) as a content-based (albeit viewpoint-neutral) restriction, potentially increasing First Amendment scrutiny. Such scrutiny would raise difficult questions for trademark law, as its doctrine is rife with content-based determinations (e.g., does this word signal source? Does this mark cause confusion?). Rather that throw trademark law into chaos, *Vidal* determines that although content-based speech regulations are "presumptively unconstitutional," "[s]everal features of trademark counsel against a *per se* rule of applying heightened scrutiny to viewpoint-neutral, but content-based trademark regulations."

Although the Court unanimously upheld section 2(c), it sharply divided on how to approach the question, reflecting larger ongoing debates about constitutional interpretation that are typically external to trademark law.

10.5.4. Case: *Vidal v. Elster* (U.S. 2024)

Vidal v. Elster

602 U.S. 286 (2024)

Justice THOMAS announced the judgment of the Court and delivered the opinion of the Court with respect [to the portions reprinted below].

[In his opinion, Justice Thomas focused on the claim that history establishes that something like the section 2(c) bar, which the Court called the "names clause," has long lived in peace with the First Amendment, finding historical antecedents for restricting trademark rights in names while still allowing sellers to obtain marks containing their own names (so long as they did not exclude others with the same name from using it). At the same time, "[w]e see no evidence that the common law afforded protection to a person seeking a trademark of another living person's name. To the contrary, English courts recognized that selling a product under another person's name could be actionable fraud. This recognition carried over to our country. . . . The common-law approach to trademarking names thus protected only a person's right to use his *own* name." These understandings were then translated into statutory law.

Justice Thomas then observed that these rules jibe with trademark law's purposes of accurately identifying goods and protecting the reputation of the markholder. This latter concern is especially at play when dealing with one's name. Taken together:]

We conclude that a tradition of restricting the trademarking of names has coexisted with the First Amendment, and the names clause fits within that tradition. Though the particulars of the doctrine have shifted over time, the consistent through line is that a person generally had a claim only to his own name. The names clause reflects this common-law tradition by prohibiting a person from obtaining a trademark of another living person's name without consent, thereby protecting the other's reputation and goodwill.

None of this is to say that the Government cannot innovate when it comes to trademark law. A firm grounding in traditional trademark law is sufficient to justify the content-based trademark restriction before us, but we do not opine on what may be required or sufficient in other cases. . . . [A] case presenting a content-based trademark restriction without a historical analogue may require a different approach. But, we need not develop such a comprehensive theory to address the relatively simple case before us today. . . .

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Credit/licensing notes

MG-TL25-C, MICHAEL GRYNBERG

I am very grateful to Michael Grynberg for his generosity in sharing his excellent materials!

11. Trademark Transactions, Goodwill, Licensee Estoppel, and Abandonment

All material in this chapter by Michael Grynberg
(credit/licensing note: MG-TL25-D, *infra*) (This material is generally taken from Chapter 11 of Prof. Grynberg's book.)

11.1. Problems

11.1.1. Supersonic Thunder

For decades, the Seattle Supersonics, an NBA team, played basketball in Seattle. The Sonics, as they were known, had a strong fan base and won an NBA title in 1979. In 2006 the team was sold to an ownership group led by Oklahoma City businessman Clayton Bennett. Two years later, the team relocated to Oklahoma City, where it was renamed the Oklahoma City Thunder.

Since moving to Oklahoma City, the Thunder largely ceased activities under the Supersonics mark. It does, however, retain the domain name supersonics.com, which redirects to the Thunder's web page. It also plans to operate in the memorabilia market and sell throwback jerseys of famous Sonics players, but no such activities are ongoing.

Disappointed by the departure of his favorite team, Seattle resident Oscar Gamble operates a website called rememberthesonics.com. In addition, he operates a touring basketball team (which plays local teams from colleges, high schools, etc.) that he has named the Seattle Supersonics. The Thunder have sent him a cease and desist letter. He claims the Sonics trademark has been abandoned. You are an attorney in the Thunder's GC office. Advise the team.

11.1.2. The Ronin

A group of law students start a blog that lists their complaints about and suggestions for improvement of their school. It's called "The Ronin." The site becomes popular, spurring students at other law schools to start similar blogs. Some of these blogs coordinate closely with the originating students and place a banner on their site that reads "Part of the Ronin Network." As the blogs become more popular, the originating students receive requests for permission for other student blogs to use the banner. Some sites have used the banner without permission. Any advice?

11.2 Statutory provisions

11.2.1. Lanham Act § 45

Lanham Act § 45 (15 U.S.C. § 1127)

A mark shall be deemed to be "abandoned" . . . . When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be prima facie evidence of abandonment. "Use" of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark. [Or w]hen any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark. Purchaser motivation shall not be a test for determining abandonment under this paragraph.

11.2.2. Lanham Act § 5

Lanham Act § 5 (15 U.S.C. § 1055)

Where a registered mark or a mark sought to be registered is or may be used legitimately by related companies, such use shall inure to the benefit of the registrant or applicant for registration, and such use shall not affect the validity of such mark or of its registration, provided such mark is not used in such manner as to deceive the public. If first use of a mark by a person is controlled by the registrant or applicant for registration of the mark with respect to the nature and quality of the goods or services, such first use shall inure to the benefit of the registrant or applicant, as the case may be.

11.3. Abandonment

11.3.0. In general

The principles of abandonment fit nicely within the basic framework of trademark law. Trademark rights are use-based. No use, no rights. To generalize more broadly, a mark is supposed to embody the goodwill of the user and allow consumers to identify and distinguish the goods and services of the user in the marketplace. If the user is not using the mark, then the mark cannot perform a trademark function, leaving it open for others. Simple enough, but, as always, there are wrinkles galore.

11.3.1. Standards of proof

Standards of proof. Because abandonment strips a trademark holder of any rights in the mark, courts are generally reluctant to find it. Most judges require clear and convincing evidence of abandonment. The Federal Circuit, however, accepts a simple preponderance of the evidence. *Cerveceria Centroamericana, S.A. v. Cerveceria India, Inc.*, 892 F.2d 1021 (Fed. Cir. 1989).

The Lanham Act shifts the presumption with respect to marks that have not been used for three years, providing that "[n]onuse for 3 consecutive years shall be prima facie evidence of abandonment." 15 U.S.C. § 1127. Some courts declare that while three years of non-use shifts the burden of production to the trademark holder, the burden of persuasion remains with the party seeking a declaration of abandonment. Cumulus Media, Inc. v. Clear Channel Communications, Inc., 304 F.3d 1167 (11th Cir. 2002).

11.3.2. Brand maintenance programs

Brand maintenance programs. Courts generally reject efforts to preserve trademark rights with token uses. Exxon Corp. v. Humble

Exploration Co., Inc., 695 F.2d 96, 101 (5th Cir. 1982) ("[A]rranged sales in which the mark was not allowed to play its basic role of identifying source [is] not 'use' in the sense of section 1127 of the Lanham Act"). The modern statute reflects this view by requiring bona fide sales.

11.3.3. Loss of goodwill through low sales/interrupted sales

Loss of goodwill through low sales/interrupted sales. If there are no sales, then the mark will cease to embody a seller's goodwill. But of course in the normal ebb and flow of trade and fortune, a company may cease sales of a product line only to resume them at a more opportune moment. As the D.C. Circuit put it, trademark law rejects the notion that "the slightest cessation of use causes a trademark to roll free, like a fumbled football, so that it may be pounced on by any alert opponent." Continental Distilling Corp. v. Old Charter Distillery Co., 188 F.2d 614, 619 (D.C. Cir. 1950). And sometimes the interruption in use stems from unusual circumstances. *See* Cash Processing Services v. Ambient Entertainment, Inc., 418 F. Supp. 2d 1227 (D. Nev. 2006).

Courts generally find that a mark will survive periods of low sales and occasional interruptions of use. Good faith efforts usually suffice to preserve a mark. Likewise, courts will enjoin potentially confusing uses by others during these down times. "[G]oodwill does not ordinarily disappear or completely lose its value overnight. Erosion from nonuse is a gradual process. As long as the mark has significant remaining value and the owner intends to use it in connection with substantially the same business or service, the public is not deceived." Defiance Button Machine Co. v. C & C Metal Products Corp., 759 F.2d 1053, 1060 (2d Cir. 1985) (no abandonment despite sale of assets because holder intended to resume activities and business retained goodwill). In a similar vein, *Perry v. H.J. Heinz Company Brands, L.L.C.*, 994 F.3d 466 (5th Cir. 2021), rejected an effort to ground abandonment on a failure to operate outside the trademark holder's home state. The court noted that the Lanham Act's "use in commerce" requirement can be met by intrastate commerce.

11.3.4. Failure to sue

Failure to sue. If you follow trademark law, you'll see any number of suits/cease-and-desist letters that make the trademark holder look, well, stupid because the challenged conduct is so trivial. So why bother? One possibility is the belief that failing to protect trademark rights aggressively might lead a court to find abandonment. This fear is largely unjustified except in extreme cases (e.g., Coke tolerating the sales of a rival soda under the COKE name). As Professor McCarthy notes in his treatise, the key is whether a mark has lost its distinctiveness, not whether a trademark holder has tolerated the conduct of any particular potential defendant. "The owner of a mark is not required to constantly monitor every nook and cranny of the entire nation and to fire both barrels of his shotgun instantly upon spotting a possible infringer. Lawyers and lawsuits come high and a financial decision must be made in every case as to whether the gain of prosecution is worth the candle." Engineered Mechanical Services, Inc. v. Applied Mechanical Technology, Inc., 584 F. Supp. 1149, 1160 (M.D. La. 1984). And with respect to any particular defendant, delay in filing suit should pertain to a potential equitable defense of laches, not trademark abandonment. 3 MCCARTHY § 17:17.

11.3.5. What happens after abandonment?

What happens after abandonment? What should the fate of a mark be after it is abandoned? Should it be up for grabs? Or should residual consumer goodwill dissipate first? Does the answer depend on whether you think trademark law is about protecting sellers or consumers? The general approach is that an abandoned mark is available under traditional rules of first use. Dial-A-Mattress Operating Corp. v. Mattress Madness, Inc., 841 F. Supp. 1339, 1355 (E.D.N.Y. 1994) ("Once abandoned, the mark reverts back to the public domain whereupon it may be appropriated by anyone who adopts the mark for his or her own use."). As seen with generic marks, however, sometimes courts will require those appropriating the abandoned marks to distinguish themselves from the prior user. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 30, comment a (1995) (noting that use of an abandoned mark is not trademark infringement but may, depending on the circumstances, create liability for misrepresentation of source; "Subsequent users, although free to use the abandoned designation, may thus be required to take precautions necessary to avoid a likelihood of confusion if the designation retains its association with the former user."); *In re Wielinski*, 49 U.S.P.Q.2d 1754 (T.T.A.B. 1998) ("It is well settled, however, that after a mark has become abandoned, if it is then adopted and used by an entity unrelated to the original owner, the rights to the mark vest with the first to adopt and use it, provided that the new user takes reasonable precautions to prevent confusion.").

11.3.6. Breaking up is hard to do

Breaking up is hard to do. A somewhat related issue concerns mark ownership when the owning entity divides or otherwise ceases to be a single body. What then? *See* Lyons v. Am. Coll. of Veterinary Sports Med. & Rehab., 859 F.3d 1023, 1029 (Fed. Cir. 2017) (agreeing that the "three main factors to be considered in ownership disputes surrounding service marks as between a departing member and the remnant group" are (1) the parties' objective intentions or expectations; (2) who the public associates with the mark; and (3) to whom the public looks to stand behind the quality of goods or services offered under the mark.)").

11.4. Assignments

Trademark law prohibits assignments in gross of a mark (the sale of a mark without its accompanying goodwill). "A trade name or mark is merely a symbol of goodwill; it has no independent significance apart from the goodwill it symbolizes. . . . [It therefore] cannot be sold or assigned apart from the goodwill it symbolizes." Marshak v. Green, 746 F.2d 927, 929 (2d Cir. 1984); *see also* 15 U.S.C. § 1060(a)(1) ("A registered mark or a mark for which an application to register has been filed shall be assignable with the good will of the business in which the mark is used, or with that part of the good will of the business connected with the use of and symbolized by the mark."). The traditional view is that allowing a naked assignment could defraud the public. *Marshak*, 746 F.2d at 929 ("Use of the mark by the assignee in connection with a different goodwill and different product would result in a fraud on the purchasing public who reasonably assume that the mark signifies the same thing, whether used by one person or another.").

Does that explanation sound plausible to you? If it does, then why doesn't trademark law punish a markholder for altering product quality?

What's the difference between allowing quality to drop and making an assignment in gross?

What must pass for "goodwill" to be part of the transaction? Things seem clear enough if the sale of a mark is accompanied by the sale of the entire underlying business. But what if we just have the sale of some (but not all) of a company's tangible assets? Or a purported assignment of a mark and its "goodwill" without anything more? Courts look to the substance of the transaction, not the form, in trying to decide these issues. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 34, comment b (1995) (noting that how the mark is used after the assignment matters in determining whether the sale "disrupt[s] the associational significance of the designation. The traditional rule requiring an accompanying transfer of "good will" can thus be seen as a requirement that the assignment preserve the significance of the mark to consumers.").

For commentary on how the anti-assignment in gross rule interacts with the creation of security interests, *see* 3 MCCARTHY § 18:7.

11.5. Licensing and Abandonment

Abandonment issues often accompany efforts to license a trademark. Consider the importance of trademarks to a franchising relationship. Most McDonald's franchises are not owned by the McDonald's corporation. Instead, local entrepreneurs receive a license to use the McDONALD'S mark. They, in turn, must follow certain rules set by the company, which ensure that the consumer experience is more or less the same from one franchise to the next. As you might expect, franchising relationships can be complex and are frequent litigation fodder.

Although franchising plays a major role in everyday life, it was not initially clear that the trademarks of a franchisor could be used by a franchisee. After all, they were not the same entity and therefore not the same source of a product as the franchisor. Justice Scalia noted the issue in passing in *Dastar*, where he admitted what he had denied in his *Two Pesos* concurrence: The early text of the Lanham Act did not fully encompass actual trademark practices.

> Under the 1946 version of the Act, § 43(a) was read as providing a cause of action for trademark infringement even where the trademark

> owner had not itself produced the goods sold under its mark, but had licensed others to sell under its name goods produced by them—the typical franchise arrangement. This stretching of the concept "origin of goods" is seemingly no longer needed: The 1988 amendments to § 43(a) now expressly prohibit the use of any "word, term, name, symbol, or device," or "false or misleading description of fact" that is likely to cause confusion as to "affiliation, connection, or association ... with another person," or as to "sponsorship, or approval" of goods. 15 U.S.C. § 1125(a).

Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23, 32 (2003). As indicated by the quote, judicial expansion of trademark law (as ratified by Congress) enabled trademarks to support franchising relationships.

11.6. Case: *FreecycleSunnyvale v. Freecycle Network* (Freecycle) (9th Cir. 2010)

FreecycleSunnyvale v. Freecycle Network

626 F.3d 509 (9th Cir. 2010)

CALLAHAN, Circuit Judge:

FreecycleSunnyvale ("FS") is a member group of The Freecycle Network ("TFN"), an organization devoted to facilitating the recycling of goods. FS filed a declaratory action against TFN arising from a trademark licensing dispute, alleging noninfringement of TFN's trademarks and tortious interference with FS's business relations. FS moved for partial summary judgment on the issue of whether its naked licensing defense to trademark infringement allowed it to avoid a finding of infringement as a matter of law.[1] TFN argued that it had established adequate quality control standards over its licensees' services and use of the trademarks to avoid a finding of naked licensing and abandonment of its trademarks. The district court granted summary judgment to FS. We hold that TFN (1) did not retain express contractual control over FS's quality control measures, (2) did not have actual controls over FS's quality control measures, and (3) was unreasonable in relying on FS's quality control measures. Because we find that TFN engaged in naked licensing and thereby abandoned its trademarks, we affirm.

[1] Naked licensing occurs when a licensor does not exercise adequate quality control over its licensee's use of a licensed trademark such that the trademark may no longer represent the

> quality of the product or service the consumer has come to expect. See *Barcamerica Int'l USA Trust v. Tyfield Importers, Inc.*, 289 F.3d 589, 595-96 (9th Cir.2002). By not enforcing the terms of the trademark's use, the licensor may forfeit his rights to enforce the exclusive nature of the trademark. . . .

I

A

In March 2003, Deron Beal ("Beal") founded TFN, an umbrella non-profit Arizona corporation dedicated to "freecycling." The term "freecycling" combines the words "free" and "recycling" and refers to the practice of giving an unwanted item to a stranger so that it can continue to be used for its intended purpose, rather than disposing of it. As practiced by TFN, freecycling is primarily a local activity conducted by means of internet groups, which are created by volunteers through online service providers like Yahoo! Groups and Google Groups. Although not required to do so, most TFN member groups use Yahoo! Groups as a forum for members to coordinate their freecycling activities. TFN also maintains its own website, www. freecycle. org, which provides a directory of member groups as well as resources for volunteers to create new groups. The website also includes a section devoted to etiquette guidelines.

TFN asserts that it maintains a "Freecycle Ethos"—a democratic leadership structure, in which decisions are made through a process of surveys and discussions among volunteer moderators. Local volunteer moderators are responsible for enforcing TFN's rules and policies, but the moderators have flexibility in enforcement depending on the moderators' assessment of their local communities.

Since May 2003, TFN has been using three trademarks, FREECYCLE, THE FREECYCLE NETWORK, and a logo (collectively "the trademarks") to identify TFN's services and to identify member groups' affiliation with TFN. Federal registration of the trademarks is currently pending in the United States, but the trademarks have been registered in other countries. TFN permits member groups to use the trademarks. When TFN first started, Beal personally regulated the use of the trademarks but, as TFN has grown, it has relied on local moderators to regulate member groups' use of the trademarks.

Lisanne Abraham ("Abraham") founded FS on October 7, 2003, in Sunnyvale, California, without TFN's knowledge or involvement. She established the group by entering into a service contract with Yahoo! Groups and becoming the group's moderator. Upon establishing FS, Abraham adapted etiquette guidelines and instructions for how to use FS from either TFN's or one of TFN's member group's website. On October 7, 2003, Abraham emailed Beal directly asking for a logo for FS, and they spoke over the phone within days of the email communication. After the phone conversation, Beal emailed Abraham on October 9, 2003, stating: "You can get the neutral logo from www. freecycle. org, just don't use it for commercial purposes or you [sic] maybe Mark or Albert can help you to do your own fancy schmancy logo!"[4] This email is the only record of a direct communication between FS and TFN regarding the use of any of the trademarks.

> [4] Mark Messinger is the moderator for the Olympia, Washington, freecycle group. He helped Abraham fashion a unique freecycle logo for Sunnyvale. Albert Kaufman apparently introduced Abraham to freecycling.

Between October 7, 2003, and October 9, 2003, FS was added to TFN's list of online freecycling groups displayed on TFN's website. Then, on October 9, 2003, Abraham received an email from Beal addressed to nineteen moderators of new freecycle Yahoo! Groups which, among other things, welcomed them to TFN. The email did not discuss or include any restrictions or guidance on the use of TFN's trademarks. On October 13, 2003, Abraham received another email from TFN, this time an invitation to join the "freecyclemodsquad" Yahoo! Group ("modsquad group"), an informal discussion forum exclusively for the moderators of freecycle Yahoo! Groups to share ideas.

Before 2004, TFN had only a few suggested guidelines in the etiquette section of its website, including a "Keep it Free" rule. Then, on January 4, 2004, Beal sent an email to the modsquad group, asking whether TFN should also limit listed items to those that were legal. Ultimately, Beal proposed the adoption of a "Keep it Free, Legal & Appropriate for All Ages" rule and asked "that all moderators vote on whether they feel this is the one rule that should apply to ALL local groups or not." Between January 4 and January 11, 2004, a majority of the modsquad group voted to require all local groups to adopt the rule and, on January 11, Beal informed the group that "I'm glad to say ... we now have one true guiding principle." Although the moderators adopted the "Keep it Free, Legal & Appropriate for All Ages" rule, following its adoption, they frequently discussed what the actual meaning of the rule was and, ultimately, its definition and enforcement varied from group to group.

Although the underlying reason is not evident from the record or the parties' briefs, on November 1 and November 14, 2005, TFN sent emails to FS ordering the group to cease and desist using the Freecycle name and logo and threatening to have Yahoo! terminate FS's Yahoo! Group if FS did not comply. On November 5, FS emailed Yahoo! and disputed TFN's ability to forbid the use of the trademarks by informing Yahoo! of the license that TFN allegedly had granted FS in October 2003 (i.e., Beal's October 9, 2003 email authorizing Abraham to use the logo). On November 21, Yahoo! terminated the FS Yahoo! Group at TFN's request, after receiving a claim from TFN that FS was infringing on TFN's trademark rights.

B

On January 18, 2006, FS filed a declaratory judgment action against TFN in the U.S. District Court for the Northern District of California, alleging noninfringement of TFN's trademarks and tortious interference with FS's business relations. TFN brought counterclaims for trademark infringement and unfair competition under the Lanham Act and California Business and Professions Code section 17200.

FS then moved for summary judgment on the issue of whether its naked licensing defense to trademark infringement allowed it to avoid a finding of infringement as a matter of law. FS argued that TFN had abandoned its trademarks because it engaged in naked licensing when it granted FS the right to use the trademarks without either (1) the right to control or (2) the exercise of actual control over FS's activities. On March 13, 2008, the district court granted summary judgment in favor of FS, holding that TFN engaged in naked licensing and therefore abandoned its rights to the trademarks. The parties stipulated to dismiss the remaining claims, and final judgment was entered on May 20, 2008. TFN thereafter timely filed its appeal.

II

. . . . In ruling on a motion for summary judgment, our inquiry "necessarily implicates the substantive evidentiary standard of proof that would apply at the trial on the merits." We have held that the proponent of a naked license theory of trademark abandonment must meet a "stringent standard of proof." *Barcamerica,* 289 F.3d at 596 (internal quotation marks omitted); *see also Prudential Ins. Co. of Am. v. Gibraltar Fin. Corp. of Cal.,* 694 F.2d 1150, 1156 (9th Cir.1982) ("Abandonment of a trademark, being in the nature of forfeiture, must be strictly proved."); *Edwin K. Williams & Co. v. Edwin K. Williams & Co. E.,* 542 F.2d 1053, 1059 (9th. Cir.1976) ("[A] person who asserts insufficient control [of a trademark] must meet a high burden of proof.").

We have yet to determine, however, whether this high standard of proof requires "clear and convincing" evidence or a "preponderance of the evidence." Indeed, in *Grocery Outlet Inc. v. Albertson's Inc.,* 497 F.3d 949, 952-54 (9th Cir.2007) (per curiam), Judges Wallace and McKeown disagreed in separate concurrences as to which standard applies. Judge Wallace advocated the clear and convincing standard, while Judge McKeown argued that the preponderance of the evidence standard applied . . . .

Here, we need not decide which standard of proof applies because, even applying the higher standard of proof—clear and convincing—and viewing the evidence in the light most favorable to TFN as the non-moving party, FS has demonstrated that TFN engaged in naked licensing and consequently abandoned the trademarks.

III

An introduction to "naked licensing" of trademarks is in order, as this issue has seldom arisen in this circuit or in our sister circuits. Our only discussion of this subject is in *Barcamerica,* 289 F.3d at 598 (holding that Barcamerica, a vintner, engaged in naked licensing and abandoned its trademark by failing to retain or otherwise exercise adequate quality control over the trademark it had licensed to another company), and that decision informs and guides our discussion here.

As a general matter, trademark owners have a duty to control the quality of their trademarks. McCarthy § 18:48. "It is well-established that '[a] trademark owner may grant a license and remain protected provided quality control of the goods and services sold under the trademark by the licensee is maintained.' " *Barcamerica,* 289 F.3d at 595-96 (quoting *Moore Bus. Forms, Inc. v. Ryu,* 960 F.2d 486, 489 (5th Cir.1992)).

"Naked licensing" occurs when the licensor "fails to exercise adequate quality control over the licensee." *Id.* at 596. Naked licensing may result in the trademark's ceasing to function as a symbol of quality and a controlled source. We have previously declared that naked licensing is "*inherently deceptive* and constitutes abandonment of any rights to the trademark by the licensor." *Id.* at 598. "Consequently, where the licensor fails to exercise adequate quality control over the licensee, 'a court may find that the trademark owner has abandoned the trademark, in which case the owner would be estopped from asserting rights to the trademark.' " *Id.* at 596 (quoting *Moore,* 960 F.2d at 489).

A

At issue here is whether there is clear and convincing evidence, viewed in the light most favorable to TFN, that TFN allowed FS to use the trademarks with so few restrictions as to compel a finding that TFN engaged in naked licensing and abandoned the trademarks. TFN contends that disputed issues of material fact remain as to whether TFN's quality control standards, during the relevant time period, were sufficient. Although TFN concedes that it did not have an express license agreement, it alleges that a reasonable jury could find that it had adequate quality control measures in place when FS was authorized to use the trademarks, making summary judgment inappropriate.

1

When deciding summary judgment on claims of naked licensing, we first determine whether the license contained an express contractual right to inspect and supervise the licensee's operations. The absence of an agreement with provisions restricting or monitoring the quality of goods or services produced under a trademark supports a finding of naked licensing.

TFN concedes that it did not have an express license agreement with FS regarding FS's use of the trademarks. Without an express license agreement, TFN necessarily lacks express contractual rights to inspect and supervise FS. However, TFN argues that the October 9, 2003 email, in which Beal advised Abraham that: "You can get the neutral logo from www. freecycle. org, *just don't use it for commercial purposes....*", reflects an implied license. Emphasis added.

Even assuming that Beal's emailed admonition to Abraham not to use the trademarks for commercial purposes constitutes an implied licensing agreement, it contained no express contractual right to inspect or supervise FS's services and no ability to terminate FS's license if FS used the trademarks for commercial purposes. We therefore hold that, by TFN's own admission, there is no disputed issue of material fact as to whether TFN maintained an express contractual right to control quality.

2

TFN next contends that, despite its lack of an express contractual *right to* control quality, a material issue of fact remains as to whether TFN maintained *actual* control over its member groups' services and use of the trademarks when FS was granted use of the trademarks in October 2003. "The lack of an express contract right to inspect and supervise a licensee's operations is not conclusive evidence of lack of control." *Barcamerica,* 289 F.3d at 596. However, where courts have excused the lack of a contractual right to control quality, they have still required that the licensor demonstrate *actual* control through inspection or supervision.

TFN asserts that it exercised actual control over the trademarks because it had several quality control standards in place, specifically: (1) the "Keep it Free, Legal, and Appropriate for all Ages" standard and TFN's incorporation of the Yahoo! Groups' service terms; (2) the non-commercial services requirement (expressed in Beal's October 9, 2003 email); (3) the etiquette guidelines listed on TFN's website; and (4) TFN's "Freecycle Ethos" which, TFN contends, establishes policies and procedures for member groups, even if local member groups are permitted flexibility in how to apply those policies and procedures. In addition, TFN cites *Birthright v. Birthright, Inc.,* 827 F.Supp. 1114 (D.N.J.1993) for the principle that loosely organized non-profits like TFN and FS that share "the common goals of a public service organization" are subject to less stringent quality control requirements.

First, we disagree with TFN's contentions that the "Keep it Free, Legal, and Appropriate for all Ages" standard and its incorporation of the Yahoo! Groups' service terms constituted actual controls over its member groups.[6] The undisputed evidence showed that TFN's licensees were not required to adopt the "Keep it Free, Legal, and Appropriate for all Ages" standard, nor was it uniformly applied or interpreted by the local groups. Similarly, FS was not required to use Yahoo! Groups and was not asked to agree to the Yahoo! Groups' service terms as a condition of using TFN's trademarks. Moreover, the Yahoo! Groups' service terms, which regulate generic online activity like sending spam messages and prohibiting harassment, cannot be considered quality controls over TFN's member groups' services and use of the trademarks. The service terms apply to every Yahoo! Group, and do not control the quality of the freecycling services that TFN's member groups provide. Thus, the "Keep it Free, Legal and Appropriate for All Ages" standard and the Yahoo! Groups' service terms were not quality controls over FS's use of the trademarks.

> [6] Notably, Beal did not propose, and the modsquad did not adopt, this standard until January 2004, more than three months after Abraham founded FS in October 2003. The only standard listed in TFN's etiquette section on its website in 2003 was "Keep it Free," but there was no requirement that member groups adopt this standard. Similarly, TFN's incorporation of the Yahoo! Groups' service terms was not done until after FS was given use of the trademarks in October 2003. Because we hold that TFN did not exercise actual control no matter what time period is considered, we do not address whether actual supervision would be sufficient if it starts at some point after the granting of a license to use a trademark.

Second, we conclude that TFN's non-commercial requirement says nothing about the *quality* of the services provided by member groups and therefore does not establish a control requiring member groups to maintain consistent quality. Thus, it is not an actual control in the trademark context. Third, because member groups may freely adopt and adapt TFN's listed rules of etiquette and because of the voluntary and amorphous nature of these rules, they cannot be considered an actual control. For example, FS modified the etiquette that was listed on TFN's website and TFN never required FS to conform to TFN's rules of etiquette. Fourth, TFN admits that a central premise of its "Freecycle Ethos" is local enforcement with local variation. By definition, this standard does not maintain consistency across member groups, so it is not an actual control.

Even assuming that TFN's asserted quality control standards actually relate to the quality of its member groups' services, they were not adequate quality controls because they were not enforced and were not effective in maintaining the consistency of the trademarks. Indeed, TFN's alleged quality controls fall short of the supervision and control deemed inadequate in other cases in which summary judgment on naked licensing has been granted to the licensee. *See, e.g., Barcamerica,* 289 F.3d at 596-97 (finding no express contractual right to inspect and supervise the use of the marks coupled with licensor's infrequent wine tastings and unconfirmed reliance on the winemaker's expertise was inadequate evidence of quality controls to survive summary judgment); *Stanfield,* 52 F.3d at 871 (granting summary judgment to the licensee where the license agreement lacked a right to inspect or supervise licensee's operations, and alleged actual controls were that the licensor examined one swine heating pad, looked at other pet pads, and occasionally reviewed promotional materials and advertising).

Moreover, even if we were inclined to accept the premise allegedly set forth in *Birthright,* that loosely organized non-profits that share common goals are subject to less stringent quality control requirements for trademark purposes, the result would be the same. In *Birthright,* the court held that the license was not naked because the licensor "monitored and controlled" its licensees' use of the trademarks. 827 F.Supp. at 1139-40; *see also Barcamerica,* 289 F.3d at 596 (holding that a licensor may overcome the lack of a formal agreement if it exercises actual control over its licensees). Here, TFN exercised no actual control over its licensees, so even under a less stringent standard, TFN has not raised a material issue of fact as to whether it exercised actual control over FS's use of the trademarks.

3

TFN contends that even if it did not exercise actual control, it justifiably relied on its member groups' quality control measures. Although "courts have upheld licensing agreements where the licensor is familiar with and relies upon the licensee's own efforts to control quality," *Barcamerica,* 289 F.3d at 596 (internal quotation marks and brackets omitted), we, like the other circuits that have considered this issue, have required that the licensor and licensee be involved in a "close working relationship" to establish adequate quality control in the absence of a formal agreement, *id.* at 597. In *Barcamerica,* we cited four examples of "close working relationships" that would allow the licensor to rely on the licensee's own quality control: (1) a close working relationship for eight years; (2) a licensor who manufactured ninety percent of the components sold by a licensee and with whom it had a ten year association and knew of the licensee's expertise; (3) siblings who were former business partners and enjoyed a seventeen-year business relationship; and (4) a licensor with a close working relationship with the licensee's employees, and the pertinent agreement provided that the license would terminate if certain employees ceased to be affiliated with the licensee.

Here, TFN and FS did not enjoy the type of close working relationship that would permit TFN to rely on FS's quality control measures. TFN had no long term relationship with Abraham or the FS group. In fact, the October 9, 2003 email between Beal and Abraham, which mentions using the TFN logo, was the parties' first and only written communication about the trademarks prior to TFN's requests to stop using them in November 2006. In addition, TFN had no experience with FS that might have supported its alleged confidence in FS's quality control measures. Thus, even considered in a light most favorable to TFN, no evidence showed the type of close working relationship necessary to overcome TFN's lack of quality controls over FS.

Furthermore, we have held that, while reliance on a licensee's own quality control efforts is a relevant factor, such reliance is *not alone sufficient* to show that a naked license has not been granted.[7] *See Transgo, Inc. v. Ajac Transmission Parts Corp.,* 768 F.2d 1001, 1017-18 (9th Cir.1985) (noting that, although the licensor had worked closely with the licensee for ten years, the licensor did not rely solely on his confidence in the licensee, but exercised additional control by, *inter alia,* periodically inspecting those goods and was consulted regarding any changes in the product). Because sole reliance on a licensee's own control quality efforts is not enough to overcome a finding of naked licensing without other indicia of control, and because TFN lacked a close working relationship with FS and failed to show any other indicia of actual control, we conclude that TFN could not rely solely on FS's own quality control efforts.

[7] Other circuits have also relied on the licensor's confidence in the licensee only where there were additional indicia of control. See, e.g., *Stanfield*, 52 F.3d at 872 (holding summary judgment for the licensee appropriate where no special relationship between the parties existed and no evidence of actual control over the licensee existed); *Land O'Lakes Creameries, Inc. v. Oconomowoc Canning Co.*, 330 F.2d 667 (7th Cir.1964) (upholding trademark where licensor's name appeared on trademark product label, and product was sold under license for forty years without complaints about quality).

B

TFN's three remaining arguments also fail to raise a material issue of fact that precludes a grant summary of judgment for FS. First, TFN asserts that it should be subject to a lesser level of quality control standard because its services are not dangerous to the public and the public expects local variation in services so the probability of deception is low. We have stated that the "standard of quality control and the degree of necessary inspection and policing by the licensor will vary." *Barcamerica,* 289 F.3d at 598. The licensor need only exercise "control sufficient to meet the reasonable expectations of customers." McCarthy, § 18:55. However, because TFN did not establish *any* quality control requirements for its member groups, we do not need to decide what efforts to oversee a licensee's performance might meet a low standard of quality control.

TFN's remaining two arguments—(1) that FS must show both naked licensing *and* a loss of trademark significance, and (2) that FS is estopped from supporting its naked licensing defense with evidence that demonstrates that TFN did not adequately control the services offered by FS when using the trademarks—are both raised for the first time on appeal, so we decline to reach them.

IV

We determine, viewing the record in the light most favorable to TFN, that TFN (1) did not retain express contractual control over FS's quality control measures, (2) did not have actual control over FS's quality control measures, and (3) was unreasonable in relying on FS's quality control measures. Therefore, we conclude that TFN engaged in naked licensing and consequently abandoned the trademarks….

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11.7. Case: *Westco v. K.B.* (Mattress Warehouse) (N.D. Ohio 2001)

Westco Group, Inc. v. K.B. & Associates, Inc.

128 F.Supp.2d 1082 (N.D. Ohio 2001)

GWIN, District Judge.

With this order, the Court rules on the parties' cross-motions for summary judgment. For the reasons set forth below, the Court grants Plaintiff Westco Group, Inc.'s motion for summary judgment, and denies Defendant K.B. & Associates' motion for summary judgment.

I.

This case involves a dispute between two mattress retailers. Plaintiff Westco, Inc. ("Westco"), operates more than fifty retail mattress stores featuring the Mattress Warehouse trademark and trade name. Defendant K.B. & Associates, Inc. ("K.B. & Associates"), operates approximately fourteen retail stores using this trademark and trade name. Westco says K.B. & Associates is using the trademark and trade name in violation of its licensing agreement with Westco, as well as in violation of federal and state laws preserving Westco's right to control the use of the trademark and trade name. K.B. & Associates denies these claims and asserts two counterclaims. In these counterclaims, K.B. & Associates seeks a declaratory judgment that it has not infringed the trademark and trade name and that Westco has abandoned the trademark and trade name. . . .

. . . Defendant K.B. & Associates solicited authority from Plaintiff Westco to use the Mattress Warehouse trademark and trade name in Ashland, Kentucky. In 1995, the parties entered an agreement whereby K.B. & Associates could use the trademark and trade name at is Ashland location. . . . The agreement required K.B. & Associates to receive permission from Westco to use the trademark and trade name at any other locations.

In early 2000, Defendant K.B. & Associates sought permission to use the Mattress Warehouse trademark at a Pikeville, Kentucky location. After negotiations, K.B. & Associates and Plaintiff Westco could not reach an agreement as to the fee K.B. & Associates would pay Westco to use the trademark at the Pikeville location.

Plaintiff Westco says it later discovered that Defendant K.B. & Associates, without permission, was using the Mattress Warehouse trademark and trade name at its Pikeville location. And Westco contends that it thereafter learned that K.B. & Associates had used and is currently using the trademark and trade name at seven other unauthorized locations. . . .

III.

Plaintiff Westco seeks summary judgment on its breach of contract, trademark infringement, and unfair competition claims. Westco says the undisputed facts show Defendant K.B. & Associates broke its licensing agreement regarding the Mattress Warehouse trademark and trade name. With this breach, Westco contends that K.B. & Associates infringed its trademark and competed unfairly as a matter of law.

Defendant K.B. & Associates says it never breached its licensing agreement with Plaintiff Westco. In any event, K.B. & Associates contends that Westco abandoned the Mattress Warehouse trademark and trade name. Thus, K.B. & Associates says it is entitled to summary judgment on all of Westco's claims, as well as its own counterclaims.

As explained below, the Court finds that Plaintiff Westco has shown that Defendant K.B. & Associates failed to abide by the terms of its licensing agreement with Westco. The Court further finds no merit in K.B. & Associates' abandonment claim. Hence, the Court grants Westco's motion for summary judgment and denies K.B. & Associates's motion for summary judgment. . . .

With regard to the Mattress Warehouse trade name, Defendant K.B. & Associates contends that the 1995 Agreement did not give Plaintiff Westco the right to restrict its use of the trade name. Specifically, K.B. & Associates says Westco has only registered "Mattress Warehouse" as a fictitious name in Kentucky. Such a registration, according to K.B. & Associates, is insufficient to give Westco a substantive right to the Mattress Warehouse trade name.

However, the doctrine of licensee estoppel prevents K.B. & Associates from challenging Westco's right to license the trade name.

The doctrine of licensee estoppel provides that a "licensee is estopped from claiming any rights against the licensor which are inconsistent with the terms of the license." 3 Rudolf Callmann, Unfair Competition, Trademark & Monopolies § 19.48 (Louis Altman 4th ed.1998 and 2000 cum. supp.). For example, a trademark licensee cannot challenge a licensor's ownership of a trademark.

Here, Defendant K.B. & Associates conceded Westco's rights in the trade name when it entered the 1995 Agreement. As a licensee, K.B. & Associates cannot now claim that Westco lacked the right to license the trade name in the 1995 Agreement. . . .

. . . . Defendant K.B. & Associates has used the Mattress Warehouse trademark and trade name in a manner inconsistent with the 1995 Agreement. Unless Plaintiff Westco has abandoned the trademark and trade name, K.B. & Associates broke its contract and violated the trademark laws. . . .

The Court now turns to Defendant K.B. & Associates' abandonment defense. K.B. & Associates says Plaintiff Westco has abandoned both the Mattress Warehouse trademark and trade name through "naked licensing." As a result of this abandonment, K.B. & Associates says it is not liable for breaching the 1995 Agreement or for any other claim made by Westco.

A trademark and trade name operate as indicators of origin, assuring consumers that the goods and services sold thereunder are of a uniform nature and quality. Edward K. Esping, Annotation, *Granting of "naked" or unsupervised license to third party as abandonment of trademark,* 118 A.L.R. Fed. 211 (1994) ("The commercial purpose of a trademark or trade name is to identify, and provide consumers assurances regarding the nature and quality of, the marked goods or services."). In order for a trademark or trade name to provide such an assurance to consumers, the owner of the trademark or trade name must control the nature and quality of the marked goods and services. Absent such control, the message of the trademark or trade name "is false because without control of quality, the goods and services are not truly genuine." J. McCarthy, McCarthy on Trademarks and Unfair Competition § 18:42 (4th ed.1997) (internal quotations omitted).

Thus, when an owner licenses a trademark or trade name to third parties, the owner "has the duty to control quality." J. McCarthy, *supra,* at § 18:42; *Gorenstein Enterprises, Inc. v. Quality-Care-USA, Inc.,* 874 F.2d 431, 435 (7th Cir.1989) ("The owner of a trademark has a duty to ensure the consistency of the trademarked good or service."). If the owner does not fulfill this duty, the owner has issued a "naked" or "bare" license.

Because naked licensing defeats the purpose of a trademark or trade name, a licensor who engages in naked licensing abandons the trademark or trade name. *Gorenstein Enterprises, Inc.,* 874 F.2d at 435; J. McCarthy, *supra,* at § 18:42 ("Thus, not only does the trademark owner have the right to control quality, when it licenses, it has the duty to control quality.").

The Lanham Act specifically provides for the abandonment of a trademark when a licensor engages in naked licensing. 15 U.S.C. § 1127(2) (defining abandonment as "any course of conduct of the owner ... [that] causes the mark to ... lose its significance as a mark."). . . .

Here, Defendant K.B. & Associates says the 1995 Agreement is a naked license. According to K.B. & Associates, Plaintiff Westco has failed to take any meaningful steps to ensure K.B. & Associates is selling quality products or providing quality services in its stores operated under the Mattress Warehouse trademark and trade name. Specifically, K.B. & Associates offers evidence showing Westco never visited or inspected any of K.B. & Associates' retail stores. Further, Westco allegedly failed to play any role in deciding how K.B. & Associates should handle customer complaints or from whom K.B. & Associates should purchase its inventory.

Even assuming this evidence is sufficient to show the 1995 Agreement is a naked license, Defendant K.B. & Associates is estopped from asserting that its license agreement is a naked license. As previously explained, the doctrine of licensee estoppel stops a licensee from contesting "the validity of the licensor's title during the course of the licensing arrangement." *Professional Golfers Ass'n of America v. Bankers Life & Casualty Co.,* 514 F.2d 665, 670 (5th Cir.1975).

However, Defendant K.B. & Associates insists the doctrine of licensee estoppel does not prevent a licensee from raising a naked licensing defense. In support of this proposition, K.B. & Associates relies on the United States Court of Appeals for the Sixth Circuit's opinion in *E.F. Prichard Co. v. Consumers Brewing Co.,* 136 F.2d 512 (6th Cir.1943). In *Prichard,* the Sixth Circuit allowed a licensee to raise a naked licensing defense against a licensor, while still applying the doctrine of licensee estoppel to bar the licensee's other challenges to the licensor's ownership of the trademark in question.

As Defendant K.B. & Associates acknowledges, in *Prichard* the Sixth Circuit did not discuss whether the doctrine of licensee estoppel stops a naked licensing claim. The court offered no analysis as to the relationship between licensee estoppel and a naked licensing defense. Nevertheless, K.B. & Associates asks the Court to rely on *Prichard's* "implicit" meaning and allow its naked licensing claim despite the doctrine of licensee estoppel.

The Court will not do so. The majority of courts to consider the issue in the wake of *Prichard* have found that the doctrine of licensee estoppel bars a licensee from asserting a naked licensing defense. The leading commentators have likewise found the doctrine of licensee estoppel applicable to naked licensing claims:

> The licensee is estopped from claiming any rights against the licensor which are inconsistent with the terms of the license. This is true even after the license expires. *He is estopped from contesting the validity of the mark, ... or challenging the license agreement as void or against public policy, e.g., because it granted a naked license.* But he may challenge the licensor's title to the mark based on events which occurred after the license expired.

Rudolf Callmann, *supra,* at § 19.48 (footnotes and citations omitted, emphasis added); 2 Jerome Gilson, Trademark Protection and Practice § 6.03[7] (2000).

Moreover, the rationale undergirding the application of licensee estoppel to naked licensing claims is compelling. By entering a licensing agreement, the licensee covenants not to challenge the licensor's right to issue the license. This covenant includes challenges based on naked licensing . . . .

And further, a licensee claiming that its own license is a naked license essentially seeks to benefit from its own misfeasance. By asserting a naked licensing defense, the licensee contends that the licensed trademark or trade name has lost its significance as a source of origin because the licensor has failed to police the licensee's operations. Thus, by relying on its own ability to offer inferior or nonuniform goods and services under the trademark or trade name, the licensee seeks to free itself of the constraints imposed by the licensor's ownership of the trademark or trade name. Not surprisingly, the Restatement (Third) of Unfair Competition observes that the case for applying licensee estoppel is strongest in such a case. Restatement (Third) of Unfair Competition § 33 (1995) ("The case for estoppel is strongest when the licensee's challenge rests on its own conduct under the license, *such as ... a claim of abandonment based on inadequate supervision of the licensee by the licensor.*") (emphasis added).

In the absence of any controlling authority from either the United States Supreme Court or the Sixth Circuit, the Court follows the persuasive authority cited above. Accordingly, Defendant K.B. & Associates cannot raise a naked licensing defense based on Plaintiff Westco's failure to adequately control the quality of K.B. & Associates' operations.

Defendant K.B. & Associates next argues that, even if barred from raising a naked licensing defense based on its own license, it can assert a naked licensing claim arising from Plaintiff Westco's failure to assert quality control over its other licensees. At least one court has accepted this proposition. *STX, Inc. v. Bauer USA, Inc.,* 43 U.S.P.Q.2d 1492, 1501, 1997 WL 337578 (N.D.Cal.1997). And the Restatement (Third) of Unfair Competition also provides some support for allowing such a naked licensing defense. Restatement (Third) of Unfair Competition § 30, comment d (1995).

The doctrine of licensee estoppel is equitable in nature. Accordingly, the doctrine is not subject to rigid application. Instead, a court considering the doctrine's application " 'remains free to consider the particular circumstances of the case, including the nature of the licensee's claim....' " J. McCarthy, *supra,* at § 18:63 (quoting Restatement (Third) of Unfair Competition § 30, comment d (1995)).

The Court finds that licensee estoppel does not stop Defendant K.B. & Associates' claim that Plaintiff Westco abandoned the trademark and trade name through naked licensing to a third party. The case for applying the licensee estoppel doctrine is "weak when the licensee asserts a lack of control by the licensor over other users." Restatement (Third) of Unfair Competition § 30, comment d (1995).

When a licensor fails to control the quality of goods or services sold by other licensees, a licensee loses the value of its license. In such a situation, the licensor has abandoned the trademark or trade name, rendering it useless as an indicator of origin. Yet the licensee remains subject to the terms of the license, and perhaps even continues to compensate the licensor for its rights to the trademark or trade name. This result is avoided by allowing a licensee to raise a naked licensing claim based on the licensor's relations with third-party licensees.

Accordingly, the Court will permit Defendant K.B. & Associates to raise its naked licensing claim based on Westco's alleged failure to control the quality of a third-party licensee's operation.

But Defendant K.B. & Associates faces a "stringent" burden in asserting this claim. *Exxon Corp.,* 109 F.3d at 1075-76. A party asserting a naked licensing claim must show the trademark or trade name "has lost its significance as an indicator of origin." *Id.* at 1079-80.

Defendant K.B. & Associates bases its naked licensing claim on the license agreement between Plaintiff Westco and Richard Good, who operates a retail mattress store in Indiana. K.B. & Associates offers evidence that Westco had almost no contact with Good after issuing him a license to use the Mattress Warehouse trademark and trade name in 1998.

But Plaintiff Westco offers evidence that it competently monitors the quality of Good's retail operation. Westco says that Good's license specifically requires him to sell "name brand mattresses and bedding products, accessories and related items." Westco offers evidence that it polices Good's compliance with this provision through contact with "industry sources" and "name brand mattress and bedding sales representatives." And Westco argues that it need not engage in any additional monitoring because Good, by his own admission, has only sold quality products.

Defendant K.B. & Associates does not dispute this evidence. Rather, K.B. & Associates merely argues that Plaintiff Westco's monitoring approach is insufficient to avoid a finding of abandonment. The Court disagrees.

Courts determine whether a licensor has abandoned a trademark or trade name on a case-by-case basis. The degree of control a licensor must exercise to avoid a finding of abandonment necessarily depends on the factual circumstances at hand, including the nature of the trademark or trade name in question.

Here, the Mattress Warehouse trademark and trade name do not relate to a particular brand of mattress products. Rather, the evidence before the Court shows that the trademark and trade name serve the limited purpose of assuring customers the mattress products sold thereunder are "name brand."

Plaintiff Westco need not engage in extensive control over its licensees to preserve such a limited trademark and trade name. In particular, by monitoring Good's operation through industry sources and name brand mattress product sales representatives, Westco exercised sufficient control over the nature and quality of the mattress products sold under the trademark and trade name.

Moreover, even if the Court found that Plaintiff Westco issued Good a naked license, such a finding would not necessarily establish that Westco abandoned the Mattress Warehouse trademark and trade name in the areas where Defendant K.B. & Associates operates its retail stores. Good operates only one retail store in Indiana. K.B. & Associates, in contrast, operates approximately fourteen retail stores in Ohio, Kentucky, and West Virginia.

The record does not include any evidence showing that a naked license in Indiana would diminish the trademark and trade name as a source of origin in this localized market area.

For these reasons, the Court finds no merit in Defendant K.B. & Associates' abandonment defense. The Court therefore grants Plaintiff Westco summary judgment on K.B. & Associates' counterclaim for a judgment that Westco abandoned the Mattress Warehouse trademark and trade name. . . .

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11.8. Notes

11.8.1. Quality control

Quality control. Because a trademark embodies the markholder's goodwill, trademark doctrine requires those who license their marks to control the quality of the use. Otherwise, it is reasoned, the mark would cease to identify a single source of goods and services. Draeger Oil Co., Inc. v. Uno-Ven Co., 314 F.3d 299, 301 (7th Cir. 2002) ("The economic function of a trademark is to provide the consuming public with a concise and unequivocal signal of the trademarked product's source and character, and that function is thwarted if the quality and uniformity of the trademarked product are allowed to vary significantly without notice to the consumer." (citation omitted)).

11.8.2. Naked licensing and the loss of trademark rights

Naked licensing and the loss of trademark rights. If a licensor does not exercise quality control, but rather grants a "naked" license, the consequence is a loss of trademark rights (as the mark will no longer denote a single source of either a product or guarantor of quality). The loss of protection has been referred to as a form of abandonment, though one might quibble with the terminology if one views abandonment as a cessation of use.

11.8.3. Merger

Merger. *Westco* shows that one danger of obtaining a license to use a mark is potential estoppel from challenging its validity. A related risk is the problem of merger. Suppose a company #1 uses a mark but then takes a license to use that mark from company #2 (perhaps due to apprehension that the second company might have priority, or out of a desire to operate in the second party's territory). At the termination of the license, whatever preexisting rights company #1 had are lost. They merged into the licensed rights of company #2. Bunn-O-Matic Corp. v. Bunn Coffee Service, Inc., 88 F. Supp. 2d 914, 923 (C.D. Ill. 2000) ("A licensee's prior claims of any independent rights to a trademark are lost, or merged into the license, when he accepts his position as licensee, thereby acknowledging the licensor owns the marks and that his rights are derived from the licensor and enure to the benefit of the licensor."); *see also* 15 U.S.C. §1055 ("Where a registered mark or a mark sought to be registered is or may be used legitimately by related companies, such use shall inure to the benefit of the registrant or applicant for registration . . . .").

11.8.4. Degree of quality control

Degree of quality control. There is no uniform standard of quality control required to protect trademark rights. The contextual nature of the inquiry leads to a range of results in the case law, with some cases accepting an unexercised contractual right of quality control as sufficing. Other cases accept reliance on the licensee's own quality control measures if the circumstances suggest their adequacy. Some do so only if there is some sort of "special relationship" between the parties (e.g., a familial relationship) to justify such reliance. And there are stricter precedents that demand actual quality control.

11.8.5. Signing your name away

Signing your name away. Suppose you license a mark that doubles as your name. What personal uses does that limit going forward? What about social media? *See* JLM Couture, Inc. v. Gutman, 24 F.4th 785 (2d Cir. 2022) (affirming preliminary injunction barring licensor from using her name in trade or commerce but rejecting requirement that she turn over control of her social media accounts); *id.* at 802 (Newman, J., concurring in part and dissenting in part) (arguing that injunction should be limited to stop licensor from using her name to market bridal wear, but objecting that injunction overreached in prohibiting general use of her name in commerce and maintaining that "her former employer has no right to such a sweeping prohibition on Gutman's use of her name").

11.8.6. Do we need the naked licensing bar?

Do we need the naked licensing bar? The Second Circuit has explained that:

> The public is hardly in a position to uncover deceptive uses of a trademark before they occur and will be at best slow to detect them after they happen. Thus, unless the licensor exercises supervision and control over the operations of its licensees the risk that the public will be unwittingly deceived will be increased and this is precisely what the [Lanham] Act is in part designed to prevent.

Dawn Donut Co. v. Hart's Food Stores, Inc., 267 F.2d 358, 367 (2d Cir. 1959). Do you find this argument compelling? Again, we do not require trademark holders to maintain the quality of their goods. If they are free to weaken their marks by diluting product quality, why not use naked licensing to do the same?

Credit/licensing notes

MG-TL25-D, MICHAEL GRYNBERG

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 A webpage for Prof. Grynberg is here: https://law.depaul.edu/faculty-and-staff/faculty-a-z/Pages/michael-grynberg.aspx. The original work was available at SSRN: https://ssrn.com/abstract=3894036. That site now provides access to a successor version of the same book.

I am very grateful to Michael Grynberg for his generosity in sharing his excellent materials!

12. Likelihood of Confusion for Word Marks

12.1. Trademark Infringement in General

by Eric E, Johnson (credit/licensing note: EEJ-NN26-A, *infra*)

Lanham Act § 32 (15 U.S.C. § 1114) provides a civil cause of action for infringement of a registered mark. State common law and § 43(a) of the Lanham Act provide a cause of action for infringement of trademarks without regard to registration. Either way, the essential substance of the infringement inquiry is the same.

There are some more exotic theories of trademark infringement, but the regular sort is what can be labelled "passing off," which refers to the idea that the defendant's use of a mark has the effect of passing off the defendant's goods as the plaintiff's goods. (Instead of goods, a passing-off action could, of course, be for services. Or, more unusually, it could be, for a collective mark (passing off randos as members) or for a certification mark (passing off offscourings as certified goods). And etcetera, etcetera, and so on and so on.)

Here is a simple list of the elements of trademark infringement in an ordinary passing-off case:

1. A valid trademark,
2. owned by the plaintiff, 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.

So, in other words: ***validity***, ***ownership***, ***defendant use***, and ***likelihood of confusion***.

Some of the preceding readings were relevant to ownership. The vast majority of the preceding readings have been relevant to the validity element – including those on the topics of distinctiveness, failure to function, genericness, deceptiveness, abandonment, and use sufficient to establish rights.

For an unregistered mark, where § 43(a) or state common law provides the cause of action, then the plaintiff bears the burden of establishing ownership and validity of the mark.

If the plaintiff is suing under § 32 for a mark they have on the principal register, then the plaintiff gets a rebuttable presumption validity and ownership. But ownership and validity are still live issues in § 32 litigation, because the defendant can attack validity – such as by establishing genericide or naked licensing, for instance.

Defendant's use of the mark is a separate requirement. Discussion of that is elsewhere. But, we can say this for the here and now: If the defendant uses the allegedly infringing mark as a source identifier on the defendant's goods, then this element is easily satisfied.

That leaves likelihood of confusion.

12.2. Likelihood of Confusion Analysis

by Eric E, Johnson (credit/licensing note: EEJ-NN26-A, *infra*)

12.2.1. The factors

Whether or not there is a likelihood of confusion is determined by reference to a list of factors.

In the standard sort of claim of passing-off / consumer-confusion claim, the factors are explored in reference to whether the plaintiff claims consumers might confuse defendant's goods or services with those of the plaintiff.

Although the substance is mostly the same, different courts have different lists of the likelihood of confusion factors. Some have more factors, some have fewer. Many courts refer to their list of factors by reference to a case that established them, for instance:

Fed Circuit: the *DuPont* factors

1st Circuit: the *Pignons* factors

2d Circuit: the *Polaroid* factors

3d Circuit: the *Lapp* factors

4th Circuit: the *Pizzeria Uno* factors

6th Circuit: the *Frisch* factors

8th Circuit: the *SquirtCo* factors

9th Circuit: the *Sleekcraft* factors

Notwithstanding differences in how the factors are specifically articulated, the following is useful as a synthesized list:

- the strength of plaintiff's mark
- similarity between plaintiff's and defendant's marks
- the proximity of the products in the marketplace
- the likelihood that the senior user will bridge the gap by beginning to sell in the market of the defendant's product
- evidence of actual confusion
- the sophistication of consumers in the relevant market
- defendant's good faith, or lack thereof, or bad faith, in adopting its own mark
- the quality of the defendant's product

That list – which can be reasonably used as a generally applicable set of factors – is a slightly re-worded version of the Second Circuit's *Polaroid* factors as articulated in the case of *Virgin Enterprises Ltd. v. Nawab*, 335 F.3d 141 (2d Cir. 2003).

If there is something that you think is relevant to likelihood-of-confusion analysis, but it is not listed among the above factors – or even among the factors listed in your circuit – go ahead and argue it anyway.

> "This list of factors, while perhaps exhausting, is neither exhaustive nor exclusive. Rather, the factors are intended to

> guide the court in assessing the basic question of likelihood of confusion."

E & J Gallo Winery v. Gallo Cattle Co., 967 F.2d 1280, 1290 (9th Cir. 1992) (cleaned up). See also *Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt.*, 618 F.3d 1025, 1030-31 (9th Cir. 2010) ("This eight-factor analysis is 'pliant,' illustrative rather than exhaustive, and best understood as simply providing helpful guideposts.").

12.2.2. Law, fact, both?

Here's a key question you may have: Is likelihood of confusion a question of law, an issue of fact, or a mixed question of law and fact?

The answer is yes.

Check this out:

> "In a trademark infringement case, we review de novo a ruling on whether the plaintiff has shown a likelihood of confusion because we consider the issue to be a question of law."

Car-Freshner Corp. v. Am. Covers, LLC, 980 F.3d 314, 326 (2d Cir. 2020). So there's your answer. And there's this:

> "Likelihood of confusion is a question of fact we review for clear error."

Heartsprings, Inc. v. Heartspring, Inc., 143 F.3d 550, 553 (10th Cir. 1998). Seems like it's kind of both then? Absolutely:

> "This Circuit considers the question of whether there is a likelihood of confusion a mixed question of fact and law. When reviewing a lower court's decision in these cases, we apply a clearly erroneous standard to findings of fact supporting the likelihood of confusion factors, but review de novo the legal question whether, given the foundational facts as found by the lower court, those facts constitute a 'likelihood of confusion.'"

Wynn Oil Co. v. Thomas, 839 F.2d 1183, 1186 (6th Cir. 1988) (cleaned up).

It seems like an occasion to be cynical. Here's what famed trademark commentator Thomas McCarthy said:

> "Even within some of the circuits, no consistency is observed, with the court switching from one test to the other, apparently depending upon the court's initial proclivity to reverse or affirm."

J. T. McCarthy, *Trademarks and Unfair Competition* § 23:23 (1973).

Not *too* cynical, however. That is, judging by the fact that the Ninth Circuit put that quote from McCarthy in its own pathmarking decision on likelihood of confusion. See *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 347 (9th Cir. 1979).

Even where likelihood of confusion is considered an issue of fact, or at least a legal question that is heavily reliant on facts, district courts arguably demonstrate a substantial predilection for deciding the matter themselves – such as on summary judgment. And, similarly, it would not be unsubstantiated to have the impression that circuit courts tend to embrace determining the issue on the record without seeing the need to involve a jury.

Legal scholar Daryl Lim has written: "Many courts are more willing to move ahead with summary judgments even where factors are in dispute and the evidence is not obvious on the basis that 'as with any other issue of fact, summary judgment remains appropriate when no jury reasonably could have ruled in the non-moving party's favor.'" *Trademark Confusion Revealed: An Empirical Analysis*, 71 AM. U.L. REV. 1285, 1349 (2022).

And in a working paper, legal scholar Thomas Reichert reports the following from empirical research: "Across 10,977 federal likelihood-of-confusion opinions, judges made 97.96% of merits confusion determinations; juries made 2.04%." *The Missing Jury: Fact, Law, and Who Actually Decides Trademark Confusion* (July 02, 2026), http://dx.doi.org/10.2139/ssrn.7045278.

For what it's worth, after many, many decades of silence on the issue, it appears that the U.S. Supreme Court is wading into these waters. On June 29, 2026, the high court granted cert on a petition with the question: "Whether trademark strength is a question of fact in a likelihood-of-confusion analysis under 15 U.S.C. § 1114." The case is *RiseandShine Corporation v. PepsiCo, Inc.*, Docket No. 24-1016.

12.3 Statutes

This section by Michael Grynberg (credit/licensing note: MG-TL25-D, *infra*)

Once again, recall the language of the Lanham Act's causes of action:

12.3.1. Lanham Act § 32

Section 32 of the Lanham Act (15 U.S.C. § 1114):

(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; or

(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of 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. . . .

12.3.2. Lanham Act § 43(a)

Section 43(a) of the Lanham Act (15 U.S.C. § 1125(a))

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

12.4. Note on infringement cases

by Michael Grynberg (credit/licensing note: MG-TL25-D, *infra*)

Infringement cases concerning both registered and unregistered marks are evaluated under the same standard, whether the conduct is "likely to cause confusion" How then does one determine that? Today, every judicial circuit uses a multifactor likelihood of confusion test. An example of its application follows.

12.5. Case: *Virgin v. Nawab* (Virgin cell phones) (2d Cir. 2003)

This section by Michael Grynberg (credit/licensing note: MG-TL25-D, *infra*)

Virgin Enterprises Ltd. v. Nawab,

335 F.3d 141 (2d Cir. 2003)

LEVAL, Circuit Judge.

Plaintiff Virgin Enterprises Limited ("VEL" or "plaintiff") appeals from the denial of its motion for a preliminary injunction. This suit, brought under § 32 of the Lanham Act, 15 U.S.C. § 1114(1), alleges that defendants infringed plaintiff's rights in the registered mark VIRGIN by operating retail stores selling wireless telephones and related accessories and services under the trade name VIRGIN WIRELESS. The United States District Court for the Eastern District of New York (Sifton, *J.*) denied plaintiff's motion for a preliminary injunction, based upon its finding that plaintiff's registration did not cover the retail sale of wireless telephones and related products, and that plaintiff failed to show a likelihood of consumer confusion.

We find that the plaintiff is likely to succeed on the merits and was entitled to a preliminary injunction. We therefore reverse and remand with instructions to enter a preliminary injunction.

BACKGROUND

Plaintiff VEL, a corporation with its principal place of business in London, owns U.S. Registration No. 1,851,817 ("the 817 Registration"), filed on May 5, 1991, and registered on August 30, 1994, for the VIRGIN mark as applied to "*retail store services* in the fields of ... computers and *electronic* *apparatus* " (emphasis added). Plaintiff filed an affidavit of continuing use, pursuant to 15 U.S.C. § 1058(a), on April 27, 2000, which averred that plaintiff had used the mark in connection with retail store services selling computers and electronic apparatus. Plaintiff also owns U.S. Registration No. 1,852,776 ("the 776 Registration"), filed on May 9, 1991, and registered on September 6, 1994, for a stylized version of the VIRGIN mark for use in connection with "retail store services in the fields of … computers and electronic apparatus," and U.S. Registration No. 1,863,353 ("the 353 Registration"), filed on May 19, 1992, and registered on November 15, 1994, for the VIRGIN MEGASTORE mark. It is undisputed that these three registrations have become incontestable pursuant to 15 U.S.C. § 1065.

VEL, either directly or through corporate affiliates, operates various businesses worldwide under the trade name VIRGIN, including an airline, large-scale record stores called Virgin Megastores, and an internet information service. Plaintiff or its affiliates also market a variety of goods branded with the VIRGIN name, including music recordings, computer games, books, and luggage. Three of plaintiff's megastores are located in the New York area. According to an affidavit submitted to the district court in support of plaintiff's application for preliminary injunction, Virgin Megastores sell a variety of electronic apparatus, including video game systems, portable CD players, disposable cameras, and DVD players. These stores advertise in a variety of media, including radio.

Defendants Simon Blitz and Daniel Gazal are the sole shareholders of defendants Cel-Net Communications, Inc. ("Cel-Net"); The Cellular Network Communications, Inc., doing business as CNCG ("CNCG"); and SD Telecommunications, Inc. ("SD Telecom"). Blitz and Gazal formed Cel-Net in 1993 to sell retail wireless telephones and services in the New York area. Later, they formed CNCG to sell wireless phones and services on the wholesale level. CNCG now sells wireless phones and services to more than 400 independent wireless retailers. In 1998, Cel-Net received permission from New York State regulators to resell telephone services within the state.

Around 1999, Andrew Kastein, a vice-president of CNCG, began to develop a Cel-Net brand of wireless telecommunications products. In early 1999, Cel-Net entered into negotiations with the Sprint PCS network to provide telecommunications services for resale by Cel-Net. In August 1999, Cel-Net retained the law firm Pennie & Edmonds to determine the availability of possible service marks for Cel-Net. Pennie & Edmonds associate Elizabeth

Langston researched for Kastein a list of possible service marks; among the marks Cel-Net asked to have researched was VIRGIN. Defendants claim that Langston told Cel-Net officer Simon Corney that VIRGIN was available for use in the telecommunications field. Plaintiff disputed this, offering an affidavit from Langston that she informed defendants that she would not search the VIRGIN mark because her firm represented plaintiff.[2]

2 Because of Pennie & Edmonds's involvement in searching marks for defendants, and because of the factual dispute about whether plaintiff's counsel searched the VIRGIN mark for defendants, defendants sought in the district court to have Pennie & Edmonds disqualified from representing plaintiff. The district court denied this motion on March 13, 2002.

According to defendants, in December 1999, Cel-Net retained Corporate Solutions, LLC and its principals Nathan Erlich and Tahir Nawab as joint venture partners to help raise capital to launch Cel-Net's wireless telephone service. On December 2, 1999, Erlich and Nawab filed four intent-to-use applications with the U.S. Patent and Trademark Office ("PTO") to register the marks VIRGIN WIRELESS, VIRGIN MOBILE, VIRGIN COMMUNICATIONS, and VIRGIN NET in the field of telecommunications services, class 38. On December 24, 1999, Corporate Solutions incorporated defendant Virgin Wireless, Inc. ("VWI") and licensed to VWI the right to use the marks VIRGIN WIRELESS and VIRGIN MOBILE. Meanwhile, one of plaintiff's affiliates had begun to offer wireless telecommunication services bearing the VIRGIN mark in the United Kingdom. A press release dated November 19, 1999, found on plaintiff's website, stated that its Virgin Mobile wireless services were operable in the United States.

On June 23, 2000, defendant Blitz signed a lease under the name Virgin Wireless for a kiosk location in South Shore Mall in Long Island from which to re-sell AT & T wireless services, telephones, and accessories under the retail name Virgin Wireless. Defendants Cel-Net and VWI later expanded their telecommunications re-sale operations to include two retail stores and four additional retail kiosks in malls in the New York area and in Pennsylvania. All of these stores have been run by VWI under the trade name VIRGIN WIRELESS. VWI also has leases and bank accounts in its name, and has shown evidence of actual retail transactions and newspaper advertisements.

In August 2000, plaintiff licensed Virgin Mobile USA, LLC, to use the VIRGIN mark for wireless telecommunications services in the United States. On August 10, 2000, plaintiff filed an intent-to-use application with the PTO for use of the VIRGIN mark in the United States on telecommunications services and mobile telephones. On October 11, 2001, the PTO suspended this mark's registration in international class 9, which covers wireless telephones, and class 38, which covers telecommunications services, because the VIRGIN mark was already reserved by a prior filing, presumably defendants'. On August 16, 2001, plaintiff filed another intent-to-use application for the mark VIRGIN MOBILE to brand telecommunications services. The PTO issued a non-final action letter for both of plaintiff's pending new registrations on October 31, 2001, which stated that defendant Corporation Solutions' pending applications for similar marks in the same class could give rise to "a likelihood of confusion." The PTO suspended action on plaintiff's application pending the processing of Corporation Solutions' applications.

In October 2001, plaintiff issued a press release announcing that it was offering wireless telecommunications services and mobile telephones in the United States.

Plaintiff became aware of Corporation Solutions' application for registration of the VIRGIN WIRELESS and VIRGIN MOBILE marks by May 2000. In October 2001 and December 2001, defendant VWI filed suits against plaintiff in the federal district courts in Arizona and Delaware, alleging that plaintiff was using VWI's mark. Plaintiff maintains (and the district court found) that it learned in January 2002 that VWI and Cel-Net were operating kiosks under the VIRGIN WIRELESS name and two days later filed the present suit seeking to enjoin defendants from selling mobile phones in VIRGIN-branded retail stores.

On May 2, 2002, the district court considered plaintiff's application for a preliminary injunction. It found that no essential facts were in dispute, and therefore no evidentiary hearing was required. It was uncontested (and the district court accordingly found) that plaintiff sold "electronic apparatus" in its stores, including "various video game systems, portable cassette tape, compact disc, mp3, and mini disc players, portable radios, and disposable cameras," but not including telephones or telephone service, and that the only products the defendants sold in their stores were wireless telephones, telephone accessories, and wireless telephone services.

Noting that a party seeking a preliminary injunction must show the probability of irreparable harm in the absence of relief, and either (1) likelihood of success on the merits or (2) serious questions going to the merits and a balance of hardships tipping decidedly in its favor, the court found that plaintiff had failed to satisfy either standard. Arguing against plaintiff's likelihood of success, the court noted that plaintiff's registrations did not claim use of the VIRGIN mark "in telecommunications services or in the associated retail sale of wireless telephones and accessories." While plaintiff's 817 and 776 Registrations covered the retail sale of "computers and electronic apparatus," they did not extend to telecommunications services and wireless phones.

The court noted that the defendants were the first to use the VIRGIN mark in telecommunications, and the first to attempt to register VIRGIN for telecommunications and retail telephone sales. The court also observed that the dissimilarity in appearance of plaintiff's and defendants' logos and the differences between plaintiff's huge Virgin Megastores and defendants' small retail outlets in malls diminished likelihood of consumer confusion. Finally, because the defendants had expended substantial resources in pursuing their trademark applications and in establishing their retail presence, the court found that plaintiff could not demonstrate that the balance of hardships tipped in its favor.

The court denied the application for preliminary injunction. The crux of the court's decision lay in the facts that plaintiff's prior use and registration of the VIRGIN mark in connection with the sale of consumer electronic equipment did not include the sale of telephones or telephone services, and that defendants were the first to register and use VIRGIN for telephones and wireless telephone service. This appeal followed.

DISCUSSION

I.

As the court below correctly noted, in order to obtain a preliminary injunction, a party must demonstrate probability of irreparable harm in the absence of injunctive relief, and either a likelihood that it will succeed on the merits of its claim, or a serious question going to the merits and a balance of hardships tipping decidedly in its favor. We review the court's denial of a preliminary injunction for abuse of discretion.

In an action for trademark infringement, where a mark merits protection, a showing that a significant number of consumers are likely to be confused about the source of the goods identified by the allegedly infringing mark is generally sufficient to demonstrate both irreparable harm and a likelihood of success on the merits. Thus, our inquiry must be whether the district court correctly determined that the plaintiff was not entitled to protection from use of its mark by others in the sale of wireless telephones and related services, and that there was no likelihood that, in the absence of a preliminary injunction, a significant number of consumers would be confused about the sponsorship of defendants' retail stores. For the reasons discussed below, we find that the mark is entitled to protection, and there is a significant likelihood of confusion. We reverse and remand.

II.

A claim of trademark infringement, whether brought under 15 U.S.C. § 1114(1) (for infringement of a registered mark) or 15 U.S.C. § 1125(a) (for infringement of rights in a mark acquired by use), is analyzed under the familiar two-prong test described in *Gruner + Jahr USA Publ'g v. Meredith Corp.,* 991 F.2d 1072 (2d Cir.1993). The test looks first to whether the plaintiff's mark is entitled to protection, and second to whether defendant's use of the mark is likely to cause consumers confusion as to the origin or sponsorship of the defendant's goods. Examining the question as the test dictates, we have no doubt that plaintiff was entitled to a preliminary injunction.

We believe the district court accorded plaintiff too narrow a scope of protection for its famous, arbitrary, and distinctive mark. There could be no dispute that plaintiff prevailed as to the first prong of the test-prior use and ownership. For years, plaintiff had used the VIRGIN mark on huge, famous stores selling, in addition to music recordings, a variety of consumer electronic equipment. At the time the defendants began using VIRGIN, plaintiff owned rights in the mark. The focus of inquiry thus turns to the second prong of the test-whether defendants' use of VIRGIN as a mark for stores selling wireless telephone services and phones was likely to cause confusion. There can be little doubt that such confusion was likely.

The landmark case of *Polaroid Corp. v. Polarad Electronics Corp.,* 287 F.2d 492 (2d Cir.1961) (Friendly, *J.*), outlined a series of nonexclusive factors likely to be pertinent in addressing the issue of likelihood of confusion, which are routinely followed in such cases.

Six of the *Polaroid* factors relate directly to the likelihood of consumer confusion. These are the strength of the plaintiff's mark; the similarity of defendants' mark to plaintiff's; the proximity of the products sold under defendants' mark to those sold under plaintiff's; where the products are different, the likelihood that plaintiff will bridge the gap by selling the products being sold by defendants; the existence of actual confusion among consumers; and the sophistication of consumers. Of these six, all but the last (which was found by the district court to be neutral) strongly favor the plaintiff. The remaining two *Polaroid* factors, defendants' good or bad faith and the quality of defendants' products, are more pertinent to issues other than likelihood of confusion, such as harm to plaintiff's reputation and choice of remedy. We conclude that the *Polaroid* factors powerfully support plaintiff's position.

Strength of the mark. The strength of a trademark encompasses two different concepts, both of which relate significantly to likelihood of consumer confusion. The first and most important is inherent strength, also called "inherent distinctiveness." This inquiry distinguishes between, on the one hand, inherently distinctive marks—marks that are arbitrary or fanciful in relation to the products (or services) on which they are used—and, on the other hand, marks that are generic, descriptive or suggestive as to those goods. The former are the strong marks. *Abercrombie & Fitch Co. v. Hunting World, Inc.,* 537 F.2d 4, 9 (2d Cir.1976). The second sense of the concept of strength of a mark is "acquired distinctiveness," *i.e.,* fame, or the extent to which prominent use of the mark in commerce has resulted in a high degree of consumer recognition.

Considering first *inherent distinctiveness,* the law accords broad, muscular protection to marks that are arbitrary or fanciful in relation to the products on which they are used, and lesser protection, or no protection at all, to marks consisting of words that identify or describe the goods or their attributes. The reasons for the distinction arise from two aspects of market efficiency. The paramount objective of the trademark law is to avoid confusion in the marketplace. The purpose for which the trademark law accords merchants the exclusive right to the use of a name or symbol in their area or commerce is *identification,* so that the merchants can establish goodwill for their goods based on past satisfactory performance, and the consuming public can rely on a mark as a guarantee that the goods or services so marked come from the merchant who has been found to be satisfactory in the past. At the same time, efficiency and the public interest require that every merchant trading in a class of goods be permitted to refer to the goods by their name, and to make claims about their quality. Thus, a merchant who sells pencils under the trademark *Pencil* or *Clear Mark,* for example, and seeks to exclude other sellers of pencils from using those words in their trade, is seeking an advantage the trademark law does not intend to offer. To grant such exclusivity would deprive the consuming public of the useful market information it receives where every seller of pencils is free to call them pencils. The trademark right does not protect the exclusive right to an advertising message—only the exclusive right to an identifier, to protect against confusion in the marketplace. Thus, as a matter of policy, the trademark law accords broader protection to marks that serve exclusively as identifiers and lesser protection where a grant of exclusiveness would tend to diminish the access of others to the full range of discourse relating to their goods.

The second aspect of efficiency that justifies according broader protection to marks that are inherently distinctive relates directly to the likelihood of confusion. If a mark is arbitrary or fanciful, and makes no reference to the nature of the goods it designates, consumers who see the mark on different objects offered in the marketplace will be likely to assume, because of the arbitrariness of the choice of mark, that they all come from the same source. For example, if consumers become familiar with a toothpaste sold under an unusual, arbitrary brand name, such as *ZzaaqQ,* and later see that same inherently distinctive brand name appearing on a different product, they are likely to assume, notwithstanding the product difference, that the second product comes from the same producer as the first. The more unusual, arbitrary, and fanciful a trade name, the more unlikely it is that two independent entities would have chosen it. In contrast, every seller of foods has an interest in calling its product "delicious." Consumers who see the word *delicious* used on two or more different food products are less likely to draw the inference that they must all come from the same producer. *Cf. Streetwise Maps,* 159 F.3d at 744 (noting that several map producers use "street" in product names; thus plaintiff's mark using "street" was not particularly distinctive); *W. Publ'g,* 910 F.2d at 61 (noting numerous registrations of marks using word "golden"). In short, the more distinctive the mark, the greater the likelihood that the public, seeing it used a second time, will assume that the second use comes from the same source as the first. The goal of avoiding consumer confusion thus dictates that the inherently distinctive, arbitrary, or fanciful marks, i.e., strong marks, receive broader protection than weak marks, those that are descriptive or suggestive of the products on which they are used.

The second sense of trademark strength, fame, or "acquired distinctiveness," also bears on consumer confusion. If a mark has been long, prominently and notoriously used in commerce, there is a high likelihood that consumers will recognize it from its prior use. Widespread consumer recognition of a mark previously used in commerce increases the likelihood that consumers will assume it identifies the previously familiar user, and therefore increases the likelihood of consumer confusion if the new user is in fact not related to the first. A mark's fame also gives unscrupulous traders an incentive to seek to create consumer confusion by associating themselves in consumers' minds with a famous mark. The added likelihood of consumer confusion resulting from a second user's use of a famous mark gives reason for according such a famous mark a broader scope of protection, at least when it is also inherently distinctive. *See McGregor,* 599 F.2d at 1132 (noting that secondary meaning may further enlarge the scope of protection accorded to inherently distinctive marks).

Plaintiff's VIRGIN mark undoubtedly scored high on both concepts of strength. In relation to the sale of consumer electronic equipment, the VIRGIN mark is inherently distinctive, in that it is arbitrary and fanciful; the word "virgin" has no intrinsic relationship whatsoever to selling such equipment. Because there is no intrinsic reason for a merchant to use the word "virgin" in the sale of consumer electronic equipment, a consumer seeing VIRGIN used in two different stores selling such equipment will likely assume that the stores are related.

Plaintiff's VIRGIN mark was also famous. The mark had been employed with world-wide recognition as the mark of an airline and as the mark for megastores selling music recordings and consumer electronic equipment. The fame of the mark increased the likelihood that consumers seeing defendants' shops selling telephones under the mark VIRGIN would assume incorrectly that defendants' shops were a part of plaintiff's organization.

There can be no doubt that plaintiff's VIRGIN mark, as used on consumer electronic equipment, is a strong mark, as the district court found. It is entitled as such to a broad scope of protection, precisely because the use of the mark by others in connection with stores selling reasonably closely related merchandise would inevitably have a high likelihood of causing consumer confusion.

Similarity of marks. When the secondary user's mark is not identical but merely similar to the plaintiff's mark, it is important to assess the degree of similarity between them in assessing the likelihood that consumers will be confused. Plaintiff's and defendants' marks were not merely similar; they were identical to the extent that both consisted of the same word, "virgin."

The district court believed this factor did not favor plaintiff because it found some differences in appearance. Defendants' logo used a difference typeface and different colors from plaintiff's. While those are indeed differences, they are quite minor in relation to the fact that the name being used as a trademark was the same in each case.

Advertisement and consumer experience of a mark do not necessarily transmit all of the mark's features. Plaintiff, for example, advertised its Virgin Megastores on the radio. A consumer who heard those advertisements and then saw the defendants' installation using the name VIRGIN would have no way of knowing that the two trademarks looked different. A consumer who had visited one of plaintiff's Virgin Megastores and remembered the name would not necessarily remember the typeface and color of plaintiff's mark. The reputation of a mark also spreads by word of mouth among consumers. One consumer who hears from others about their experience with Virgin stores and then encounters defendants' Virgin store will have no way knowing of the differences in typeface.

In view of the fact that defendants used the same name as plaintiff, we conclude the defendants' mark was sufficiently similar to plaintiff's to increase the likelihood of confusion. This factor favored the plaintiff as a matter of law. We conclude that the district court erred in concluding otherwise on the basis of comparatively trivial and often irrelevant differences.

Proximity of the products and likelihood of bridging the gap. The next factor is the proximity of the products being sold by plaintiff and defendant under identical (or similar) marks. This factor has an obvious bearing on the likelihood of confusion. When the two users of a mark are operating in completely different areas of commerce, consumers are less likely to assume that their similarly branded products come from the same source. In contrast, the closer the secondary user's goods are to those the consumer has seen marketed under the prior user's brand, the more likely that the consumer will mistakenly assume a common source.

While plaintiff had not sold telephones or telephone service prior to defendant's registration evincing intent to sell those items, plaintiff had sold quite similar items of consumer electronic equipment. These included computer video game systems, portable cassette-tape players, compact disc players, MP3 players, mini-disc players, and disposable cameras. Like telephones, many of these are small consumer electronic gadgets making use of computerized audio communication. They are sold in the same channels of commerce. Consumers would have a high expectation of finding telephones, portable CD players, and computerized video game systems in the same stores. We think the proximity in commerce of telephones to CD players substantially advanced the risk that consumer confusion would occur when both were sold by different merchants under the same trade name, VIRGIN.

Our classic *Polaroid* test further protects a trademark owner by examining the likelihood that, even if the plaintiff's products were not so close to the defendants' when the defendant began to market them, there was already a likelihood that plaintiff would in the reasonably near future begin selling those products. VEL's claim of proximity was further strengthened in this regard because, as the district court expressly found, "plans had been formulated [for VEL] to enter [the market for telecommunications products and services] shortly in the future." VEL had already begun marketing telephone service in England which would operate in the United States, and, as the district court found, had made plans to sell telephones and wireless telephone service under the VIRGIN name from its retail stores.

The district court, nonetheless, found in favor of the defendants with respect to the proximity of products and services. We would ordinarily give considerable deference to a factual finding on this issue. Here, however, we cannot do so because it appears the district court applied the wrong test. The court did not assess the *proximity* of defendants' VIRGIN-branded retail stores selling telephone products to plaintiff's VIRGIN-branded retail stores selling other consumer electronic products. It simply concluded that, because defendants were selling exclusively telephone products and services, and plaintiff's electronic products did not include telephones or related services, the defendants must prevail as to the proximity factor.

This represents a considerable misunderstanding of the *Polaroid* test. The famous list of factors of likely pertinence in assessing likelihood of confusion in *Polaroid* was specially designed for a case like this one, in which the secondary user is not in direct competition with the prior user, but is selling a somewhat different product or service. In *Polaroid,* the plaintiff sold optical and camera equipment, while the defendant sold electronic apparatus. The test the court discussed was expressly addressed to the problem "how far a valid trademark shall be protected with respect to goods *other than those to which its owner has applied it.*" 287 F.2d at 495 (emphasis added); *see also Arrow Fastener,* 59 F.3d at 396 (noting that products need not actually compete with each other). The very fact that the test includes the "proximity" between the defendant's products and the plaintiff's and the likelihood that the plaintiff will "bridge the gap" makes clear that the trademark owner does not lose, as the district court concluded, merely because it has not previously sold the precise good or service sold by the secondary user.

In our view, had the district court employed the proper test of proximity, it could not have failed to find a high degree of proximity as between plaintiff VEL's prior sales of consumer electronic audio equipment and defendants' subsequent sales of telephones and telephone services, which proximity would certainly contribute to likelihood of consumer confusion. And plaintiff was all the more entitled to a finding in its favor in respect of these matters by virtue of the fact, which the district court *did* find, that at the time defendants began using the VIRGIN mark in the retail sale of telephones and telephone services, plaintiff already had plans to bridge the gap by expanding its sales of consumer electronic equipment to include sales of those very goods and services in the near future. Consumer confusion was more than likely; it was virtually inevitable.

Actual confusion. It is self-evident that the existence of actual consumer confusion indicates a likelihood of consumer confusion. *Nabisco,* 191 F.3d at 228. We have therefore deemed evidence of actual confusion "particularly relevant" to the inquiry. *Streetwise Maps,* 159 F.3d at 745.

Plaintiff submitted to the district court an affidavit of a former employee of defendant Cel-Net, who worked at a mall kiosk branded as Virgin Wireless, which stated that individuals used to ask him if the kiosk was affiliated with plaintiff's VIRGIN stores. The district court correctly concluded that this evidence weighed in plaintiff's favor.

Sophistication of consumers. The degree of sophistication of consumers can have an important bearing on likelihood of confusion. Where the purchasers of a products are highly trained professionals, they know the market and are less likely than untrained consumers to be misled or confused by the similarity of different marks. The district court recognized that "[r]etail customers, such as the ones catered to by both the defendants and [plaintiff], are not expected to exercise the same degree of care as professional buyers, who are expected to have greater powers of discrimination." On the other hand, it observed that purchasers of cellular telephones and the service plans were likely to give greater care than self-service customers in a supermarket. Noting that neither side had submitted evidence on the sophistication of consumers, the court made no finding favoring either side. We agree that the sophistication factor is neutral in this case.

Bad faith and the quality of the defendants' services or products. Two factors remain of the conventional *Polaroid* test: the existence of bad faith on the part of the secondary user and the quality of the secondary user's products or services. Neither factor is of high relevance to the issue of likelihood of confusion. A finding that a party acted in bad faith can affect the court's choice of remedy or can tip the balance where questions are close. It does not bear directly on whether consumers are likely to be confused. The district court noted some evidence of bad faith on the defendants' part, but because the evidence on the issue was scant and equivocal, the court concluded that such a finding "at this stage [would be] speculative." The court therefore found that this factor favored neither party.

The issue of the quality of the secondary user's product goes more to the harm that confusion can cause the plaintiff's mark and reputation than to the likelihood of confusion. *See Arrow Fastener*, 59 F.3d at 398 (noting that first user's reputation may be harmed if secondary user's goods are of poor quality). In any event, the district court found this factor to be "neutral" with respect to likelihood of confusion.

* * * * * *

In summary we conclude that of the six *Polaroid* factors that pertain directly to the likelihood of consumer confusion, all but one favor the plaintiff, and that one—sophistication of consumers—is neutral. The plaintiff is strongly favored by the strength of its mark, both inherent and acquired; the similarity of the marks; the proximity of the products and services; the likelihood that plaintiff would bridge the gap; and the existence of actual confusion. None of the factors favors the defendant. The remaining factors were found to be neutral. Although we do not suggest that likelihood of confusion may be properly determined simply by the number of factors in one party's favor, the overall assessment in this case in our view admits only of a finding in plaintiff's favor that defendants' sale of telephones and telephone-related services under the VIRGIN mark was likely to cause substantial consumer confusion. . . .

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12.6. Notes

by Michael Grynberg (credit/licensing note: MG-TL25-D, *infra*)

12.6.1. "Likelihood of confusion."

"Likelihood of confusion." Though a simple phrase, "likelihood of confusion" leaves much to the judicial imagination. A "likelihood" may be more than a "possibility," Brennan's, Inc. v. Brennan's Restaurant, L.L.C., 360 F.3d 125 (2d Cir. 2004) ("To succeed on an infringement claim, plaintiff must show that it is probable, not just possible, that consumers will be confused."), but how much more?

Does it mean that any given consumer is more likely than not to be confused? Somewhat likely? Possibly? Does it mean that someone, somewhere, is going to be confused? And what kind of consumer are we worried about? A potential consumer of the product whom we assume to be rational? Ok, but how much attention is our hypothetical consumer expected to pay? Is that a policy question? If so, should courts be answering it? What is the right response to congressional silence?

These questions all coexist with a second set of difficult questions that concern the *kind* of confusion at issue. For now, however, let us stick with the traditional unfair competition concern about confusion as to *source* that is measured at the point of sale (i.e., the moment the consumer makes the decision to purchase).

12.6.2. Multifactor tests

Multifactor tests. Multiple factors might bear on the question whether a likelihood of confusion exists. Eventually, as *Virgin* reflects, the factors used by courts were made explicit. Today, every court of appeals employs roughly similar multifactor tests. *See* 4 MCCARTHY §§ 24:30–:43 (listing factors used by various circuits). The classic example is *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492, 495 (2d Cir. 1961). In that case the court considered (1) strength of plaintiff's mark, (2) degree of similarity between marks, (3) competitive proximity of litigants' products, (4) any actual confusion, (5) likelihood that plaintiff will "bridge the gap" separating the two markets, (6) whether defendant acted in good faith in adopting its mark, (7) quality of defendant's product, and (8) purchaser sophistication. *Id.* The *Restatement* lists similar factors. RESTATEMENT (THIRD) OF UNFAIR COMPETITION §§ 21-23 (1995). Note that the "bridge the gap" factor concerns competitors who are not in the same market. Courts now use the multifactor test even when the parties are in the same market.

Do you think that use of the factors gets us closer to the ultimate question or would we be better off dispensing with them? In thinking about your answer, consider not only the need for effective fact finding, but also for the need of appellate courts to provide effective review of the lower courts.

12.6.3. Applications

Applications. Not all factors are created equal. Think about how you make decisions. For example, how do you decide which elective course to take? There are any number of considerations—let's call them "factors"—to consider (e.g., professor quality, how the professor grades, the amount of reading, the cost of the textbook, interest in the subject matter, relevance to career plans, etc.). Chances are some factors loom larger for you than others. And perhaps your analysis of one factor might spill over into another. For example, if you decide that you like a particular professor's lecture style, you might be more likely to decide that the course's subject matter interests you than you might have otherwise.

Similar dynamics apply to judges applying the multifactor tests in trademark law. Barton Beebe studied the way courts apply the multifactor test and found that judges applying the factors use shortcuts. They focus on a few particularly important factors, employing "'fast and frugal' heuristics to short-circuit the multifactor analysis. A few factors prove to be decisive; the rest are at best redundant and at worst irrelevant." Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 CAL. L. REV. 1581, 1601 (2006). Beebe found that the "core" factors are similarity, defendant's intent, the strength of the plaintiff's mark, and evidence of actual confusion. *Id.* at 1623-42.

12.6.4. Actual confusion and surveys

Actual confusion and surveys. As *Virgin* notes, evidence of actual confusion is typically treated as highly probative of likelihood of confusion. The inverse is usually not true, given that it may be hard to find confused customers. Indeed, consumers may not even know they are confused. That said, the longer the defendant operates without evidence of actual confusion, the more likely a court will weigh that absence in the defendant's favor. Versa Products Co., Inc. v. Bifold Co. (Mfg.) Ltd., 50 F.3d 189, 205 (3d Cir. 1995) ("If a defendant's product has been sold for an appreciable period of time without evidence of actual confusion, one can infer that continued marketing will not lead to consumer confusion in the future. The longer the challenged product has been in use, the stronger this inference will be.").

Though important, evidence of actual confusion is not necessarily dispositive. A court might overlook such examples as being *de minimis* or the product of unreasonable behavior on the part of the beholder (recalling that the standard is that of a reasonable consumer exercising ordinary care). Context matters in assessing how representative examples of confusion actually are. A seemingly large number of confused consumers may actually be *de minimis* when compared to the number exposed to the allegedly infringing trademark use. *See, e.g.*, *Lerner & Rowe PC v. Brown Engstrand & Shely LLC*, 119 F.4th 711, 720–21 (9th Cir. 2024) ("Because we have both the numerator—the 236 calls representing actual confusion—and the denominator—the 109,322 consumers who saw the advertisements—we can discern with a high degree of precision the proportion of all consumers who were actually confused. . . . No reasonable jury would conclude that this percentage is anything but de minimis and fails to support a finding of likelihood of confusion.”).

Parties commonly use surveys to supply evidence of how relevant consumers perceive the trademarks at issue. Courts often base liability decisions in part on surveys that show relatively low confusion percentages. *See generally* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 20 cmt. g (1995) (“Courts have given weight to survey results showing confusion among 25 percent or more of those surveyed even when the survey was partially flawed. Similarly, surveys without obvious defects indicating confusion of seven percent to 15 percent of the sample have been held adequate . . . .”).

Questions about “actual” confusion also raise an underexplored issue about *depth* of confusion. How sure must one be when presented with purportedly confusing stimuli? For an interesting discussion, as well as research results that challenge trademark law’s usual failure to ask this question, *see* Barton Beebe, Roy Germano, Christopher Jon Sprigman & Joel H. Steckel, *Consumer Uncertainty in Trademark Law: An Experimental Investigation*, 72 Emory L.J. 489 (2023).

12.6.5. Good faith/bad faith

Good faith/bad faith. Notwithstanding its treatment in *Virgin*, assessments of the defendant’s intent often loom large in infringement litigation. Beebe’s data “suggest that a finding of bad faith intent creates, if not in doctrine, then at least in practice, a nearly un-rebuttable presumption of a likelihood of confusion.” 94 Cal. L. Rev. at 1628. But why is that relevant to whether a consumer is likely to be confused?˜

12.6.6. The stories we tell

The stories we tell. Consider Judge Leval’s explanation for why strong marks receive more protection than weak ones. Can you think of a different story that would rationalize giving strong marks *less* protection than weak ones?

Speaking of mark strength, how should courts treat suggestive marks? On the one hand they are inherently distinctive, but they are often useful as marketing devices. Competitors may therefore naturally use the terms without an intent to cause confusion. For an interesting discussion of the issue, *see* RiseandShine Corp. v. PepsiCo, Inc., 41 F.4th 112, 122 (2d Cir. 2022) (Leval, J.) ("The trademark law does not favor giving one marketer an exclusive right to prevent others from using . . . valuable marketing terms in their own marketing campaigns. When a mark so clearly evokes the claimed virtues of the product it references, that mark, although perhaps muscular as a marketing tool, is weak under the trademark law."). The discussion in *RiseandShine* raises another deep question. How should appellate courts review lower court decisions in this area? *Id.* at 121 ("While this Court has said, at times, that the classification of a mark is a factual matter, we have also stated that there is an undeniable legal element in the determination of how much strength a given mark commands." (citations omitted)).

12.6.7. Manipulating factors?

Manipulating factors? Some of the factors are vulnerable to outcome-oriented manipulation. Take the consumer care/sophistication factor. Suppose you were litigating a case in which the trademark in question is for a brand of bubble gum, and the product is mainly used by children. Can you tell a consumer-sophistication story to benefit the plaintiff? Very good. Now do one for the defendant. *See, e.g.*, 4 MCCARTHY § 23:92 ("[W]hen the court wants to find no infringement, it says that the average buyer is cautious and careful and would never be confused. But if the judge thinks there is infringement, . . . the average buyer is gullible and . . . easily confused by the similar marks.").

12.6.8. Balancing the factors

Balancing the factors. Once the individual factors are analyzed, how are they weighed against each other? The case law rejects (fortunately) the approach of simply summing the factors together. The point is to consider all the relevant factors, not to add them up. That said, pay attention to how the courts conduct their balancing in the cases that follow. Does it sometimes look like adding the factors up? How do you think the factors should be applied in arriving at a final decision of whether there is a likelihood of confusion?

Is the ultimate balancing a question of fact or law? The majority of circuits say a question of fact, reviewable under a clearly erroneous standard. Note, however, that this approach does not preclude a reviewing court from finding a legal error in the application of any given factor. The Second, Sixth, and Federal Circuits treat the ultimate question of likelihood of confusion as a question of law, reviewable de novo. *See generally* 4 MCCARTHY § 23:73.

12.6.9. Summary dispositions

Summary dispositions. Suppose a judge looks at two marks and thinks, "there's no way anyone could be confused." Is that enough for summary judgment for the defendant? Or must one still go through a full-blown trial to consider the impact of the various factors. Appellate judges frequently disagree on the question of whether summary disposition is acceptable˜.˜

Credit/licensing notes

MG-TL25-D, MICHAEL GRYNBERG

I am very grateful to Michael Grynberg for his generosity in sharing his excellent materials!

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13. Requirement of Defendant's Use-in-Commerce for Trademark Infringement

All material in this chapter by Michael Grynberg
(credit/licensing note: MG-TL25-D, *infra*)

13.1. Defendant trademark use as a condition of infringement

˜Our˜ topic concerns the kinds of acts that create potential liability. The Lanham Act's infringement causes of action require that the defendant's use of infringing matter be "in commerce." What does that mean? Use as a trademark? "Use in commerce" as defined by section 45? Any use that Congress may reach under the Commerce Clause? Something else? Are there uses of a plaintiff's trademark that create a likelihood of confusion but nonetheless fall outside of the statute?

13.2. Statutes

13.2.1. Lanham Act § 32

Section 32 (15 U.S.C. § 1114):

[Provides a civil action against any person using] 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 . . .

13.2.2. Lanham Act § 43(a)

Section 43(a) (15 U.S.C. § 1125(a)):

[Provides a civil action against any person] who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device [that is] likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person[.]

13.2.3. Lanham Act § 45

Section 45 (15 U.S.C. § 1127):

In the construction of this chapter, unless the contrary is plainly apparent from the context . . . .

The term “use in commerce” means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce—

(1) on goods when—

(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and

(B) the goods are sold or transported in commerce, and

(2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.

13.2.4. Lanham Act § 33(b)(4)

Section 33(b)(4) (15 U.S.C. § 1115(b)(4)):

[Provides a defense to a claim of infringement of an incontestable mark where the:] use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party’s individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin;

13.3. Case: *Radiance v. NAACP* (4th Cir. 2015)

Radiance Foundation, Inc. v. N.A.A.C.P.

786 F.3d 316 (4th Cir. 2015)

WILKINSON, Circuit Judge:

The Radiance Foundation published an article online entitled "NAACP: National Association for the Abortion of Colored People" that criticized the NAACP's stance on abortion. In response to a cease-and-desist letter from the NAACP, Radiance sought a declaratory judgment that it had not infringed any NAACP trademarks. The NAACP then filed counterclaims alleging trademark infringement and dilution.

The Lanham Act protects against consumer confusion about the source or sponsorship of goods or services. Persons may not misappropriate trademarks to the detriment of consumers or of the marks themselves. However, the Act's reach is not unlimited. To find Lanham Act violations under these facts risks a different form of infringement—that of Radiance's expressive right to comment on social issues under the First Amendment. Courts have taken care to avoid Lanham Act interpretations that gratuitously court grave constitutional concerns, and we shall do so here. We hold that Radiance is not liable for trademark infringement or dilution of defendant's marks by tarnishment. We vacate the injunction against Radiance entered by the district court and remand with instructions that defendant's counterclaims likewise be dismissed.

I.

The National Association for the Advancement of Colored People, better known by its acronym "NAACP," is this country's "oldest and largest civil rights organization," *Radiance Found., Inc. v. NAACP,* 25 F.Supp.3d 865, 872 (E.D.Va.2014), and one that holds a place of honor in our history. It champions "political, educational, social, and economic equality of all citizens" while working to eliminate racial and other forms of prejudice within the United States. Since its formation, it has pursued these objectives not only through litigation but also through community outreach, informational services, and educational activities on issues of significance to the African American community. The NAACP owns several trademarks, among them "NAACP" (federally registered) and "National Association for the Advancement of Colored People."

The Radiance Foundation, established by Ryan Bomberger, is also a non-profit organization focused on educating and influencing the public about issues impacting the African American community. Radiance addresses social issues from a Christian perspective. It uses as its platform two websites, TheRadianceFoundation.org and TooManyAborted.com, where it posts articles on topics such as race relations, diversity, fatherlessness, and the impact of abortion on the black community. Radiance also runs a billboard campaign for TooManyAborted.com; individuals may sponsor these billboards, licensing the artwork from Radiance. In addition to its billboard campaign, Radiance funds its endeavors through donations from visitors to its websites, which are facilitated by "Donate" buttons on the webpages that link to a PayPal site.

In January 2013, Bomberger authored an article criticizing the NAACP's annual Image Awards, entitled "NAACP: National Association for the Abortion of Colored People." The piece lambasted the NAACP for sponsoring an awards event to recognize Hollywood figures and products that Radiance alleged defied Christian values and perpetuated racist stereotypes. The article then criticized other of the NAACP's public stances and actions. It particularly targeted the NAACP's ties to Planned Parenthood and its position on abortion. Though the NAACP has often claimed to be neutral on abortion, Radiance maintains that the NAACP's actions actually demonstrate support for the practice.

The article appeared on three websites: the two owned by Radiance—TheRadianceFoundation.com and TooManyAborted.com—and a third-party site called LifeNews.com. Though the text of the article was identical across the sites, the headlines and presentation varied slightly. On TheRadianceFoundation.com, directly below the headline was an image of a TooManyAborted billboard with the headline "NAACP: National Association for the Abortion of Colored People" repeated next to it. The TooManyAborted.com site posted the headline "The National Association for the Abortion of Colored People" with a graphic below of a red box with the words "CIVIL WRONG" followed by the modified NAACP name. Adjacent to the article on both pages was an orange button with "CLICK HERE TO GIVE ONE–TIME GIFT TO THE RADIANCE FOUNDATION" printed around the word "DONATE." Finally on LifeNews.com, the third-party site, the NAACP's Scales of Justice appeared as a graphic underneath the headline....

[After a bench trial, the district court found, among other things, that Radiance "had used the marks "in connection with" goods and services and that its use of the "NAACP" and "National Association for the Advancement of Colored People" marks, or a colorable imitation, created a likelihood of confusion among consumers."]

II.

A.

.... The Lanham Act's provisions prohibiting trademark infringement, 15 U.S.C. §§ 1114(1) and 1125(a), exist to protect consumers from confusion in the marketplace. Trademarks designate the source or affiliation of goods and services in order to provide consumers with information about those goods and services, allowing mark holders to build and benefit from the reputation of their brands. Trademark infringement laws limit the ability of others to use trademarks or their colorable imitations in commerce, so that consumers may rely on the marks to make purchasing decisions.

Trademark protection, however, comes at a potential cost to free expression. Much like advertising regulations that prohibit using false or misleading information, trademark infringement laws restrict speech in order to promote the government's interest in protecting consumers from confusing misappropriations of product identifications. However, Congress "did not intend for trademark laws to impinge the First Amendment rights of critics and commentators." *Lamparello v. Falwell,* 420 F.3d 309, 313 (4th Cir.2005). The Lanham Act and First Amendment may be in tension at times, but they are not in conflict so long as the Act hews faithfully to the purposes for which it was enacted. The risk of impinging on protected speech is much greater when trademarks serve not to identify goods but rather to obstruct the conveyance of ideas, criticism, comparison, and social commentary. The canon of constitutional avoidance in this area is thus not a device of judicial evasion but an effort to reconcile the commercial values protected by the Lanham Act and the democratic value of expressive freedom.

It is for this reason that an actionable trademark claim does not simply require that the alleged infringer used in commerce the mark that the trademark holder possesses. It also requires that the infringer's use be "in connection with" goods or services in a manner that is "likely to cause confusion" among consumers as to the goods' or services' source or sponsorship. 15 U.S.C. §§ 1114(1)(a) & 1125(a)(1). Use of a mark that does not satisfy these two criteria is not trademark infringement.

B.

The first element of trademark infringement at issue is thus whether Radiance's use of the NAACP's marks was "in connection with the sale, offering for sale, distribution, or advertising of any goods or services." 15 U.S.C. § 1114(1)(a); *see also id.* § 1125(a)(1) (requiring mark be used "in connection with any goods or services"). The NAACP urges us to give this requirement a "broad construction," but that construction would expose to liability a wide array of noncommercial expressive and charitable activities. Such an interpretation would push the Lanham Act close against a First Amendment wall, which is incompatible with the statute's purpose and stretches the text beyond its breaking point. We decline to reach so far.

At least five of our sister circuits have interpreted this element as protecting from liability all noncommercial uses of marks. *Farah v. Esquire Magazine,* 736 F.3d 528, 541 (D.C.Cir.2013); *Utah Lighthouse Ministry v. Found. for Apologetic Info. & Research,* 527 F.3d 1045, 1052–54 (10th Cir.2008); *Bosley Med. Inst., Inc. v. Kremer,* 403 F.3d 672, 676–77 (9th Cir.2005); *Taubman Co. v. Webfeats,* 319 F.3d 770, 774 (6th Cir.2003); *Porous Media Corp. v. Pall Corp.,* 173 F.3d 1109, 1120 (8th Cir.1999). *But see United We Stand,* 128 F.3d at 89–90. We have not taken a position on whether "in connection with" goods or services indicates a commercial use.

At the very least, reading the "in connection with" element to take in broad swaths of noncommercial speech would be an "overextension" of the Lanham Act's reach that would "intrude on First Amendment values." *Rogers,* 875 F.2d at 998; *see also Taubman,* 319 F.3d at 774 (stating that the "Lanham Act is constitutional because it only regulates commercial speech"). It is true that neither of the Lanham Act's infringement provisions explicitly mentions commerciality. Still, this provision must mean something more than that the mark is being used in commerce in the constitutional sense, because the infringement provisions in § 1114(1)(a) and § 1125(a)(1) include a separate Commerce Clause hook.

Although this case does not require us to hold that the commercial speech doctrine is in all respects synonymous with the "in connection with" element, we think that doctrine provides much the best guidance in applying the Act. The "in connection with" element in fact reads very much like a description of different types of commercial actions: "in connection with the *sale, offering for sale, distribution,* or *advertising* of any goods or services." 15 U.S.C. § 1114(1)(a) (emphasis added).

Use of a protected mark as part of "speech that does no more than propose a commercial transaction" thus plainly falls within the Lanham Act's reach. Courts also look to the factors outlined in *Bolger v. Youngs Drug Products Corp.,* 463 U.S. 60, 66–67 (1983): whether the speech is an advertisement; whether the speech references a particular good or service; and whether the speaker (the alleged infringer) has a demonstrated economic motivation for his speech. These are not exclusive factors, and the presence or absence of any of them does not necessitate a particular result.

In the context of trademark infringement, the Act's purpose, as noted, is to protect consumers from misleading uses of marks by competitors. Thus if in the context of a sale, distribution, or advertisement, a mark is used as a source identifier, we can confidently state that the use is "in connection with" the activity. Even the Second Circuit, which rejected noncommerciality as an invariable defense to Lanham Act liability, conceded that a "crucial" factor is that the infringer "us[ed] the Mark not as a commentary on its owner, but instead as a source identifier." *United We Stand,* 128 F.3d at 92. The danger of allowing the "in connection with" element to suck in speech on political and social issues through some strained or tangential association with a commercial or transactional activity should thus be evident. Courts have uniformly understood that imposing liability under the Lanham Act for such speech is rife with the First Amendment problems.

Finally, in order to determine whether the use is "in connection with" goods or services, we must consider what qualifies as a good or service. The Lanham Act does not directly define either term, but we can deduce their meaning from other defined terms and common usage. A "good" is best understood as a valuable product, physical or otherwise, that the consumer may herself employ. *See* 15 U.S.C. § 1127 (noting that a mark may be used in commerce in relation to a good when placed on a good, its container, its tag, or its associated documents); Black's Law Dictionary 809 (10th ed.2014) (defining "goods" as "[t]hings that have value, whether tangible or not"). A service is a more amorphous concept, "denot[ing] an intangible commodity in the form of human effort, such as labor, skill, or advice." Black's Law Dictionary 1576. Because Congress intended the Lanham Act to protect consumers from confusion in the marketplace, it is probable that the Act is meant to cover a wide range of products, whether "goods" or "services." *See Yates v. United States,* ––– U.S. ––––, 135 S.Ct. 1074 (2015) ("Ordinarily, a word's usage accords with its dictionary definition. In law as in life, however, the same words, placed in different contexts, sometimes mean different things.").

It is clear, therefore, that despite the need to reconcile the reach of the Lanham Act with First Amendment values, "goods or services" remains a broad and potentially fuzzy concept. That is yet another reason why the "in connection with" language must denote a real nexus with goods or services if the Act is not to fatally collide with First Amendment principles....

III.

In applying the above principles, we think the district court made several errors. Those mistakes extended the Lanham Act beyond the purposes it was intended to serve.

A.

In finding that Radiance's use of the NAACP's marks was "in connection with" goods or services, the district court erred in several respects. To begin, the court held that because the Radiance article appeared in a Google search for the term "NAACP," it diverted "Internet users to Radiance's article as opposed to the NAACP's websites," which thereby created a connection to the NAACP's goods and services. *Radiance Found., Inc. v. NAACP,* 25 F.Supp.3d 865, 884 (E.D.Va.2014). But typically the use of the mark has to be in connection with the infringer's goods or services, not the trademark holder's. *See Utah Lighthouse Ministry v. Found. for Apologetic Info. & Research,* 527 F.3d 1045, 1053–54 (10th Cir.2008) (stating that "the defendant in a trademark infringement ... case must use the mark in connection with the goods or services of a competing producer, not merely to make a comment on the trademark owner's goods or services").

If the general rule was that the use of the mark merely had to be in connection with the trademark holder's goods or services, then even the most offhand mention of a trademark holder's mark could potentially satisfy the "in connection with" requirement. That interpretation would expand the requirement to the point that it would equal or surpass the scope of the Lanham Act's "in commerce" jurisdictional element. This would not only make the jurisdictional element superfluous, but would hamper the ability of the "in connection with" requirement to hold Lanham Act infractions within First Amendment limits.

In *People for the Ethical Treatment of Animals v. Doughney,* we stated that an infringer "need only have prevented users from obtaining or using [the trademark holder's] goods or services, or need only have connected the [infringing] website to other's goods or services" in order to satisfy the "in connection with" requirement. 263 F.3d 359, 365 (4th Cir.2001). But that rule applies specifically where the infringer has used the trademark holder's mark in a *domain name.* Neither of Radiance's websites used an NAACP mark in its domain name. Rather, Radiance used the NAACP's marks only in the title and body of an article criticizing the NAACP. Nothing in *PETA* indicates that the use of a mark in the course of disseminating such an idea is on that account sufficient to establish the requisite relationship to goods or services. *PETA* simply does not govern the application of the "in connection with" element in this case.

The district court proceeded to find that Radiance's use of the NAACP's marks was also in connection with *Radiance's* goods or services. But the court's analysis failed to demonstrate a sufficient nexus between the specific use of the marks and the sale, offer for sale, distribution, or advertisement of any of the goods or services that the court invoked. The court first found that there was a sufficient nexus "with Radiance's own information services" because Radiance "provided information" on its website. That ruling, however, neuters the First Amendment. The provision of mere "information services" without any commercial or transactional component is speech—nothing more.

In the alternative, the court held that Radiance's use of the NAACP's marks was in connection with goods or services, because the use was "part of social commentary or criticism for which they solicit donations and sponsorship." The NAACP echoes the district court, arguing that the transactional nature of the billboard campaign and Radiance's fundraising efforts place Radiance's use of the marks "comfortably within" the reach of the "in connection with" element.

We need not address this point with absolute pronouncements. Suffice it to say that the specific use of the marks at issue here was too attenuated from the donation solicitation and the billboard campaign to support Lanham Act liability. Although present on the article page, the Donate button was off to the side and did not itself use the NAACP's marks in any way. The billboard campaign was displayed on a different page altogether. A visitor likely would not perceive the use of the NAACP's marks in the article as being in connection with those transactional components of the website. It is important not to lose perspective. The article was just one piece of each Radiance website's content, which was comprised of articles, videos, and multimedia advocacy materials. That the protected marks appear somewhere in the content of a website that includes transactional components is not alone enough to satisfy the "in connection with" element. To say it was would come too close to an absolute rule that any social issues commentary with any transactional component in the neighborhood enhanced the commentator's risk of Lanham Act liability.

The Supreme Court has warned "that charitable appeals for funds … involve a variety of speech interests … that are within the protection of the First Amendment." *Vill. of Schaumburg v. Citizens for a Better Env't,* 444 U.S. 620, 632 (1980). Such solicitation, the Court stated, is not a "variety of purely commercial speech." Courts are thus well-advised to tread cautiously when a trademark holder invokes the Lanham Act against an alleged non-profit infringer whose use of the trademark holder's marks may be only tenuously related to requests for money. Again, this is not to say that in all instances a solicitation by a non-profit is immune from Lanham Act liability. A solicitation may satisfy the "in connection with" element if the trademark holder demonstrates a sufficient nexus between the unauthorized use of the protected mark and clear transactional activity. Such a nexus may be present, for example, where the protected mark seems to denote the recipient of the donation. However, where, as here, the solicitations are not closely related to the specific uses of the protected marks, we are compelled to conclude that the district court erred in ruling that the "in connection element" was met.…

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13.4. Note: Noncommercial use in other circuits

Noncommercial use in other circuits. Alliance for Good Gov't v. Coalition for Better Gov't, 998 F.3d 661 (5th Cir. 2021), involved the alleged infringement of a political organization's name by another political organization. The plaintiff prevailed and was awarded fees. On appeal, the defendant argued that the fee award would violate the First Amendment. The Fifth Circuit rejected the argument, relying on a mix of waiver and law-of-the-case considerations. In dissent, Judge Dennis argued that law of the case should not apply to prior rulings that were clearly in error. In arguing this was such a case, he summarized the case law on a commercial use requirement as follows:

> Significantly, both [§ 32 and § 43(a)] require that actionable infringement be "in connection with" goods or services in a manner likely to cause confusion to consumers. *Compare* 15 U.S.C. § 1125(a) (use of mark "in connection with any goods or services"), with *id*. § 1114(1) (use of mark "in connection with the sale, offering for sale, distribution, or advertising of any goods or services"). "This is commonly described as the commercial use requirement." *Utah Lighthouse Ministry*, 527 F.3d at 1052.
>
> In light of this requirement, the clear majority of circuits to have considered whether the Act applies to any noncommercial speech have determined that it does not. *See Bosley Med. Inst., Inc*., 403 F.3d at 676–77 (construing § 32(1)); *Taubman Co*., 319 F.3d at 774 (same); *Farah*, 736 F.3d at 541; *Utah Lighthouse Ministry*, 527 F.3d at 1052–54; *Porous Media Corp*., 173 F.3d at 1120; *cf. S.F. Arts & Athletics, Inc*., 483 U.S. at 566 (Brennan, J., dissenting); *Radiance Found., Inc.*, 786 F.3d at 322.

Id. at 675 (Dennis, J., dissenting). Judge Dennis described the outlier precedent as follows:

> In *United We Stand, Inc. v. United We Stand, America New York, Inc*., the Second Circuit held that that noncommercial

> political activities may be "services" within the meaning of the Lanham Act but also stated that a "crucial" factor in permitting such a conclusion is that the infringer "us[e] the Mark not as a commentary on its owner, but instead as a source identifier." 128 F.3d 86, 89-92 (2d Cir. 1997). Not only is the Second Circuit the sole outlier court in an otherwise uniform line of federal appellate authority holding that the Lanham Act does not apply to noncommercial speech, but the Second Circuit is also incorrect that purely political speech is a "service" under the Lanham Act. "[S]uch a service is not being rendered in commerce[;] it is being rendered as part of the political process." Tax Cap Comm. v. Save Our Everglades, Inc., 933 F. Supp. 1077, 1081 (S.D. Fla. 1996).

Id. at 675 (Dennis, J., dissenting).˜

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for Prof. Grynberg is here: https://law.depaul.edu/faculty-and-staff/faculty-a-z/Pages/michael-grynberg.aspx. The original work was available at SSRN: https://ssrn.com/abstract=3894036. That site now provides access to a successor version of the same book.

I am very grateful to Michael Grynberg for his generosity in sharing his excellent materials!

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Trademark Law in the United States

Volume Alpha

Logo Edition 0.01

About this book

This is a working draft of a casebook on U.S. trademark law assembled by Eric E. Johnson (ericejohnson.com) incorporating and adapting open-licensed material by Michael Grynberg and James Grimmelmann, as well as public domain material from the U.S. federal government.

This document can be considered Version 0.01 of Volume Alpha of the casebook. Please check ericejohnson.com for more refined versions.

If you find this material helpful, or if you adopt it for a class or make improved versions, please drop me a note! I'll be glad to know that my work was useful.

This book is not offered as legal advice. It undoubtedly contains mistakes.

– EEJ

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