Trademark Law

Prof. Madison

Today: Infringement basics

Key concepts from Class 11:

Don't forget: Legal rules and concepts as tools for problem solving. Mark X for Product (Service) Y. *Ask questions.*

The *Tea Rose* / *Rectanus* doctrine.

Intersections: priority, use, geography, registration.

Foreign use and exceptions.

University of Pittsburgh
School of Law

Where were we?

A typical drama, in Pittsburgh:

1. **In Pittsburgh, "Hot Dogma" opens 2004.**
2. **Dogma Grill in Miami, Florida sends a cease and desist letter, based on a federal registration and claiming a priority date of 2002 and a filing date of 2003.**

Must Hot Dogma change its name? Should it? Why?

Downtown hot dog eatery ordered to change its name

Call off the dogmas

STEVE LEVIN
Pittsburgh Post-Gazette

OCT 24, 2006 12:00 AM

Franks for the memories, Hot Dogma.

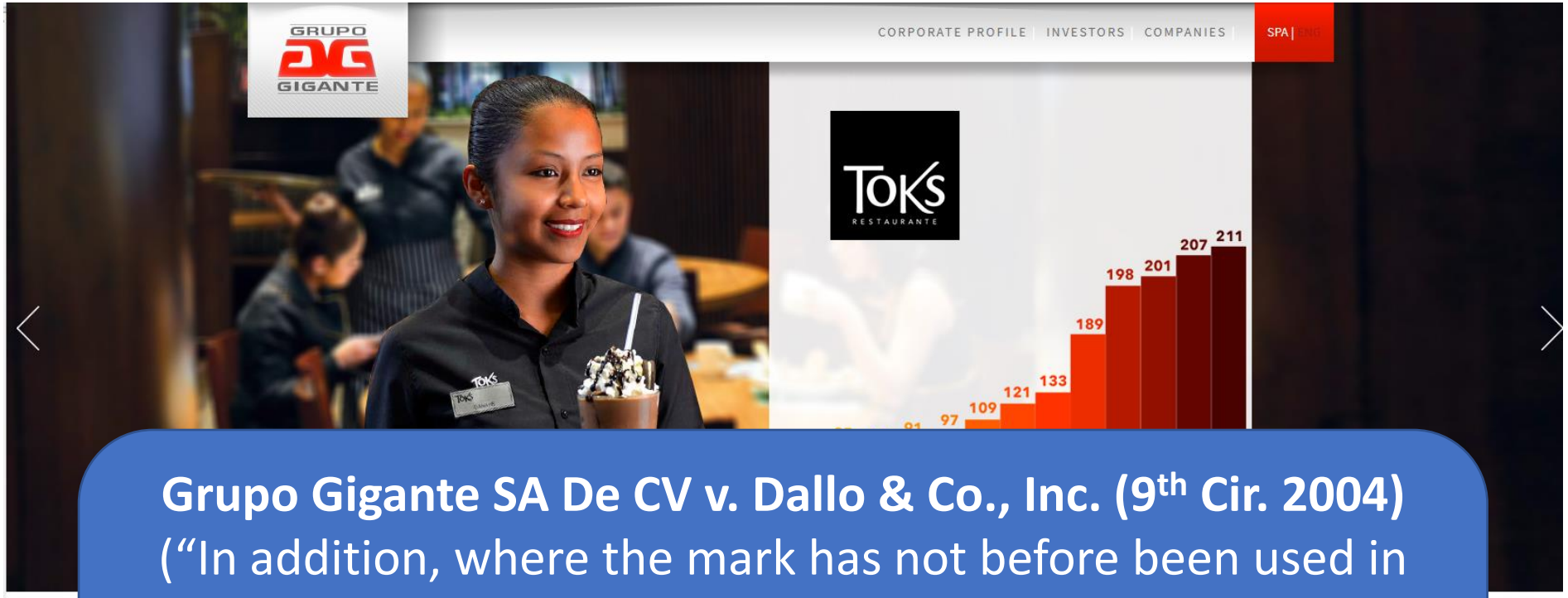
In the dog-eat-dog world of hot dog restaurants, the Pittsburgh location has decided to settle and change its name to Franktuary.

The settlement ends 17 months of legal wrangling with a Miami Beach restaurant that made a federal case out of the Pittsburgh site's name. Dogma Grill has a trademark on the word "dogma" and its attorneys contended the similarity in names might confuse consumers.

The settlement includes a small, undisclosed financial compensation and an agreement to drop the name Hot Dogma from its signs, Web site and merchandising.

LATEST LOCAL

National borders and “well-known” marks



Grupo Gigante SA De CV v. Dallo & Co., Inc. (9th Cir. 2004) (“In addition, where the mark has not before been used in the American market, the court must be satisfied, by a preponderance of the evidence, that **a substantial percentage of consumers** in the relevant American market is familiar with the foreign mark.”)

Priority exercise:

FC Bayern Munich is one of the most famous soccer clubs in the world. It plays in the German *Bundesliga* (top division). **Does Bayern's US priority of the mark "FC Bayern Munich," for entertainment services in the form of professional sports exhibitions, and merchandise and apparel, date from:**

1. **1976**: Bayern Munich matches appear in edited US TV broadcasts titled "Soccer Made in Germany," on PBS.
2. **1989**: Bayern Munich replica jerseys are imported and sold to US customers via mail order supplied by third parties.
3. **2006:** Bayern Munich matches appear on US cable and satellite TV networks licensed by the *Bundesliga.*
4. **2012:** US Bayern Munich Fan Club organizes and holds meetings in New York City, without official FC Bayern sponsorship. *Can the organizers claim priority over the club w/r/t rights to the Bayern Munich mark in New York?*
5. **2014:** Bayern Munich tours US for exhibition matches following the German World Cup victory in Brazil; Bayern partners with a US soccer academy to train US youth soccer players at the Bayern academy in Germany; Bayern Munich opens a marketing office in New York City.
6. **2016:** Bayern Munich competes in tournament matches in the US.

New topic!

Imagine TM law as a hypothetical lawsuit.

Plaintiffs must plead, then prove, elements of a claim for relief:

1 - Ownership of a valid mark (*X for Y; don't forget: primary significance of the mark in the minds of consumers is distinctiveness as to source, a/k/a goodwill*)

2 - Use of the mark by the **defendant(s)** without permission / authorization

3 - In a way that violates a TM entitlement (passing off, appropriation of goodwill, likelihood of confusion, dilution)

4 - Harm (?) (*TM blends (i) tort / unfair competition law & (ii) property-ish concepts*)

A historical note: trademark law vs. common law of unfair competition

Unfair competition came in two varieties (and still does):

1. **Misappropriation of goodwill**

(Plaintiff's $$$ investment in its business/market position was "appropriated" by Defendant's unfair tactics (free riding?); misappropriation points to protecting company investments in "goodwill" in a specific market; see *INS v. AP* (S. Ct. 1918))

2. **Passing off (s/k/a "counterfeiting")**

(Defendant passed off their goods as if they were the Plaintiff's goods; Plaintiff had to plead and prove some form of marketplace competition and/or actual customer confusion; the cause of action was not limited to trademarks; passing off points to protecting consumers in the market)

Originally – pre-1946 – federal trademark law focused entirely on registered (so-called "technical") trademarks. Only "inherently distinctive" marks could be registered. For statutory trademark infringement, the registered trademark owner plaintiff did not have to prove "misappropriation of goodwill" or "consumer confusion" – only similarity of marks in the same/similar markets. The defendant could try to prove a lack of confusion as an affirmative defense.

Today (under the Lanham Act, building on the Restatement of Torts and Restatement of Unfair Competition), older unfair competition concepts and older technical trademark concepts are blended:

1. Section 32 (registered marks):

(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**; …

2. Section 43(a) (unregistered distinctive marks, unfair competition):

(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**, …

Today: Likelihood of confusion (as to source/sponsorship of defendant's goods/services) is the touchstone of all TM law, under both Section 32 and 43. The same multi-factor tests apply, with a *consumer focus.* Topics:

- Actually confused? *Likely* confused?
- Who is confused? Confused how? Confused as to what? Confused when?
- Did the def't cause the confusion by using the mark? Did the def't intend to cause confusion?
- Has the confusion caused *harm*? To whom?
- Is the harm a *trademark* harm?
- Is confusion a proxy for something else? When we argue about confusion are we really arguing (instead) about *unjust enrichment [i.e., free riding], appropriation of goodwill [i.e., lost investment], lost sales [i.e., fair or unfair competition], and/or actual harm to consumers [deception? increased search costs?]*

A legal reasoning detour (what does LoC mean?)

1. Legal analysis as *logic* (induction and deduction):

(i) rule (major premise); (ii) facts (minor premise); (iii) rule as applied to fact (conclusion). *Gets heavy emphasis in legal writing courses.*

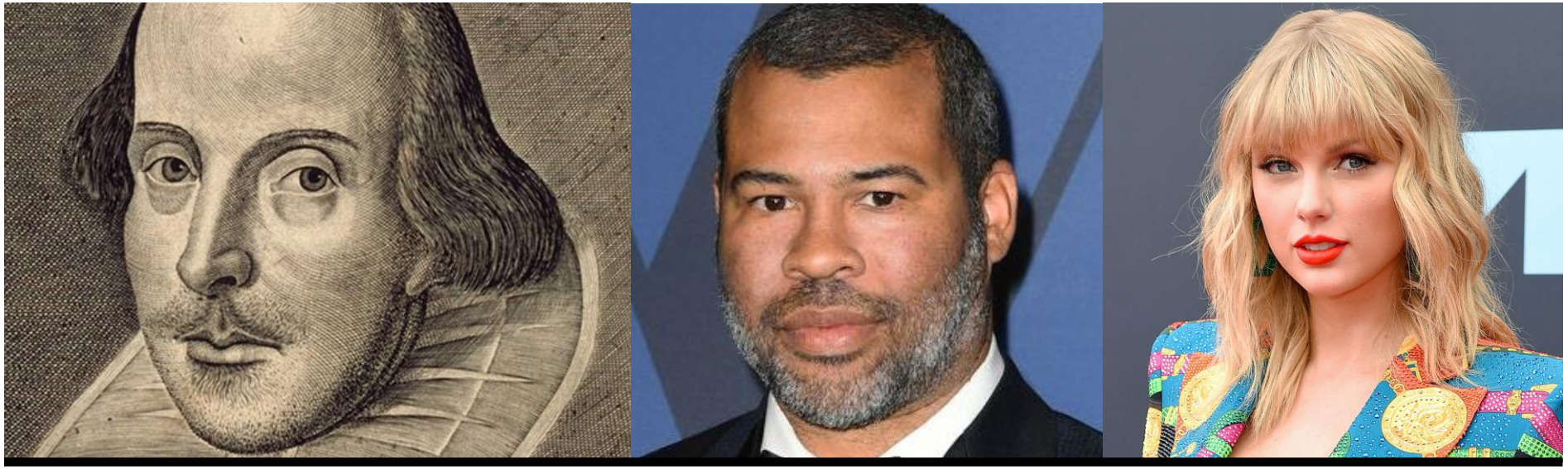
2. Legal analysis as *precedent* (this case is / is not this other case):

Gets heavy emphasis in "doctrinal" courses, some emphasis in legal writing.

3. Legal analysis as *storytelling* (this case is a comedy/drama; the outcome should be a satisfying ending (happy? revenge? punishment? a combination?):

- Who is the hero? The villain? The supporting characters?
- What's the setting?
- What's the plot and what are the key "moments" - i.e., conflict and resolution? ("Lovers split up"; "a stranger comes to town"; "overcoming the monster"; "rags to riches," etc.)
- What motivates the characters and drives the plot? What's the "MacGuffin"? [The mark!] Is "motivation" the story-based equivalent of "intent" in TM law?

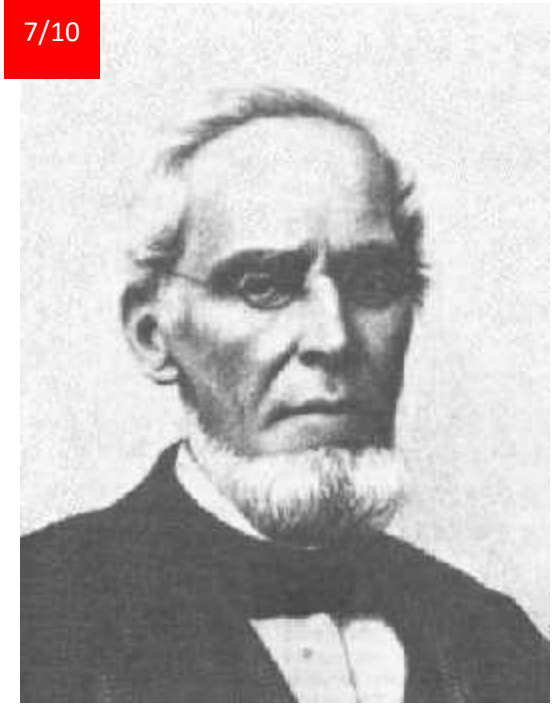
Great storytellers in popular culture



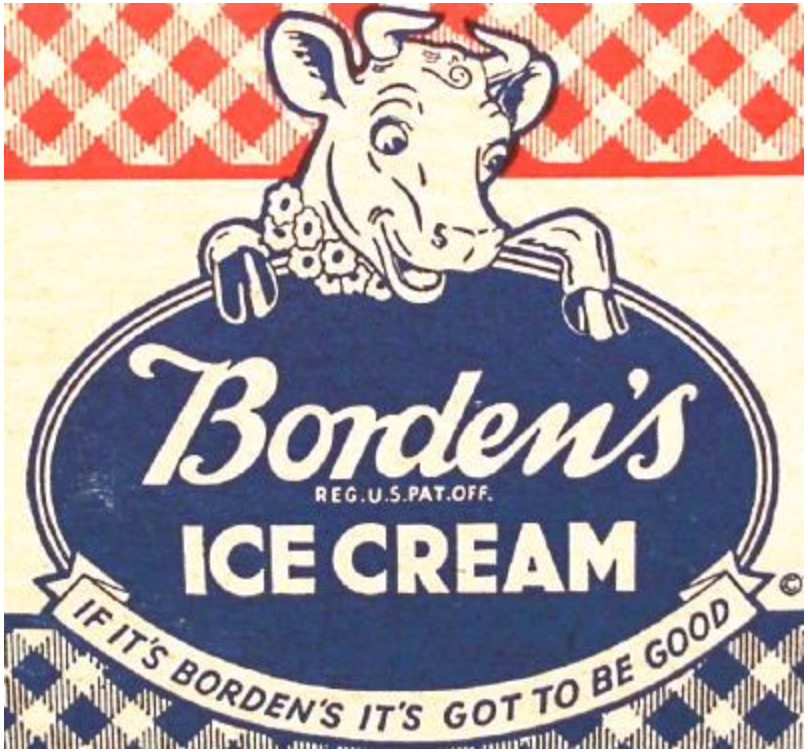
Stories come in recognizable patterns. In analyzing the problem, link a legal theory of (e.g., likelihood of confusion) to a pattern.

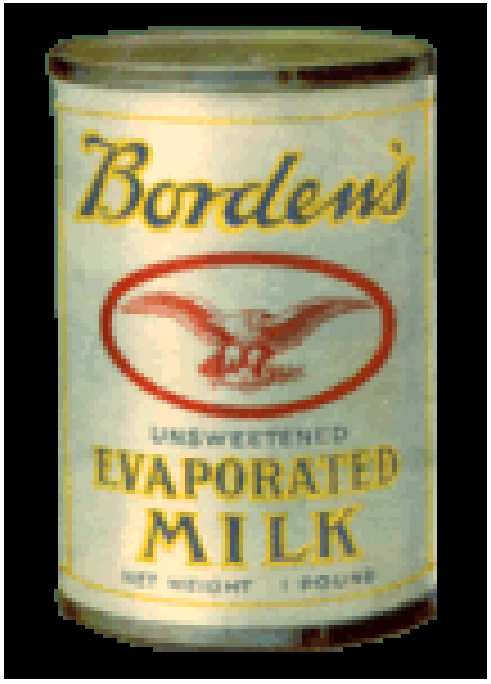
Plaintiff examples: "I worked hard and have nothing to show for it"; "you stole my hard-earned wealth/status/position"; "you broke my nose"; "you stabbed me in the back"

Defendant examples: "that didn't happen" or "something else happened" or "so what?" or "no harm, no foul"



Gail Borden, Jr. (1801-1874)





Illustrating an *older style* of trademark analysis: *Borden Ice Cream Co. v. Borden's Condensed Milk Co.* (7th Cir. 1912)

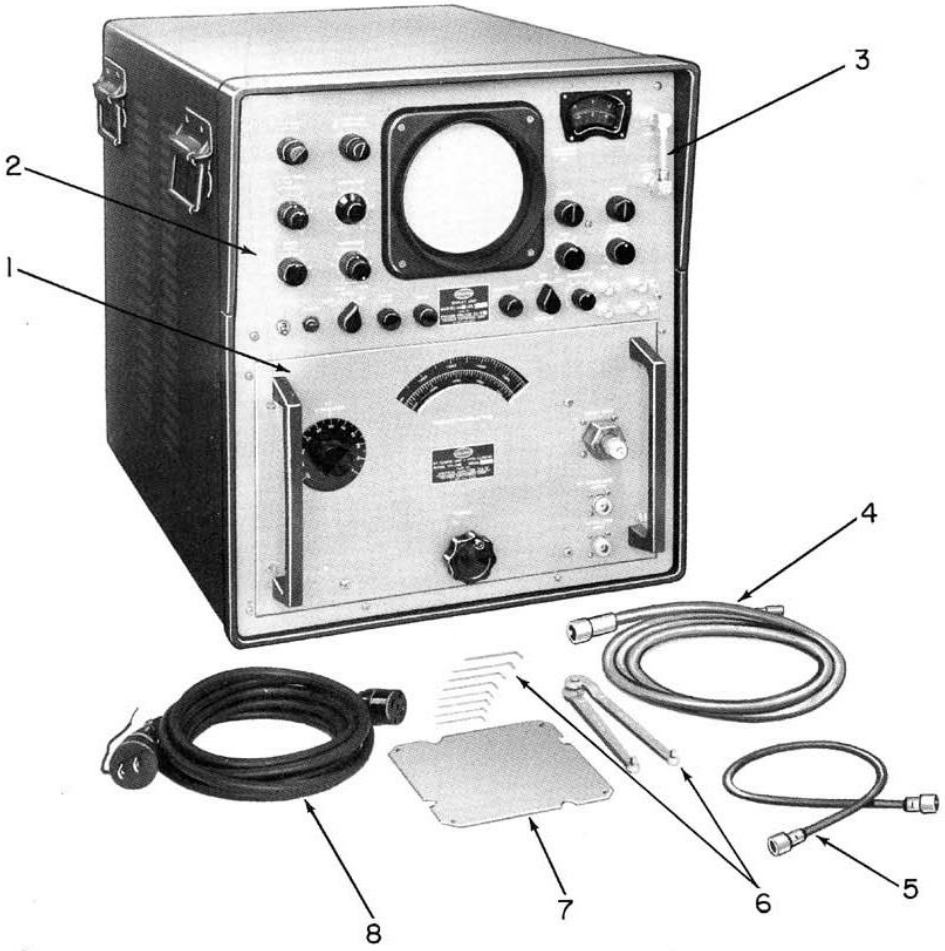
The "competing goods" restriction dooms the plaintiff's claim. The plaintiff almost certainly would win the case if it were brought today.
Why?

Noncompeting goods: illustrating the transition to the *modern approach:* *focus on consumer understandings of "the market" rather than on an "objective" meaning of "the market"*

"Yale" for locks and keys (senior)
v. "Yale" for flashlights and batteries (junior).

Plaintiff wins (*Yale Electric Corp. v. Robertson*, 2d Cir. 1928)

Polaroid Corp. v. Polarad Electronics Corp. (2d Cir. 1961): Do the companies/products compete?



Drawing Page

(1999)

Serial Number:
75845511

Applicant:
Corporate Solutions LLC
80-33 Chevy Chase Street
Jamaica Estates NY USA 11432

Goods and Services:
Without limitations, all Wireline and Wireless Telecommunications Services and Sales, including Network Telecommunications, Sub-Network Telecommunications, Sales of all Wireline and Wireless Telephone and Telecommunications Services, Instruments and Appliances; Internet and Intranet Telecommunications and Telephone Sales and Services, including all wireless and wireline Audio and Visual Telecommunications Sales and Services.

Mark:

VIRGIN MOBILE

(2001)

Virgin Enterprises Ltd. v. Nawab
(2d Cir. 2003): what do consumers think?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